CITY OF LINCOLN,
STATE OF CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended
June 30, 2015

Prepared by
Support Services Department
Finance Division

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City of Lincoln,
California

Comprehensive Annual Financial Report

For the Year Ended
June 30, 2015

Prepared by Support Services Department

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CITY OF LINCOLN
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

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INTRODUCTORY SECTION

- **Transmittal Letter**
- **List of Officials**
- **Organizational Chart**

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City of
Lincoln
Live. Life. Lincoln

January 7, 2016

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, 2015 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 25 miles northeast of Sacramento in the northernmost region of South Placer County. The City occupies 20 square miles and serves a population of more than 45,800 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.

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 recovery from the recent economic recession has been slow. The City has, in recent years, seen a significant 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 11.2 percent in 2015. According to the California Department of Housing and Community Development (HCD), the 2015 median income for a four-person household in Placer County was $76,100. The median household income in Lincoln was $73,000, slightly below Placer County's median income for the same period.

During Fiscal Year 2014-15, 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. Public safety continues to represents the single largest expenditure category within the governmental activities fund group. During the past ten years, expenditures related to public safety have increased not only in amount, but also as a percentage of total expenditures in governmental funds. For the fiscal year ended June 30, 2015, public safety costs totaled $8.8 million or 63.3 percent of total governmental activities expenditures compared to $7.4 million (25.3 percent of total governmental activities expenditures) in Fiscal Year 2005-2006. Much of this increase reflects a state-wide trend that has seen the salaries and benefits of police and firefighters growing at a faster rate than those of other categories of public-sector employees.

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 $9.4 million or 65.7 percent of total General Fund expenditures and transfer-out. This is consistent with the City Council approved General Fund Reserves Policy 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 2014-15 fiscal year, the City continued implementation of a Strategic Action Plan to promote business retention and expansion and to attract and grow new business within the City of Lincoln. The City has benefitted from the completion of the Highway 65 Bypass (the longest stretch of freeway built in California in the last ten years) which provided improved mobility and economic stimulus for the City's airport and industrial area. In addition, several major residential development projects moved forward including the $73 million Mid-Western Placer Regional Sewer Project.

Relevant financial policies

The City of Lincoln has adopted a comprehensive set of financial policies. Recognizing that fiscal stability is an important factor to mitigate current and future risks and to ensure long-term financial planning, a General Fund Reserves Policy has been developed to maintain adequate reserve funds for known and unknown contingencies. Policies providing guidance for inter-fund loans and managing accounts receivable have also been implemented.

Acknowledgements

The preparation of this report was made possible by the dedicated service of the City's Support Services Department's Finance Division with support from all City departments. It is noteworthy to point out that this year's audit opinion is unmodified and largely due to the herculean efforts by staff driven by the Finance Division and indepentdent auditors.

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,

Matthew Brower
City Manager

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CITY OF LINCOLN
City Officials
For the Year Ended June 30, 2015

Elected Officials

Paul Joiner. . . . . Mayor

Spencer Short. . . . . Mayor Pro Tem

Peter Gilbert . . . . . Council Member

Stan Nader. . . . . Council Member

Gabriel Hydrick. . . . . Council Member

Terrence Dorsey.. . . . . City Treasurer

Appointed Officials

Matthew Brower. . . . . City Manager

Gwen Scanlon. . . . . City Clerk

Department Heads

Steve Ambrose. . . . . Director of Support Services

Matthew Wheeler.. . . . . Director of Community Development

Jennifer Hanson. . . . . Director of Public Services

Rex Marks. . . . . Chief of Police

Mike Davis.. . . . . Interim Fire Chief

Belen Fernandez. . . . . Library Director

Ray Leftwich. . . . . City Engineer

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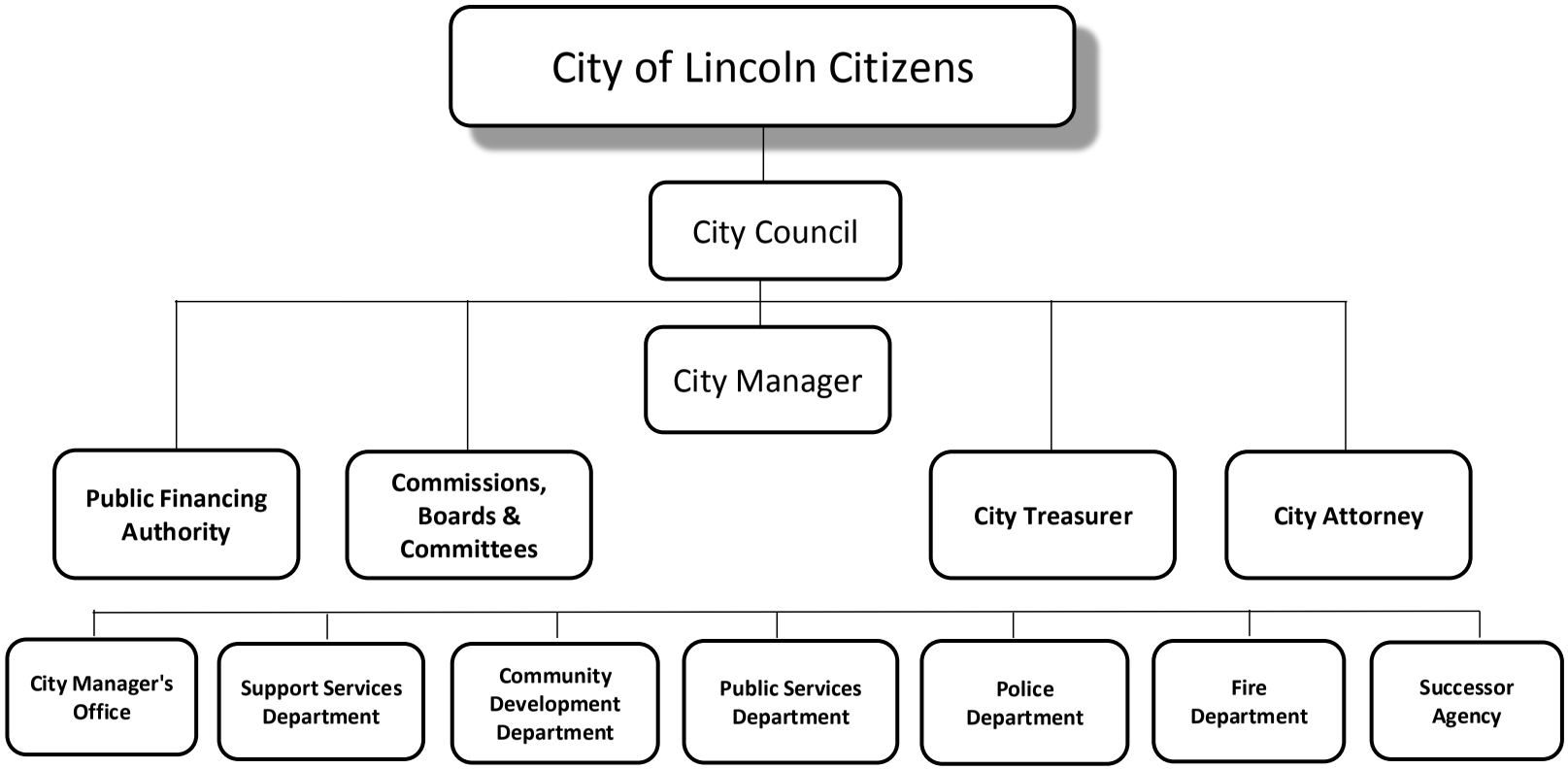
City of Lincoln Citizens
City Council
City Manager
Public Financing Authority
Commissions, Boards & Committees
City Treasurer
City Attorney
City Manager's Office
Support Services Department
Community Development Department
Public Services Department
Police Department
Fire Department
Successor Agency

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FINANCIAL SECTION

- **Independent Auditor's Report**
- **Management's Discussion and Analysis**
- **Basic Financial Statements**
- **Required Supplementary Information**
- **Combining and Individual Fund Statements and Schedules**

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
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 the City of Lincoln, California (City), as of and for the year ended June 30, 2015, 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.

950 THARP ROAD, SUITE 502 YUBA CITY, CA 95993 TEL: (530) 673-9790 FAX: (530) 673-1305 SMITHNEW@SBCGLOBAL.NET

To the Honorable Mayor and Members of the City Council
City of Lincoln
Lincoln, California

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 as of June 30, 2015, 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.

Emphasis of Matter

As described in Note 1S to the financial statements, in 2015, the City implemented Governmental Accounting Standards Board (GASB) Statement Nos. 68, 69, and 71. The implementation of GASB 68 and 71 resulted in the restatement of beginning net position for the year ended June 30, 2015. Our opinion is not modified with respect to these matters.

As described in Note 12B, the net pension liability is measured as of June 30, 2014 and the pension expense is for the measurement period of 2013-2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, City Pension Plans-Schedule of Proportionate Share of the Net Pension Liability, City Pension Plans-Schedule of Contributions, Notes to the City Pension Plans, City OPEB Plan-Schedule of Funding Progress and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

To the Honorable Mayor and Members of the City Council
City of Lincoln
Lincoln, California

The combining and individual nonmajor fund financial statements and schedules 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 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 January 7, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the City's internal control over financial reporting and compliance.

Smith & Newell

Smith & Newell CPAs
Yuba City, California
January 7, 2016

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Management's Discussion and Analysis
(Unaudited)

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CITY OF LINCOLN
MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2015. 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 the close of the most recent fiscal year by $831,019,188 (net position). Unrestricted funds showed a net negative balance of $3,237,172 primarily resulting from the public facility element fund and it is anticipated that fees collected will be utilized to eliminate this negative balance.

- The City's total net position increased by $18,833,631. Governmental activities increased the City's net position by $20,431,259 and business-type activities reduced the City's net position by $1,597,628. Included in these increases is a restatement of net position as shown in Note 2 on page 40.

- As of June 30, 2015, the City's governmental funds reported combined ending fund balances of $95,012,783 an increase of $30,729,601 in comparison with the prior year. Non-spendable, restricted, committed and assigned funds totaled $109,279,115 whereas unassigned funds registered a negative balance of $14,266,332.

- At the end of the fiscal year, the unassigned fund balance of the General fund was $5,580,155 or 41% of total General fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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-sector business.

The *statement of net position* presents information on all of the City's assets and liabilities, 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 improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City of 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 redevelopment and housing and education. The business-type activities of the City of Lincoln included water, wastewater, solid-waste, transit and airport.

The Successor Agency to the City of Lincoln Redevelopment Agency and the Lincoln Public Financing Authority, although legally separate, function for all practical purposes as departments of the City of Lincoln and, therefore, have been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 16-18 of this report.

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. All of the funds in the City of Lincoln can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund finance statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a 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 provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Lincoln maintains 35 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) funds, Water Connections fund, and Federal Grants 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 19-22 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 financial statement. 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 device used to accumulate and allocate costs internally among the City's various functions. The City of Lincoln uses the internal service fund 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, as all of these are considered to be major funds of the City of Lincoln. Data from the remaining proprietary fund is combined into a single aggregate presentation.

The basic proprietary fund financial statements can be found on pages 23-27 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of the 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.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30-71 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) funds, Water Connections fund, and Federal Grants fund. Budgetary comparison statements have been provided for these four major funds to demonstrate compliance with this budget. The budgetary comparison statements can be found on pages 76-80 of this report.

The combining statements referred to earlier in connection with non-major governmental funds, non-major enterprise funds, and fiduciary funds are presented immediately following the required supplementary information, which is found on pages 83-135.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Governmental Activities: A comparative analysis of the government-wide data follows.

	Governmental Activities		Business-type Activities		Total		
	2015	2014	2015	2014	2015	2014	Variance
Assets:							
Current and other assets	$ 106,923,669	$ 73,567,215	$ 43,966,443	$ 38,751,498	$ 150,890,112	$ 112,318,713	$ 38,571,399
Capital Assets	387,969,181	388,550,497	348,804,715	351,253,170	736,773,896	739,803,667	(3,029,771)
Total Assets	$ 494,892,850	$ 462,117,712	$ 392,771,158	$ 390,004,668	$ 887,664,008	$ 852,122,380	$ 35,541,628
Deferred Outflows of Resources:							
Pension adjustments	$ 2,315,769	$ -	$ 437,614	$ -	$ 2,753,383	$ -	$ 2,753,383
Total Deferred Outflows of Resources	$ 2,315,769	$ -	$ 437,614	$ -	$ 2,753,383	$ -	$ 2,753,383
Liabilities:							
Current and other liabilities	$ 8,304,116	$ 6,132,084	$ 4,148,430	$ 3,111,262	$ 12,452,546	$ 9,243,346	$ 3,209,200
Long-term liabilities	35,577,162	25,797,209	7,820,519	4,896,268	43,397,681	30,693,477	12,704,204
Total liabilities	$ 43,881,278	$ 31,929,293	$ 11,968,949	$ 8,007,530	$ 55,850,227	$ 39,936,823	$ 15,913,404
Deferred Inflows of Resources:							
Pension adjustments	$ 2,707,663	$ -	$ 840,313	$ -	$ 3,547,976	$ -	$ 3,547,976
Total Deferred Inflows of Resources	$ 2,707,663	$ -	$ 840,313	$ -	$ 3,547,976	$ -	$ 3,547,976
Net Position:							
Net Investment in Capital Assets	$ 367,624,105	$ 367,327,505	$ 347,013,821	$ 349,214,909	$ 714,637,926	$ 716,542,414	$ (1,904,488)
Restricted	105,113,762	78,880,674	14,504,672	14,406,184	119,618,434	93,286,858	26,331,576
Unrestricted	(22,118,189)	(16,019,760)	18,881,017	18,376,045	(3,237,172)	2,356,285	(5,593,457)
Total Net Position	$ 450,619,678	$ 430,188,419	$ 380,399,510	$ 381,997,138	$ 831,019,188	$ 812,185,557	$ 18,833,631

By far, the largest portion of the City's net position ($714,637,926 or 86%) 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 consist of restricted funds of $119,618,434 which are resources subject to external restrictions governing how they may be used and unrestricted net position with a negative balance of $3,237,172. Governmental activities increased the City's net position by $20,431,259 (see Note 2 on page 40) while business-type activities decreased the City's net position by $1,597,628.

Changes in Net Position
As of June 30, 2015 and 2014

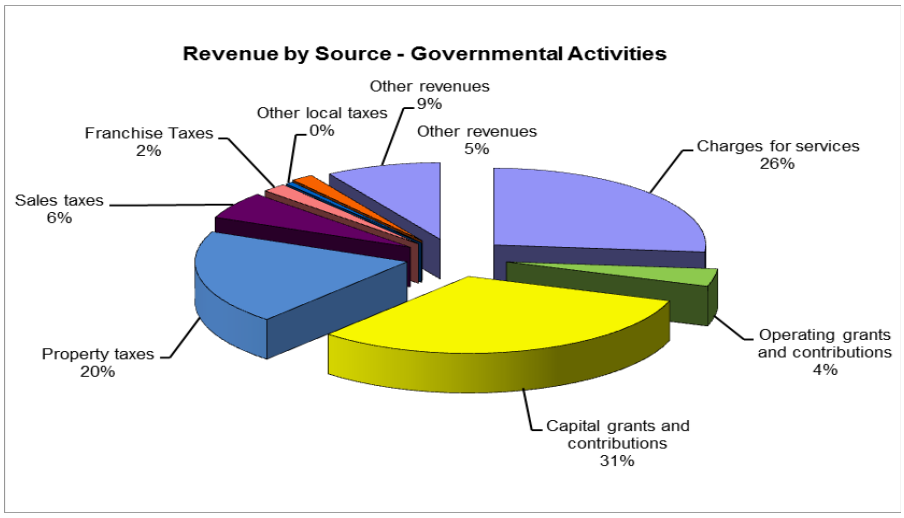
	Governmental Activities		Business-type Activities		Total		
	2015	2014	2015	2014	2015	2014	Variance
Revenues:							
Program revenues:							
Charges for services	$ 11,987,832	$14,715,085	$ 27,259,232	$ 25,420,089	$ 39,247,064	$ 40,135,174	$ (888,110)
Operating grants and contributions	1,673,308	3,248,047	1,188,545	1,549,590	2,861,853	4,797,637	(1,935,784)
Capital Grants and contributions	14,184,897	7,957,869	4,254,405	5,590,940	18,439,302	13,548,809	4,890,493
General Revenues:							
Property taxes	9,020,576	7,668,875	-	-	9,020,576	7,668,875	1,351,701
Sales taxes	2,598,143	2,419,729	412,877	850,659	3,011,020	3,270,388	(259,368)
Franchise Taxes	837,267	-	-	-	837,267	-	837,267
Other taxes	259,982	191,278	-	-	259,982	191,278	68,704
Investment earnings	764,002	1,208,941	372,555	550,349	1,136,557	1,759,290	(622,733)
Other Revenues	3,964,592	1,118,493	85,916	5,104,673	4,050,508	6,223,166	(2,172,658)
Total Revenues	45,290,599	38,528,317	33,573,530	39,066,300	78,864,129	77,594,617	1,269,512
Expenses:							
General government	2,465,172	2,534,252	-	-	2,465,172	2,534,252	(69,080)
Public Safety	9,111,739	8,676,336	-	-	9,111,739	8,676,336	435,403
Public works and facilities	19,030,793	7,502,426	-	-	19,030,793	7,502,426	11,528,367
Culture & recreation	745,314	714,789	-	-	745,314	714,789	30,525
Education	568,277	559,449	-	-	568,277	559,449	8,828
Urban development & housing	490,309	512,756	-	-	490,309	512,756	(22,447)
Interest on long-term debt	1,012,610	1,073,464	-	-	1,012,610	1,073,464	(60,854)
Water		-	12,418,348	9,626,761	12,418,348	9,626,761	2,791,587
Wastewater	-	-	10,760,685	7,567,116	10,760,685	7,567,116	3,193,569
Solid waste	-	-	5,087,810	4,576,457	5,087,810	4,576,457	511,353
Transit	-	-	980,587	855,631	980,587	855,631	124,956
Airport	-	-	1,632,005	2,122,836	1,632,005	2,122,836	(490,831)
Total Expenses	33,424,214	21,573,472	30,879,435	24,748,801	64,303,649	46,322,273	17,981,376
Changes in net position before transfers	11,866,385	16,954,845	2,694,095	14,317,499	14,560,480	31,272,344	(16,711,864)
Transfers	489,374	1,159,153	(489,374)	(1,159,153)	-	-	-
Change in net position	12,355,759	18,113,998	2,204,721	13,158,346	14,560,480	31,272,344	(16,711,864)
Net Position-Beginning	430,188,419	363,521,662	381,997,138	125,668,092	812,185,557	489,189,754	322,995,803
Change in accounting principle	(10,822,209)	-	(3,802,349)	-	(14,624,558)	-	(14,624,558)
Prior period adjustments	18,897,709	48,552,759	-	243,170,700	18,897,709	291,723,459	(272,825,750)
Net Position- Ending	$450,619,678	$430,188,419	$380,399,510	$381,997,138	$831,019,188	$812,185,557	$ 18,833,631

Key elements of the 18.0% increase in revenues for governmental activities are as follows:

- Taxes and other revenues increased by $5.2 million primarily due to the improved economy and increase property taxes.

- Capital grants and contributions increased by $6.2 million primarily due to an increase in of public works and facilities capital assets which were offset by the decline in charges for services and operating grants of $4.3 million.

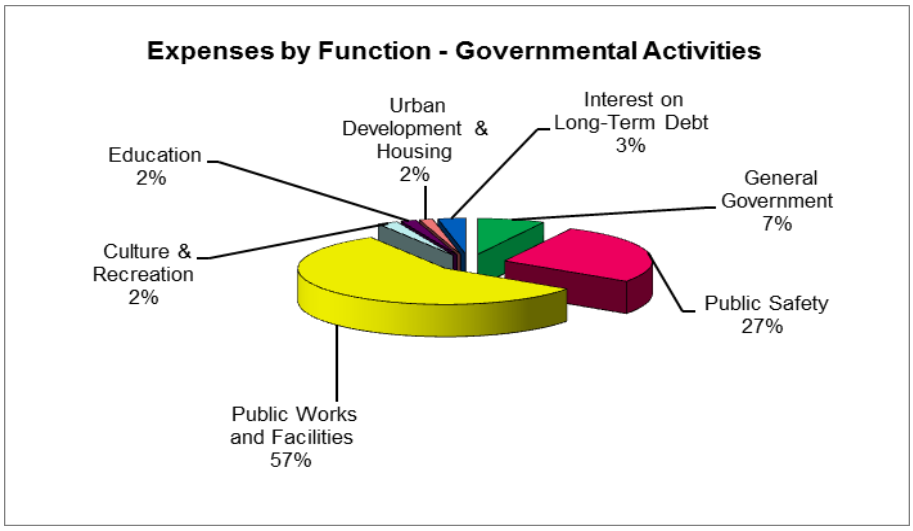
The following chart shows Governmental Activities Revenues by Source:



Key elements of the 55% increase in expenses for governmental activities are as follows:

- Overall expenses increased $11.8 million with Public Works and Facilities making up the majority of the increase at $11.5 million primarily due to depreciation expense.

The following chart shows Governmental Activities Expenses by Function:

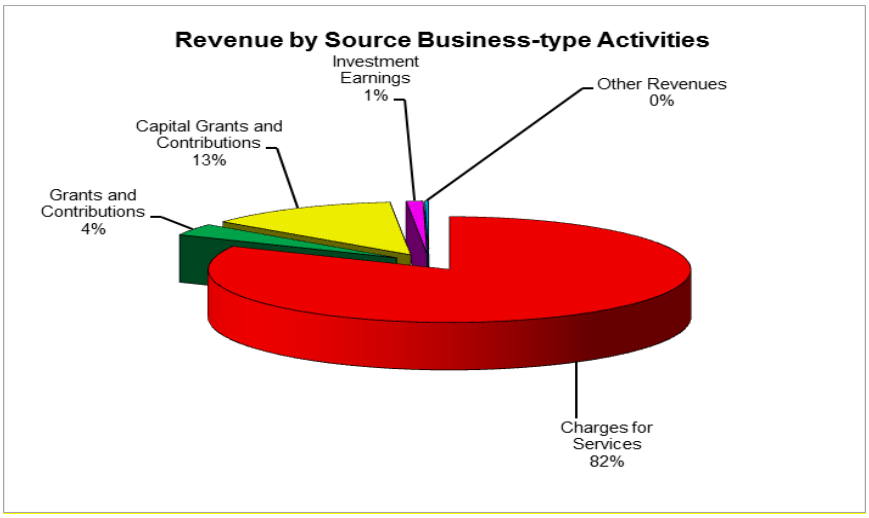


Business-type Activities: Business-type activities decreased the City's net position by $1.6 million or .4% in the fiscal year ending June 30, 2015.

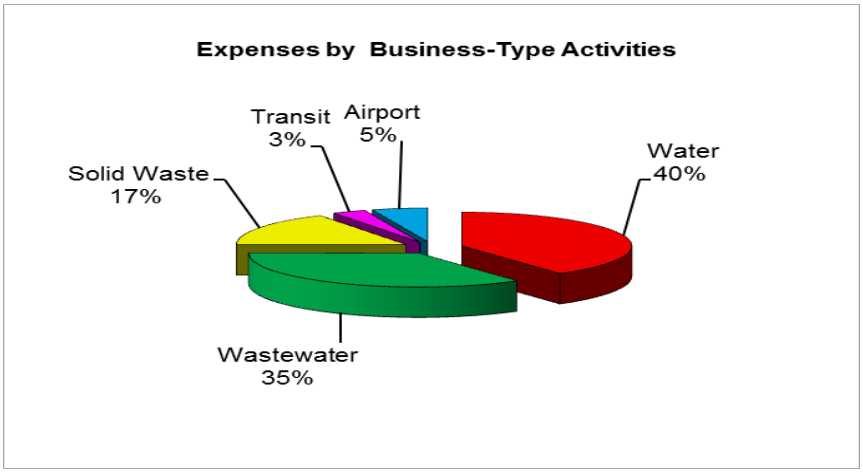
Key elements accounting for the changes in revenues and expenses for business type activities are as follows:

- Charges for services increased $1.8 million which is offset by decreases in grants and contributions ($361,045), capital grants and contributions ($1.3 million)
- Other revenue decreased by $5.02 million due to the prior year sale of property and no property sales in the current period
- Water expenses increased by $2.79 million or 29% primarily due to increased depreciation expenses.
- Wastewater expenses increased by $3.19 million or 42% primarily due increased depreciation expenses which was offset by a decrease in services and supplies

The following chart shows Business-type Activities Revenues by Source:



The following chart shows Business-type Activities Expenses by Enterprise:



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 Government Accounting Standards Board Statement 54, fund balances are now classified as non-spendable, restricted, committed, assigned and unassigned. Non-spendable fund balances are amounts that are inherently non-spendable, 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, is the amount in excess of non-spendable, 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 financial requirements.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $95,012,783, an increase of $30,729,601 over the prior year. The increased fund balance is the result of revenues exceeding expenditures by $9,116,519 as well as contributions from other financing sources of $815,473, and $1,899,900 from the sale of a capital asset. In addition, there was an $18,897,709 period adjustment resulting from re-classifying agency funds as capital project funds as explained under Note 2 of the financial statements. When comparing total revenues and expenditures against the prior year, net revenue increased 12% from the prior period.

Non-spendable fund balances total $34,306,768, restricted fund balances total $65,041,872, committed fund balances total $3,803,726, assigned fund balances total $6,126,672 and unassigned fund balances total a negative $14,266,332. While the General fund has a positive unassigned fund balance of $5,580,155, the Public Facility Element (PFE) funds continue to carry a negative unassigned fund balance of $18,320,588 down from a negative $20,800,237. These 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 four major governmental funds.

General Fund. The General fund is the chief operating fund of the City of Lincoln. Fiscal Year 2014-15 increased the City's General fund balance by $2,086,407 to an ending fund balance of $9,745,551. The unassigned fund balance of the General fund is $5,580,155. The committed fund balance at year end was $3,803,726 which contains reserves of $2,000,000 for Catastrophic, $1,748,170 for Economic, and $55,556 for Youth Programs. The non-spendable fund balance at year-end of $361,627 is invested in the City's insurance program with JPA (Northern California Cities Self Insurance Fund).

Revenues exceeded expenditures by $1,929,852 while other financing sources resulted in a positive $156,555 thus resulting in a year end gain of $2,086,407 primarily due to the increase in taxes and assessments. 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 41% of total General fund expenditures, up from 29%.

The following Revenue by Source and Expenditure by Function tables provide a two-year comparison. Accompanying the tables are brief explanations of significant changes.

Revenue by Source
General Fund

	FY 2015		FY 2014		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent
Taxes and Assessments	$ 12,715,968	81.2%	$ 10,665,149	74.4%	$ 2,050,819	19.2%
Licenses and Permits	661,326	4.2%	505,787	3.5%	$ 155,539	30.8%
Fines and Penalties	73,722	0.5%	47,909	0.3%	$ 25,813	53.9%
Interest and Investment Income	68,386	0.4%	150,099	1.0%	$ (81,713)	-54.4%
Intergovernmental Revenue	271,294	1.7%	42,143	0.3%	$ 229,151	543.7%
Charges for Services	1,546,680	9.9%	2,589,345	18.1%	$ (1,042,665)	-40.3%
Other Revenues	318,569	2.0%	327,147	2.3%	$ (8,578)	-2.6%
Total	**15,655,945**	**100%**	**14,327,579**	100.0%	**1,328,366**	9.3%

Total General fund revenues increased by $1,328,366 or 9.3% from the prior fiscal year and are driven by a combination of factors

- Taxes and assessments increased by $2 million primarily due to increased assessments and improving economy.
- Licenses and permits revenue increased by $155,539 due to an increase in development activity within the City.
- Fines and Penalties increased $25,813 resulting from increases in vehicle fine revenue.
- Interest and investments income decreased $81,713 reflective of the investment returns.
- Intergovernmental revenue increased by $229,151 primarily receipt of a mandated cost recovery.
- Charges for services decreased by $1,042,665 primarily due to reduced CFD and PFE administrative fees, developer activity.

Expenditures by Function
General Fund

	FY2015		FY2014		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent
General Government	$ 2,709,685	20.4%	$ 2,267,077	18.7%	$ 442,608	19.5%
Public Safety	8,688,582	65.3%	8,015,231	66.0%	673,351	8.4%
Public Works and Facilities	300,429	2.3%	326,015	2.7%	(25,586)	-7.8%
Culture and Recreation	646,393	4.9%	634,643	5.2%	11,750	1.9%
Urban Redevelopment and Housing	556,739	4.2%	510,937	4.2%	45,802	9.0%
Education	397,620	3.0%	384,156	3.2%	13,464	3.5%
Total	**$ 13,299,448**	**100.0%**	**$ 12,138,059**	**100.0%**	**$ 1,161,389**	**9.6%**

The above General fund expenditures increased by $1,161,389 or 9.6% from the prior fiscal year primarily due to increased salaries and benefits of $888,828.

Public Facility Element (PFE) Special Revenue Funds. 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 funds had a total negative fund balance of $6,739,593 at the end of the 2014-15 fiscal year. This is a significant improvement from the negative fund balance of $9,091,236 as June 30, 2014. This improvement over the prior year is indicative of a slowly recovering economy. As new development projects are undertaken, new fees will be applied toward these negative fund balances.

Water Connections Special Revenue 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 Fiscal Year 2014-15 was $34,317,767 or 7.9% more than the prior fiscal year.

Federal Grants Special Revenue Fund. These funds are used to account for grant revenues received from the federal government for capital projects. The fund balance (deficit) of the Federal Grants fund at the end of fiscal year 2014-15 was a deficit of ($15,205,899) or 5% less than the prior fiscal year.

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 Fiscal Year 2014-15 projected revenue of $14,268,185 and expenditures of $13,807,224 with an anticipated surplus of $460,961. The results of the General fund for the year ended June 30, 2015, were more than anticipated. As of the end of the fiscal year, revenue totaled $15,655,945 or $1,387,760 more than the budgeted amount. Expenditures (budgetary basis) totaled $13,299,248 or $507,976 less than the approved budget, resulting in an operating surplus of $2,356,697. The schedule provides a reconciliation of the change in fund balance under the budgetary basis of accounting, as compared to actual GAAP basis, revealing a budgetary increase in net fund balance of $2,513,252 as of June 30, 2015.

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, 2015, amounts to $736,773,896 (net of accumulated depreciation). This investment in capital assets includes land, building and facilities, machinery and equipment, park facilities, and roads. Total decrease in the City's investments in capital assets for the 2014-15 fiscal year was $3,029,771 or .4%.

City's Capital Assets
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land & Easements	$ 12,805,317	$ 12,224,230	$ 1,591,640	$ 1,591,640	$ 14,396,957	$ 13,815,870
Infrastructure	278,253,963	284,443,985	325,911,563	330,688,437	604,165,526	615,132,422
Construction in progress	17,116,054	10,100,088	5,134,099	1,846,512	22,250,153	11,946,600
Buildings and structures	60,890,827	61,934,841	13,475,998	14,042,977	74,366,825	75,977,818
Machinery and equipment	2,284,309	2,357,584	1,793,738	2,130,020	4,078,047	4,487,604
Land improvement	16,618,711	17,489,769	897,677	953,584	17,516,388	18,443,353
Total	**$387,969,181**	**$ 388,550,497**	**$348,804,715**	**$ 351,253,170**	**$736,773,896**	**$ 739,803,667**

Both Governmental Activities and Business-type Activities experienced a decrease in capital assets, net of depreciation. Governmental Activities decreased by $581,316 or 0.1% and Business-type Activities decreased by $2,448,455 or 0.7%. The decreases are driven by a reduction in infrastructure of $10 million resulting in a reduction of contributed.

The City's infrastructure assets are recorded at historical cost in the government-wide financial statements as required by Governmental Accounting Standard (GASB) Statement No. 34. In prior periods, the City elected to use the modified approach to report its infrastructure but has now elected to use the straight line approach. As the City's fixed assets have practically doubled, the City is in need of a GIS and pavement management system to ensure its' infrastructure is maintained in the most efficient manner.
Additional information on the City's capital assets can be found in Note 4 on pages 44-46 of this report.

Long-term debt. As of June 30, 2015, the City of Lincoln had total debt outstanding of $43,397,681. This amount is comprised of $20,093,511 in bond debt, $4,687,145 in other post employment benefit obligation, $2,003,598 in capital leases, $2,058,126 in compensated absences, $1,105,681 in landfill post closure liability, and $38,861 in loans payable. In accordance with GASB 68, the net pension liability is recorded as to long term liabilities as prior period adjustment to net pensions and increased long term liabilities by $13,410,759.

City's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Bonds	$ 19,968,511	$20,710,903	$ 125,000	$ 260,000	$ 20,093,511	$20,970,903
Net OPEB obligation	3,551,773	2,876,672	1,135,372	1,191,955	4,687,145	4,068,627
Capital leases	376,565	512,089	1,627,033	1,715,670	2,003,598	2,227,759
Loans Payable	-	-	38,861	62,591	38,861	62,591
Postclosure	-	-	1,105,681	1,340,231	1,105,681	1,340,231
Net Pension Liablity	9,970,006	-	3,440,753	-	13,410,759	-
Compensated absences	1,710,307	1,697,545	347,819	325,821	2,058,126	2,023,366
Total	**$ 35,577,162**	**$25,797,209**	**$ 7,820,519**	**$4,896,268**	**$ 43,397,681**	**$30,693,477**

The City's total debt increased by $12,704,204 or 41.4% during Fiscal Year 2014-15, and is primarily attributable to the net pensions liability required scheduled payment of debt obligations. Additional information on the City's long-term debt can be found in Note 7 on pages 51-53 of this report.

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 nation-wide recession. Slight increases are anticipated in the two largest sources of revenue 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 Fiscal Year 2015-16 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 the future stability of the City's water, wastewater and sanitation systems by approving an orderly series to 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.

Basic Financial Statements

- **Government-Wide Financial Statements**

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CITY OF LINCOLN
Statement of Net Position
June 30, 2015

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and investments	$ 67,672,389	$ 45,111,371	$ 112,783,760
Receivables:			
Accounts, net	422,321	3,834,904	4,257,225
Interest	163,225	2,487	165,712
Taxes	950,503	152	950,655
Intergovernmental	3,597,985	133,746	3,731,731
Due from other agencies	4,067,312	297,612	4,364,924
Internal balances	5,715,606	(5,715,606)	-
Prepaid costs	11,626	-	11,626
Investment in JPA	549,497	120,143	669,640
Inventory	-	59,989	59,989
Restricted cash and investments	20,499,124	121,645	20,620,769
Loans receivable	3,274,081	-	3,274,081
Capital assets:			
Non-depreciable	29,921,371	6,725,739	36,647,110
Depreciable, net	358,047,810	342,078,976	700,126,786
Total capital assets	387,969,181	348,804,715	736,773,896
Total Assets	494,892,850	392,771,158	887,664,008
DEFERRED OUTFLOWS OF RESOURCES			
Pension adjustments	2,315,769	437,614	2,753,383
Total Deferred Outflows of Resources	2,315,769	437,614	2,753,383
LIABILITIES			
Accounts payable	3,156,360	3,621,092	6,777,452
Accrued salaries and benefits	587,269	131,856	719,125
Accrued interest payable	393,163	20,048	413,211
Other accrued liabilities	6,374	-	6,374
Retention payable	68,876	-	68,876
Deposits payable	1,051,586	275,006	1,326,592
Unearned revenue	3,040,488	100,428	3,140,916
Long-term liabilities:			
Due within one year	2,250,040	522,587	2,772,627
Due in more than one year	33,327,122	7,297,932	40,625,054
Total Liabilities	43,881,278	11,968,949	55,850,227
DEFERRED INFLOWS OF RESOURCES			
Pension adjustments	2,707,663	840,313	3,547,976
Total Deferred Inflows of Resources	2,707,663	840,313	3,547,976

The notes to the basic financial statements are an integral part of this statement.

Continued (Page 1 of 2)

CITY OF LINCOLN
Statement of Net Position
June 30, 2015

	Governmental Activities	Business-Type Activities	Totals
NET POSITION			
Net investment in capital assets	367,624,105	347,013,821	714,637,926
Restricted for:			
General government	7,579,350	-	7,579,350
Public safety	617,638	-	617,638
Public works and facilities	65,189,161	-	65,189,161
Culture and recreation	822,228	-	822,228
Urban redevelopment and housing	1,629,956	-	1,629,956
Education	4,443,248	-	4,443,248
Endowment:			
Nonexpendable	356,665	-	356,665
Expendable	146,194	-	146,194
Debt service	3,590,833	-	3,590,833
Capital projects	20,738,489	-	20,738,489
Public facility element	-	14,504,672	14,504,672
Unrestricted	(22,118,189)	18,881,017	(3,237,172)
Total Net Position	$ 450,619,678	$ 380,399,510	$ 831,019,188

The notes to the basic financial statements are an integral part of this statement.

Continued (Page 2 of 2)

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CITY OF LINCOLN
Statement of Activities
For the Year Ended June 30, 2015

Functions/Programs:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental activities:				
General government	$ 2,465,172	$ 1,054,510	$ 110,368	$ -
Public safety	9,111,739	569,572	108,474	-
Public works and facilities	19,030,793	9,447,200	1,235,822	14,184,897
Culture and recreation	745,314	909,070	-	-
Urban redevelopment and housing	568,277	-	60,000	-
Education	490,309	7,480	158,644	-
Interest on long-term debt	1,012,610	-	-	-
Total Governmental Activities	33,424,214	11,987,832	1,673,308	14,184,897
Business-Type activities:				
Water	12,418,348	12,615,858	3,417	2,210,016
Wastewater operations	10,760,685	7,517,029	854,132	1,876,197
Solid waste	5,087,810	5,825,523	4,866	168,192
Airport	1,632,005	1,261,533	713	-
Transit	980,587	39,289	325,417	-
Total Business-Type Activities	30,879,435	27,259,232	1,188,545	4,254,405
Total	$ 64,303,649	$ 39,247,064	$ 2,861,853	$ 18,439,302

General revenues:
Taxes:
Property taxes
Sales and use taxes
Franchise taxes
Other taxes
Interest and investment earnings
Miscellaneous
Gain of sale of capital assets
Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Prior period adjustment
Cumulative affect of change in accounting principle

Net Position - Beginning, Restated

Net Position - Ending

The notes to the basic financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Totals
$ (1,300,294)	$ -	$ (1,300,294)
(8,433,693)	-	(8,433,693)
5,837,126	-	5,837,126
163,756	-	163,756
(508,277)	-	(508,277)
(324,185)	-	(324,185)
(1,012,610)	-	(1,012,610)
(5,578,177)	-	(5,578,177)
-	2,410,943	2,410,943
-	(513,327)	(513,327)
-	910,771	910,771
-	(369,759)	(369,759)
-	(615,881)	(615,881)
-	1,822,747	1,822,747
(5,578,177)	1,822,747	(3,755,430)
9,020,576	-	9,020,576
2,598,143	412,877	3,011,020
837,267	-	837,267
259,982	-	259,982
764,002	372,555	1,136,557
2,105,907	125,745	2,231,652
1,858,685	(39,829)	1,818,856
489,374	(489,374)	-
17,933,936	381,974	18,315,910
12,355,759	2,204,721	14,560,480
430,188,419	381,997,138	812,185,557
18,897,709	-	18,897,709
(10,822,209)	(3,802,349)	(14,624,558)
438,263,919	378,194,789	816,458,708
$ 450,619,678	$ 380,399,510	$ 831,019,188

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Basic Financial Statements

- **Fund Financial Statements**

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CITY OF LINCOLN
Balance Sheet
Governmental Funds
June 30, 2015

	General Fund	Public Facility Element (PFE)	Water Connections	Federal Grants
ASSETS				
Cash and investments	$ 9,125,611	$ 8,478,024	$ 9,493,739	$ -
Receivables:				
Accounts, net	167,301	234,489	-	9,067
Interest	481	470	1,440	-
Taxes	949,886	-	-	-
Intergovernmental	10,043	-	-	2,735,773
Due from other agencies	-	-	4,067,312	-
Due from other funds	-	531,756	16,461,644	-
Prepaid costs	-	-	-	-
Investment in JPA	361,627	-	-	-
Advances to other funds	-	3,352,000	4,358,242	-
Restricted cash and investments	-	-	-	-
Loans receivable	-	-	-	-
Total Assets	$10,614,949	$ 12,596,739	$ 34,382,377	$ 2,744,840
LIABILITIES				
Accounts payable	$ 354,171	$ 37,501	$ 64,610	$ 679,895
Accrued salaries and benefits	414,083	-	-	6,501
Other accrued liabilities	1,805	-	-	-
Retention payable	-	-	-	41,681
Deposits payable	15,100	-	-	-
Due to other funds	77,307	9,106,801	-	2,325,846
Advances from other funds	-	9,788,200	-	-
Unearned revenue	6,932	169,830	-	-
Total Liabilities	869,398	19,102,332	64,610	3,053,923
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	234,000	-	1,216,816
Total Deferred Inflows of Resources	-	234,000	-	1,216,816
FUND BALANCES				
Nonspendable	361,627	3,352,000	24,887,198	-
Restricted	43	8,228,995	9,430,569	-
Committed	3,803,726	-	-	-
Assigned	-	-	-	-
Unassigned	5,580,155	(18,320,588)	-	(1,525,899)
Total Fund Balances (Deficits)	9,745,551	(6,739,593)	34,317,767	(1,525,899)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$10,614,949	$ 12,596,739	$ 34,382,377	$ 2,744,840

The notes to the basic financial statements are an integral part of this statement.

Other Governmental Funds	Totals
$ 37,883,344	$ 64,980,718
11,214	422,071
160,704	163,095
617	950,503
841,909	3,587,725
-	4,067,312
317,280	17,310,680
11,626	11,626
63,648	425,275
2,000,000	9,710,242
20,499,124	20,499,124
3,274,081	3,274,081
$ 65,063,547	$ 125,402,452
$ 1,838,778	$ 2,974,955
70,674	491,258
4,569	6,374
27,195	68,876
1,036,486	1,051,586
7,162	11,517,116
-	9,788,200
2,863,726	3,040,488
5,848,590	28,938,853
-	1,450,816
-	1,450,816
5,706,020	34,306,845
47,382,265	65,041,872
-	3,803,726
6,126,672	6,126,672
-	(14,266,332)
59,214,957	95,012,783
$ 65,063,547	$ 125,402,452

CITY OF LINCOLN
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position - Governmental Activities
June 30, 2015

Total Fund Balance - Total Governmental Funds	$ 95,012,783
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 the funds.	387,772,464
Other long-term assets are not available to pay for current period expenditures and therefore, are reported as unavailable revenues in the governmental funds.	1,450,816
Interest payable on long-term debt does not require the use of current financial resources and therefore, is not accrued as a liability in the governmental funds balance sheets.	(393,163)
Deferred outflows of resources related to pensions are not reported in the governmental funds.	2,315,769
Deferred inflows of resources related to pensions are not reported in the governmental funds.	(2,707,663)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.	
Bonds payable	(19,968,511)
Capital leases	(376,565)
Compensated absences	(1,358,546)
Net pension liability	(9,970,006)
Net OPEB obligation	(3,551,773)
Internal service funds are used by management to charge the cost of certain activities, such as insurance and equipment maintenance and operations, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.	2,394,073
Net Position of Governmental Activities	$ 450,619,678

The notes to the basic financial statements are an integral part of this statement.

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CITY OF LINCOLN
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

	General Fund	Public Facility Element (PFE)	Water Connections	Federal Grants
REVENUES				
Taxes	$ 12,715,968	$ -	$ -	$ -
Special assessments	-	-	-	-
Licenses and permits	661,326	-	-	-
Fines and forfeitures	73,722	-	-	-
Use of money and property	68,386	81,487	176,951	-
Intergovernmental	271,294	-	-	4,885,176
Charges for services	1,546,680	1,358,075	2,557,801	-
Other revenues	318,569	100	-	-
Total Revenues	15,655,945	1,439,662	2,734,752	4,885,176
EXPENDITURES				
Current:				
General government	2,709,685	2,652	1,620	-
Public safety	8,688,582	85,520	-	-
Public works and facilities	300,429	19,315	-	2,612
Culture and recreation	646,193	11,138	-	-
Urban redevelopment and housing	556,739	-	-	-
Education	397,620	89,933	-	-
Debt service:				
Principal	135,524	-	-	-
Interest and other charges	18,242	15,071	-	-
Capital outlay	273,079	366,460	232,849	4,952,064
Total Expenditures	13,726,093	590,089	234,469	4,954,676
Excess of Revenues Over (Under) Expenditures	1,929,852	849,573	2,500,283	(69,500)
OTHER FINANCING SOURCES (USES)				
Transfers in	723,874	-	-	-
Transfers out	(567,319)	(397,830)	-	-
Gain (loss) on sale of capital assets	-	1,899,900	-	-
Total Other Financing Sources (Uses)	156,555	1,502,070	-	-
Net Change in Fund Balances	2,086,407	2,351,643	2,500,283	(69,500)
Fund Balances (Deficits) - Beginning	7,659,144	(9,091,236)	31,817,484	(1,456,399)
Prior period adjustment	-	-	-	-
Fund Balances (Deficits) - Beginning, Restated	7,659,144	(9,091,236)	31,817,484	(1,456,399)
Fund Balances (Deficits) - Ending	$ 9,745,551	$ (6,739,593)	$ 34,317,767	$ (1,525,899)

The notes to the basic financial statements are an integral part of this statement.

Other Governmental Funds	Totals
$ -	$ 12,715,968
3,366,095	3,366,095
943,074	1,604,400
410	74,132
420,806	747,630
4,855,897	10,012,367
1,480,649	6,943,205
1,787,025	2,105,694
12,853,956	37,569,491
132,134	2,846,091
107,415	8,881,517
4,943,569	5,265,925
-	657,331
2,007	558,746
-	487,553
.	
745,000	880,524
991,416	1,024,729
2,026,104	7,850,556
8,947,645	28,452,972
3,906,311	9,116,519
7,692,926	8,416,800
(6,636,178)	(7,601,327)
-	1,899,900
1,056,748	2,715,373
4,963,059	11,831,892
35,354,189	64,283,182
18,897,709	18,897,709
54,251,898	83,180,891
$ 59,214,957	$ 95,012,783

CITY OF LINCOLN
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities - Governmental Activities
For the Year Ended June 30, 2015

Net Change in Fund Balances - Total Governmental Funds	$ 11,831,892
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Expenditures for capital outlay	7,850,556
Less: current year depreciation	(14,243,681)
Various adjustments affecting capital assets (including capital contributions)	5,814,282
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the net cost of the capital assets disposal. Proceeds from the sale of capital assets was $1,899,900.	(55,302)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Principal retirements	880,524
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 revenues in the governmental funds.	
Change in unavailable revenue	31,556
Certain changes in deferred outflows and deferred inflows of resources reported in the statement of activities relate to long-term liabilities and are not reported in the governmental funds.	
Change in deferred outflows of resources related to pension	666,453
Change in deferred inflows of resources related to pension	(2,707,663)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	
Change in compensated absences payable	(125,794)
Change in net OPEB obligation	(675,101)
Change in net pension liability	2,501,519
Change in accrued interest payable	14,727
Amortization of bond discount	(3,449)
Amortization of bond premium	841
Internal service funds are used by management to charge the cost of certain activities, such as insurance and equipment maintenance and operations, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.	574,399
Change in Net Position of Governmental Activities	$ 12,355,759

The notes to the basic financial statements are an integral part of this statement.

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CITY OF LINCOLN
Statement of Net Position
Proprietary Funds
June 30, 2015

	Business-Type Activities - Enterprise Funds			
	Water	Wastewater Operations	Solid Waste	Airport
ASSETS				
Current Assets:				
Cash and investments	$ 19,927,565	$ 16,989,687	$ 7,866,090	$ 1,117
Receivables:				
Accounts, net	1,473,543	1,540,120	720,703	100,538
Interest	1,076	945	445	-
Taxes	-	-	-	152
Intergovernmental	1,180	247	304	176
Due from other agencies	-	297,612	-	-
Due from other funds	-	6,763	250,399	-
Investment in JPA	33,737	24,187	36,357	13,049
Inventory	-	-	-	59,989
Advances to other funds	-	-	4,436,200	-
Total Current Assets	21,437,101	18,859,561	13,310,498	175,021
Noncurrent Assets:				
Restricted cash and investments	-	121,645	-	-
Capital assets:				
Non-depreciable	403,712	4,730,387	42,260	1,549,380
Depreciable, net	158,530,873	175,111,462	3,060,574	4,815,070
Total Noncurrent Assets	158,934,585	179,963,494	3,102,834	6,364,450
Total Assets	180,371,686	198,823,055	16,413,332	6,539,471
DEFERRED OUTFLOWS OF RESOURCES				
Pension adjustments	134,754	93,080	147,620	32,149
Total Deferred Outflows of Resources	134,754	93,080	147,620	32,149
LIABILITIES				
Current Liabilities:				
Accounts payable	1,312,035	1,713,808	368,884	77,738
Accrued salaries and benefits	40,414	34,069	41,049	8,893
Accrued interest payable	493	2,198	-	17,357
Deposits payable	18,000	229,161	-	27,845
Due to other funds	-	836,333	-	5,214,393
Unearned revenue	53,670	46,758	-	-
Compensated absences payable	87,981	47,734	105,107	26,452
Capital leases payable	-	-	-	92,911
Bonds payable	15,000	110,000	-	-
Loans payable	25,451	-	-	-
Total Current Liabilities	$ 1,553,044	$ 3,020,061	$ 515,040	$ 5,465,589

The notes to the basic financial statements are an integral part of this statement.

Other Enterprise Funds	Totals	Governmental Activities Internal Service Funds
$ 326,912	$ 45,111,371	$ 2,691,671
-	3,834,904	250
21	2,487	130
-	152	-
131,839	133,746	10,260
-	297,612	-
-	257,162	-
12,813	120,143	124,222
-	59,989	-
-	4,436,200	-
471,585	54,253,766	2,826,533
-	121,645	-
-	6,725,739	148,079
560,997	342,078,976	48,638
560,997	348,926,360	196,717
1,032,582	403,180,126	3,023,250
30,011	437,614	-
30,011	437,614	-
148,627	3,621,092	181,405
7,431	131,856	96,011
-	20,048	-
-	275,006	-
-	6,050,726	-
-	100,428	-
11,951	279,225	287,204
-	92,911	-
-	125,000	-
-	25,451	-
$ 168,009	$ 10,721,743	$ 564,620

Continued (Page 1 of 2)

CITY OF LINCOLN
Statement of Net Position
Proprietary Funds
June 30, 2015

	Business-Type Activities - Enterprise Funds			
	Water	Wastewater Operations	Solid Waste	Airport
LIABILITIES (CONTINUED)				
Noncurrent Liabilities:				
Advances from other funds	$ -	$ 4,358,242	$ -	$ -
Compensated absences payable	21,513	11,612	25,868	6,613
Capital leases payable	-	-	-	1,534,122
Loans payable	13,410	-	-	-
Postclosure	-	-	1,105,681	-
Net pension liability	1,059,510	731,842	1,160,665	252,771
Net OPEB obligation	340,706	268,349	400,479	62,919
Total Noncurrent Liabilities	1,435,139	5,370,045	2,692,693	1,856,425
Total Liabilities	2,988,183	8,390,106	3,207,733	7,322,014
DEFERRED INLFOWS OF RESOURCES				
Pension adjustments	258,757	178,733	283,462	61,733
Total Deferred Inflows of Resources	258,757	178,733	283,462	61,733
NET POSITION				
Net investment in capital assets	158,880,724	179,731,849	3,102,834	4,737,417
Restricted for public facility element	8,695,314	-	5,809,358	-
Unrestricted	9,683,462	10,615,447	4,157,565	(5,549,544)
Total Net Position	$ 177,259,500	$ 190,347,296	$ 13,069,757	$ (812,127)

The notes to the basic financial statements are an integral part of this statement.

Other Enterprise Funds	Totals	Governmental Activities Internal Service Funds
$ -	$ 4,358,242	$ -
2,988	68,594	64,557
-	1,534,122	-
-	13,410	-
-	1,105,681	-
235,965	3,440,753	
62,919	1,135,372	-
301,872	11,656,174	64,557
469,881	22,377,917	629,177
57,628	840,313	-
57,628	840,313	-
560,997	347,013,821	152,088
-	14,504,672	-
(25,913)	18,881,017	2,241,985
$ 535,084	$ 380,399,510	$ 2,394,073

Continued (Page 2 of 2)

CITY OF LINCOLN
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2015

	Business-Type Activities - Enterprise Funds			
	Water	Wastewater Operations	Solid Waste	Airport
OPERATING REVENUES				
Charges for services	$ 12,588,358	$ 7,517,029	$ 5,768,602	$ 1,261,533
Connection fees	27,500	-	56,921	-
Other revenues	-	330	778	7,610
Total Operating Revenues	12,615,858	7,517,359	5,826,301	1,269,143
OPERATING EXPENSES				
Salaries and benefits	1,359,032	984,862	1,573,108	268,823
Services and supplies	7,352,345	4,544,173	2,031,121	926,759
Support services	761,089	530,411	1,241,388	127,018
Depreciation	2,940,891	4,684,897	242,193	230,664
Total Operating Expenses	12,413,357	10,744,343	5,087,810	1,553,264
Operating Income (Loss)	202,501	(3,226,984)	738,491	(284,121)
NONOPERATING REVENUES (EXPENSES)				
Taxes	-	-	-	45,746
Intergovernmental	3,417	854,132	4,866	713
Interest income	161,011	135,696	69,809	2,603
Gain (loss) on sale of capital assets	-	-	-	-
Other non-operating revenues	-	116,855	-	-
Interest expense	(4,991)	(16,342)	-	(78,741)
Total Nonoperating Revenues (Expenses)	159,437	1,090,341	74,675	(29,679)
Income (Loss) before Contributions and Transfers	361,938	(2,136,643)	813,166	(313,800)
Capital grants and contributions	1,568,413	1,180,918	-	-
Capital connection fees	641,603	695,279	168,192	-
Transfers in	-	-	944,356	28,800
Transfers out	(160,709)	(92,632)	(1,101,787)	(32,509)
Change in Net Position	2,411,245	(353,078)	823,927	(317,509)
Total Net Position - Beginning	176,019,111	191,509,127	13,528,472	(215,283)
Cumulative affect of change in accounting principle	(1,170,856)	(808,753)	(1,282,642)	(279,335)
Total Net Position - Beginning, Restated	174,848,255	190,700,374	12,245,830	(494,618)
Total Net Position - Ending	$ 177,259,500	$ 190,347,296	$ 13,069,757	$ (812,127)

The notes to the basic financial statements are an integral part of this statement.

Other Enterprise Funds	Totals	Governmental Activities Internal Service Funds
$ 39,289	$ 27,174,811	$ 5,805,804
-	84,421	-
-	8,718	29,358
39,289	27,267,950	5,835,162
394,892	4,580,717	2,885,351
236,013	15,090,411	2,074,880
292,823	2,952,729	-
56,859	8,155,504	6,069
980,587	30,779,361	4,966,300
(941,298)	(3,511,411)	868,862
367,131	412,877	-
325,417	1,188,545	964
3,436	372,555	16,372
(39,829)	(39,829)	14,300
172	117,027	-
-	(100,074)	-
656,327	1,951,101	31,636
(284,971)	(1,560,310)	900,498
-	2,749,331	-
-	1,505,074	-
-	973,156	46,500
(74,893)	(1,462,530)	(372,599)
(359,864)	2,204,721	574,399
1,155,711	381,997,138	1,819,674
(260,763)	(3,802,349)	-
894,948	378,194,789	1,819,674
$ 535,084	$ 380,399,510	$ 2,394,073

CITY OF LINCOLN
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2015

	Business-Type Activities - Enterprise Funds			
	Water	Wastewater Operations	Solid Waste	Airport
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 12,734,442	$ 6,923,253	$ 5,753,427	$ 1,339,231
Payments to suppliers	(8,315,946)	(3,812,650)	(3,376,374)	(1,052,533)
Payments to employees	(1,346,523)	(962,352)	(1,540,771)	(277,602)
Net Cash Provided (Used) by Operating Activities	3,071,973	2,148,251	836,282	9,096
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Taxes received	-	-	-	45,594
Intergovernmental revenues received	3,505	676,723	4,866	698
Other revenues received	-	116,855	-	-
Transfers from other funds	-	-	944,356	28,800
Transfers to other funds	(160,709)	(92,632)	(1,101,787)	(32,509)
Interfund loan repayments received	153,947	4,008,414	25,499	69,179
Net Cash Provided (Used) by Noncapital Financing Activities	(3,257)	4,709,360	(127,066)	111,762
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Connection fees received	641,603	695,279	168,192	-
Acquisition of capital assets	(438,831)	(2,608,441)	-	-
Proceeds from sale of capital assets	49,726	-	-	-
Principal paid on capital debt	(38,730)	(120,000)	-	(88,637)
Interest paid on capital debt	(5,395)	(18,739)	-	(79,687)
Net Cash Provided (Used) for Capital and Related Financing Activities	208,373	(2,051,901)	168,192	(168,324)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	160,289	135,099	69,519	2,603
Net Cash Provided (Used) by Investing Activities	160,289	135,099	69,519	2,603
Net Increase (Decrease) in Cash and Cash Equivalents	3,437,378	4,940,809	946,927	(44,863)
Balances - Beginning	16,490,187	12,170,523	6,919,163	45,980
Balances - Ending	$ 19,927,565	$ 17,111,332	$ 7,866,090	$ 1,117

The notes to the basic financial statements are an integral part of this statement.

Other Enterprise Funds	Totals	Governmental Activities Internal Service Funds
$ (79,669)	$ 26,670,684	$ 5,835,297
(394,300)	(16,951,803)	(2,120,090)
(429,884)	(4,557,132)	(2,988,092)
(903,853)	5,161,749	727,115
367,131	412,725	-
348,265	1,034,057	3,836
172	117,027	-
-	973,156	46,500
(74,893)	(1,462,530)	(372,599)
-	4,257,039	-
640,675	5,331,474	(322,263)
-	1,505,074	-
-	(3,047,272)	(58,899)
-	49,726	14,300
-	(247,367)	-
-	(103,821)	-
-	(1,843,660)	(44,599)
3,428	370,938	16,290
3,428	370,938	16,290
(259,750)	9,020,501	376,543
586,662	36,212,515	2,315,128
$ 326,912	$ 45,233,016	$ 2,691,671

Continued (Page 1 of 2)

CITY OF LINCOLN
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2015

	Business-Type Activities - Enterprise Funds			
	Water	Wastewater Operations	Solid Waste	Airport
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	$ 202,501	$ (3,226,984)	$ 738,491	$ (284,121)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	2,940,891	4,684,897	242,193	230,664
Decrease (Increase) in:				
Accounts receivable	118,584	(556,795)	(70,878)	70,088
Investment in JPA	(22,737)	(16,453)	(28,061)	(4,887)
Inventory	-	-	-	7,775
Pension adjustments	(6,714)	(4,638)	(7,356)	(1,603)
Increase (Decrease) in:				
Accounts payable	(173,775)	1,049,225	158,745	(1,293)
Accrued salaries and benefits	5,359	8,822	8,016	496
Prepaid services	-	(37,311)	-	-
Deposits payable	(6,000)	229,161	-	(350)
Unearned revenue	-	-	(1,996)	-
Pension adjustments	258,757	178,733	283,462	61,733
Compensated absences payable	(14,715)	(3,709)	47,686	(417)
Postclosure	-	-	(234,550)	-
Net pension liability	(239,386)	(165,353)	(262,241)	(57,111)
Net OPEB obligation	9,208	8,656	(37,229)	(11,878)
Net Cash Provided (Used) by Operating Activities	$ 3,071,973	$ 2,148,251	$ 836,282	$ 9,096
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Transfers of capital assets to/from governmental funds	$ 1,568,413	$ 1,180,918	$ -	$ -

The notes to the basic financial statements are an integral part of this statement.

Other Enterprise Funds	Totals	Governmental Activities Internal Service Funds
$ (941,298)	$ (3,511,411)	$ 868,862
56,859	8,155,504	6,069
-	(439,001)	135
(9,339)	(81,477)	(105,875)
-	7,775	-
(1,495)	(21,806)	-
143,875	1,176,777	60,657
(5,624)	17,069	10,299
-	(37,311)	-
-	222,811	-
(118,958)	(120,954)	-
57,628	840,313	-
(6,846)	21,999	(113,032)
-	(234,550)	-
(53,314)	(777,405)	-
(25,341)	(56,584)	-
$ (903,853)	$ 5,161,749	$ 727,115
$ -	$ 2,749,331	$ -

Continued (Page 2 of 2)

CITY OF LINCOLN
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	Private Purpose Trust Funds	Agency Funds
ASSETS		
Cash and investments	$ 1,947,371	$ 21,226,960
Receivables:		
Interest	108	1,192
Special assessments	-	165,400
Due from other funds	14,930	
Investment in JPA	3,061	-
Advances to other funds	871,819	-
Restricted cash and investments	1,061,658	15,972,241
Loans receivable	4,059,127	-
Capital assets:		
Non-depreciable	2,837,713	-
Depreciable, net	1,190,249	-
Total Assets	11,986,036	37,365,793
LIABILITIES		
Accounts payable	530	2,800
Interest payable	178,683	-
Deposits payable	1,000	-
Due to other agencies	4,361,843	3,081
Due to other funds	14,930	-
Due to property owners	-	36,699,373
Advances from other funds	871,819	-
Agency obligations	-	660,539
Long-term liabilities:		
Due within one year	634,924	-
Due in more than one year	10,167,085	-
Total Liabilities	16,230,814	37,365,793
NET POSITION		
Net Position held in trust	(4,244,778)	-
Total Net Position	$ (4,244,778)	$ -

The notes to the basic financial statements are an integral part of this statement.

CITY OF LINCOLN
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2015

	Private Purpose Trust Funds
ADDITIONS	
Property taxes	$ 806,664
Interest and investment income	231,823
Other contributions	133,072
Total Additions	1,171,559
DEDUCTIONS	
Program expenses	5,187,595
Interest expense	533,072
Depreciation	82,197
Amortization	5,076
Total Deductions	5,807,940
Transfers in	1,042,048
Transfers out	(1,042,048)
Change in Net Position	(4,636,381)
Total Net Position - Beginning	391,603
Total Net Position - Ending	$ (4,244,778)

The notes to the basic financial statements are an integral part of this statement.

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Basic Financial Statements

- **Notes to Basic Financial Statements**

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Lincoln 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.

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. Separate financial statements for the Lincoln Public Financing Authority are not issued.

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 or the Agency to enable the City or the Agency to provide for the acquisition construction and improvement of public capital improvements. The Authority is the lessor the City's Revenue Refunding Bonds Series 2000, Lease Revenue Refunding Bonds Series 2003, Lease Revenue Bonds Series 2006, and the City of Lincoln Redevelopment Agency Tax Allocation Bonds Series 2004A and Housing Set Aside Tax Allocation Revenue Bonds Series 2004B 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, business-type activities, Water enterprise fund, Wastewater Operations enterprise fund and Airport enterprise fund financial statements and long-term debt in the private purpose trust funds.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

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, 600 Montgomery Street, 9th Floor, San Francisco, CA 94111. The City is not financially accountable for this organization and therefore it is not a component unit under Statement Nos. 14, 39, and 61 of the Governmental Accounting Standards Board.

B. Basis of Presentation

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. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis is placed on major funds within the governmental and proprietary categories; each is displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements (Continued)

The City reports the following major governmental funds:

- 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.

- 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.

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

- The Federal Grants fund is a special revenue fund used to account for the grant revenues received from the federal government for capital projects.

The City reports the following major proprietary funds:

- 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.

- 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.

- 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.

- 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 reports the following additional fund types:

- 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements (Continued)

- 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.

- The Private Purpose Trust funds account for property held under other trust arrangement under which principal and income benefit individuals, private organizations or other governments. Private purpose trust funds include the Successor Agency to the Redevelopment Agency of the City of Lincoln.

- 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, preservation of the library, and for the purpose of preserving open space surrounding Markham Ravine area.

C. Basis of Accounting and Measurement Focus

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales tax, grants, entitlements, and donations. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property and sales taxes, interest, certain state and federal grants, and charges for services are considered susceptible to accrual and are accrued when their receipt occurs within sixty days after the end of the fiscal year. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to claims and judgments are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the various functions of the governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting and Measurement Focus (Continued)

Fiduciary funds include trust funds and agency funds. All trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. Agency funds are reported using the accrual basis of accounting to recognize receivables and payables.

D. Non-Current Governmental Assets/Liabilities

Non-current governmental assets and liabilities, such as capital assets and long-term liabilities, are reported in the governmental activities column in the government-wide statement of net position.

E. Cash, Cash Equivalents, and 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. Interest from pooled investments is allocated to the various funds based on average balances of the funds entitled to receive interest. Interest is allocated on the basis of average month end cash balance amounts for each fund as a percentage of the total balance.

Investments are reported in the accompanying balance sheet at fair value which is determined using selected bases annually. Short term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Cash deposits are reported at carrying amount which reasonably estimates fair value. Managed funds not listed on an established market are reported at the estimated fair value as determined by the respective fund managers based on quoted sales prices of the underlying securities.

For purposes of the accompanying Statement of Cash Flows, the City considers all highly liquid investments, including restricted cash and investments, with original maturity of three months or less and amounts held in the City's investment pool to be cash and cash equivalents.

F. Restricted Cash and Investments

Restricted assets in the governmental funds represents cash and investments held in the Community Development Block Grant (CDBG) fund for loans and program income of $498,615, Lincoln Public Financing Authority Series 2006-1 for debt reserve of $944,575, Lincoln Public Financing Authority Series 2000 for debt reserve of $324,864, Lincoln Public Financing Authority Series 2003 for debt reserve of $720,500 in Capital Improvements fund for capital projects of $3,683,458, in Twelve Bridges Capital Project fund for capital projects of $10,545,230, in Lakeside CFD Improvement Area for capital projects of $1,410,192, in Lincoln Crossing for capital projects of $2,355,435, and in the Brookview Open Space Maintenance Trust for maintenance of $16,255. Restricted assets in the proprietary funds represent cash and investments held in the Wastewater Operations fund for debt service of $121,645. Restricted assets in the private purpose trust funds represents cash and investments held for debt service and capital projects of $1,061,658. Restricted assets held in the agency funds represents cash and investments held for capital projects and debt service of $15,833,227.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Receivables

Receivables for governmental activities consist mainly of accounts, interest, taxes, and intergovernmental. Management records an allowance for doubtful accounts based on historical trends and the periodic aging of receivables. At June 30, 2015, the allowance for doubtful accounts was $337,419.

Receivables for enterprise funds consist mainly of user fees and interest. Management records an allowance for doubtful accounts based on historical trends and the periodic aging of receivables. At June 30, 2015, the allowance for doubtful accounts was $249,696.

H. Due from Other Agencies

The following is a summary of amounts included in Due From Other Agencies as of June 30, 2015:

	Governmental Activities	Business-Type Activities
The Water Connections fund had amounts due from the following:		
Former Redevelopment Agency	$ 4,067,312	$ -
The Wastewater Operations fund had amounts due from the following:		
Former Redevelopment Agency	-	297,612
Total	$ 4,067,312	$ 297,612

I. Loans Receivable

The following is a summary of the loans receivable outstanding as of June 30, 2015:

Revitalization and Rehabilitation Loan special revenue fund - The City has loaned funds to qualifying individuals. Interest rates vary depending on the terms of the loan. The balance at June 30, 2015 was $13,542.

Community Development Block Grants (CDBG) special revenue fund - The City has received funding over the years from the California Department of Housing and Community Development for FHA Title 1 and other revolving loans. Notes were issued to borrowers for homebuyers, construction and housing rehabilitation. The notes are secured by first deeds of trust. The notes have various monthly installment amounts and due dates. Interest rates vary depending on the term of the loan. The balance at June 30, 2015 including accrued interest was $536,541.

Home Investment Partnership Program special revenue fund - The City made various loans to qualifying participants within the City as part of the Federal First Time Homebuyers Program (HOME), which is an owner occupied housing program. Interest rates vary depending the terms of the loan. The notes receivable including accrued interest at June 30, 2015 were $2,124,682.

Cal Home Grants special revenue fund - The City has made a loan to qualifying participants within the City. The interest rate for this loan is 3 percent. The balance at June 30, 2015 was $599,316.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Other Assets

Inventory

Governmental funds inventories are recorded as expenditures at the time 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.

Prepaid Items

Payments made for services that will benefit periods beyond June 30, 2015 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.

K. Capital Assets

Capital assets, including public domain (infrastructure such as roads, bridges, sidewalks, sewer, similar items), are defined by the City as an asset with a cost greater than $5,000 and an estimated useful life of more than one year. Capital assets are recorded at historical or estimated historical cost if actual historical cost is unavailable. Contributed capital assets are recorded at their estimated fair market value at the date of donation.

Capital assets used in operations are depreciated or amortized using the straight-line method over the assets estimated useful life in the government-wide financial statements. The range of estimated useful lives by type of asset is as follows:

Depreciable Asset	Estimated Lives
Building and structures	20-50 years
Machinery and equipment	5-15 years
Land improvements	20 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Property Tax

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.

Property taxes are levied on a fiscal year (July 1 - June 30). The secured property tax assessments are due on November 1 and February 1 and become delinquent after December 10 and April 10, respectively. The unsecured property tax assessments are due on August 1 and become delinquent after August 31. Property taxes become a lien on the property effective January 1 of the preceding year.

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

M. 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.

N. 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. 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 is 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 is 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.

P. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' 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.

Q. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position 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 that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item which qualifies for reporting in this category. This item relates to the pension adjustments and is reportable on the Statement of Net Pension.

In addition to liabilities, the statement of financial position 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 that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The government has two types of items which qualify for reporting in this category. One item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for receivables that have not been received within the modified accrual period. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other item relates to the pension adjustments and is reportable on the Statement of Net Position.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

S. Implementation of Governmental Accounting Standards Board Statements (GASB)

The following Governmental Accounting Standards Board (GASB) Statements have been implemented, if applicable to the City of Lincoln, in the current financial statements.

Statement No. 68, Accounting and Financial Reporting for Pensions. This statement improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities.

Statement No. 69, Government Combinations and Disposals of Government Operations. This statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations.

Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. An Amendment of GASB Statement No. 68. This statement addresses an issue regarding application of the transition provisions of Statement No. 68.

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Restatement of Net Position/Fund Balance

Adjustments resulting from errors or a change to comply with provisions of the accounting standards are treated as adjustments to prior periods. Accordingly, the City reports these changes as restatements of beginning net position/fund balance. During the current year the City determined that ten agency funds would be more correctly classified as capital project funds. In addition, during the current year a prior period adjustment was made to reflect the prior period costs related to implementing the net pension liability as required by GASB Statement No. 68.

The impact of the restatements on the net position on the government-wide financial statements as previously reported is presented below:

	Governmental Activities	Business-Type Activities
Net Position, June 30, 2014, as previously reported	$ 430,188,419	$ 381,997,138
Adjustment associated with:		
Correction of classification of funds	18,897,709	-
Net pension liability adjustment	(10,822,209)	(3,802,349)
Total Adjustments	8,075,500	(3,802,349)
Net Position, July 1, 2014, as restated	$ 438,263,919	$ 378,194,789

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY) (CONTINUED)

A. Restatement of Net Position/Fund Balance (Continued)

The impact of the restatements on the fund balance on the fund financial statements as previously reported is presented below:

	Other Governmental Funds
Fund Balance, June 30, 2014, as previously reported	$ 35,354,189
Adjustment associated with:	
Correction of classification of funds	18,897,709
Total Adjustments	18,897,709
Fund Balance, July 1, 2014, as restated	$ 54,251,898

The impact of the restatements on the net position on the proprietary fund financial statements as previously reported is presented below:

	Water	Wastewater Operations	Solid Waste	Airport	Other Enterprise Funds
Net Position, June 30, 2014, as previously reported	$ 176,019,111	$ 191,509,127	$ 13,528,472	($ 215,283)	$ 1,155,711
Adjustment associated with:					
Net Pension Liability Adjustment	(1,170,856)	808,753	(1,282,642)	(279,335)	(260,763)
Total Adjustments	(1,170,856)	(808,753)	(1,282,642)	(279,335)	(260,763)
Net Position, July 1, 2014, as restated	$ 174,848,255	$ 190,700,374	$ 12,245,830	($ 494,618)	$ 894,948

B. Deficit Fund Balance/Unrestricted Net Position

The following major special revenue funds had deficit fund balances:

Public Facility Element (PFE) - This fund, whose primary revenue source is development impact fees, have a negative fund balance of $6,739,593 because of funding infrastructure projects, public facilities and parks. These facilities were constructed during a significant growth period in the City, and as the economy slowed 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.

Federal Grants - This fund, whose primary source of revenue is federal grants, had a negative fund balance of $1,525,899, which is expected to be eliminated in future years through grant revenues.

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY) (CONTINUED)

B. Deficit Fund Balance/Unrestricted Net Position (Continued)

The following major enterprise fund had a deficit unrestricted net position:

Airport fund - This fund has a negative net position of $812,127 and an unrestricted net position deficit of $5,549,544. 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 hangar rentals which have not kept up with operating expenses and capital improvement costs.

C. Rebatable Arbitrage

The Tax Reform act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax exempt bond proceeds at as interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. The City does not expect to incur a liability for rebatable arbitrage at June 30, 2015.

NOTE 3: CASH AND INVESTMENTS

A. Financial Statement Presentation

As of June 30, 2015, the City's cash and investments are reported in the financial statements as follows:

Governmental activities	$ 88,171,513
Business type activities	45,233,016
Fiduciary funds	40,208,230
Total Cash and Investments	$173,612,759

As of June 30, 2015, the City's cash and investments consisted of the following:

Cash:	
Cash on hand	$ 2,185
Deposits (less outstanding checks)	6,466,464
Deposits with fiscal agents	37,995,093
Total Cash	44,463,742
Investments:	
In City's pool	129,149,017
Total Investments	129,149,017
Total Cash and Investments	$173,612,759

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

B. Cash

At year end, the carrying amount of the City's cash deposits (including amount in checking accounts and money market accounts) was $44,461,557 and the bank balance was $44,189,338. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. In addition the City had cash on hand of $2,185.

Custodial Credit Risk for Deposits - Custodial credit risk for deposits 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. The City's investment policy requires that deposits in banks must meet the requirements of 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.

C. Investments

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. Under the provisions of the City's investment policy the City may invest or deposit in the following:

Banker's Acceptances
Commercial Paper
Local Agency Investment Fund (LAIF)
Mutual Funds
Medium Term Corporate Notes
Money Market Funds
Negotiable Certificates of Deposit
Repurchase Agreements/Reverse Repurchase Agreements
Securities of the Federal Government or its Agencies
Time Certificates of Deposit

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.

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

As of June 30, 2015, the City had the following investments, all of which had a maturity of 5 years or less:

		Maturities			
Investment Type	Interest Rates	0-1 year	1-5 years	Fair Value	Weighted Average Maturity (Years)
US Treasuries	1.00-3.625%	$ -	$ 15,693,071	$ 15,693,071	4.05
Government Agency Securities	0.65-6.95%	4,450,542	40,273,674	44,724,216	2.64
Corporate Bonds	0.00-6.95%	4,470,617	32,548,746	37,019,363	2.85
Municipal Bonds	3.00-5.50%	716,660	1,327,441	2,044,101	1.28
Local Agency Investment Fund (LAIF)	Variable	29,668,266	-	29,668,266	-
Total		$ 39,306,085	$ 89,842,932	$129,149,017	2.24

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.

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

Investment Type	Minimum Legal Rating	Standard & Poor's Rating	Moody's Rating	% of Portfolio
US Treasuries	N/A	AA+	AAA	12.14%
Federal Farm Credit Bank	N/A	AA+	AAA	2.35%
Federal Home Loan Mortgage	N/A	AA+	AAA	6.99%
Federal Home Loan Bank	N/A	AA+	AAA	7.13%
Federal National Mortgage Association	N/A	AA+	AAA	17.38%
Tenn Valley Authority	N/A	AA+	AAA	0.78%
Corporate Bonds	A	A+	A1	2.17%
Corporate Bonds	A	AA-	A1	0.39%
Corporate Bonds	A	AA+	A1	1.35%
Corporate Bonds	A	A	A2	2.66%
Corporate Bonds	A	A-	A2	1.23%
Corporate Bonds	A	A+	A2	2.40%
Corporate Bonds	A	AA	A2	0.23%
Corporate Bonds	A	Unrated	A2	0.80%
Corporate Bonds	A	A-	A2	0.80%
Corporate Bonds	A	A	A2(-)	0.23%
Corporate Bonds	A	A-	A2(-)	0.34%
Corporate Bonds	A	A	A2(+)	0.57%
Corporate Bonds	A	A	A3	0.99%
Corporate Bonds	A	A-	A3	5.20%
Corporate Bonds	A	BBB	A3	0.40%
Corporate Bonds	A	BBB+	A3	1.02%
Corporate Bonds	A	A+	A3	0.56%
Corporate Bonds	A	AA-	A3	0.21%
Corporate Bonds	A	A-U	A3	0.39%
Corporate Bonds	A	AA	AA1	0.20%
Corporate Bonds	A	AA+	AA1	0.58%
Corporate Bonds	A	AA-	AA3	0.40%
Corporate Bonds	A	AA+	AA3	0.20%
Corporate Bonds	A	AAA	AAA	0.78%
Corporate Bonds	A	BBB+	BA3	0.61%
Corporate Bonds	A	A	BAA1	0.20%
Corporate Bonds	A	A-	BAA1	1.90%
Corporate Bonds	A	AA-	BAA1	0.20%
Corporate Bonds	A	BBB+	BAA1	0.80%
Corporate Bonds	A	BBB+(-)	BAA1(-)	0.39%
Corporate Bonds	A	A-	BAA2	0.39%
Corporate Bonds	A	Unrated (1)	Unrated (1)	0.09%
Municipal Bonds	A	A	A1	0.21%
Municipal Bonds	A	AA	AA1	0.21%
Municipal Bonds	A	A+	AA3	0.81%
Municipal Bonds	A	AA	AA3	0.36%
LAIF	N/A	Unrated	Unrated	22.96%
Total				100.00%

(1) Investment in Lehman Brothers. Corporation filed for bankruptcy in 2008 and rating was withdrawn. This investment matures January 24, 2013. The face value is $1,000,000 and the estimated fair value is $113,750.

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

Custodial Credit Risk for Investments - 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. Custodial credit risk does not apply to a local government's indirect investments in securities through use of mutual funds or government investment pools.

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, 2015, that represent 5 percent or more of total City investments are as follows:

Investment Type	Amount Invested	Percentage of Investments
Federal Home Loan Mortgage	$ 9,208,362	6.99%
Federal Home Loan Bank	9,021,352	7.13%
Federal National Mortgage Association	22,452,488	17.38%

D. Investment in External Investment Pools

Investment in Local Agency Investment Fund - The City of Lincoln is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code and is managed by the Treasurer of the State of California. The Local Investment Advisory Board (LAIF Board) has oversight responsibility for LAIF. The LAIF Board consists of five members as designated by State statute. Investments in LAIF are available on demand and are stated at amortized cost, which approximates fair value. The fair value of the City's position in the pool is the same as the value of the pooled shares. At June 30, 2015 the City's investment position in LAIF was $29,668,266. The total amount invested by all public agencies in LAIF on that day was $69,606,487,716. Of that amount, 97.92% is invested in non-derivative financial products and 2.08% in structured notes and asset-backed securities.

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2015, was as follows:

	Balance July 1, 2014	Additions	Retirements	Transfers/ Adjustments	Balance June 30, 2015
Governmental Activities					
Capital assets, not being depreciated:					
Land	$ 11,981,626	$ 581,087	$ -	$ -	$ 12,562,713
Easements	242,604	-	-	-	242,604
Construction in progress	10,100,088	7,628,412	(38,242)	(574,204)	17,116,054
Total Capital Assets, Not Being Depreciated	22,324,318	8,209,499	(38,242)	(574,204)	29,921,371
Capital assets, being depreciated:					
Building and improvements	72,551,515	762,456	-	-	73,313,971
Machinery and equipment	8,189,814	306,604	(100,721)	-	8,395,697
Infrastructure	418,664,611	4,445,177	-	574,204	423,683,992
Land improvements	21,119,097	-		-	21,119,097
Total Capital Assets, Being Depreciated	520,525,037	5,514,237	(100,721)	574,204	526,512,757
Less accumulated depreciation for:					
Buildings and improvements	(10,616,674)	(1,806,470)	-	-	(12,423,144)
Machinery and equipment	(5,832,230)	(362,819)	83,661	-	(6,111,388)
Infrastructure	(134,220,626)	(11,209,403)	-	-	(145,430,029)
Land improvements	(3,629,328)	(871,058)	-	-	(4,500,386)
Total Accumulated Depreciation	(154,298,858)	(14,249,750)	83,661	-	(168,464,947)
Total Capital Assets, Being Depreciated, Net	366,226,179	(8,735,513)	(17,060)	574,204	358,047,810
Governmental Activities Capital Assets, Net	$388,550,497	($ 526,014)	($ 55,302)	$ -	$ 387,969,181

NOTE 4: CAPITAL ASSETS (CONTINUED)

	Balance July 1, 2014	Additions	Retirements	Balance June 30, 2015
Business-Type Activities				
Capital assets, not being depreciated:				
Land	$ 1,591,640	$ -	$ -	$ 1,591,640
Construction in progress	1,846,512	3,287,587	-	5,134,099
Total Capital Assets, Not Being Depreciated	3,438,152	3,287,587	-	6,725,739
Capital assets, being depreciated:				
Building and improvements	24,685,503	-	-	24,685,503
Machinery and equipment	7,803,601	83,034	(247,908)	7,638,727
Infrastructure	412,349,183	2,425,982	-	414,775,165
Land improvements	1,118,139	-	-	1,118,139
Total Capital Assets, Being Depreciated	445,956,426	2,509,016	(247,908)	448,217,534
Less accumulated depreciation for:				
Buildings and improvements	(10,642,526)	(566,979)	-	(11,209,505)
Machinery and equipment	(5,673,581)	(329,762)	158,354	(5,844,989)
Infrastructure	(81,660,746)	(7,202,856)	-	(88,863,602)
Land improvements	(164,555)	(55,907)	-	(220,462)
Total Accumulated Depreciation	(98,141,408)	(8,155,504)	158,354	(106,138,558)
Total Capital Assets, Being Depreciated, Net	347,815,018	(5,646,488)	(89,554)	342,078,976
Business-Type Activities Capital Assets, Net	$ 351,253,170	($ 2,358,901)	($ 89,554)	$ 348,804,715

Depreciation

Depreciation expense was charged to governmental functions as follows:

General government	$ 30,490
Public safety	338,392
Public works and facilities	13,869,896
Culture and recreation	4,903
Subtotal – Governmental Funds	14,243,681
Depreciation on capital assets held by the City's internal service fund is charged to the various functions based on their usage of the assets	6,069
Total Depreciation Expense - Governmental Functions	$ 14,249,750

NOTE 4: CAPITAL ASSETS (CONTINUED)

Depreciation (Continued)

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

Water	$ 2,940,891
Wastewater Operations	4,684,897
Solid Waste	242,193
Airport	230,664
Transit	56,859
Total Depreciation Expense – Business-Type Functions	$ 8,155,504

Construction in Progress

Construction in progress for governmental activities relates primarily to work performed on street reconstruction, civic auditorium/cultural arts center, water wells and water storage tanks.

Construction in progress for business-type activities relates primarily to work performed on water wells, water storage tanks, wastewater improvements and airport arrival and departure building.

NOTE 5: INTERFUND 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 following are due to and due from balances as of June 30, 2015:

	Due From Other Funds	Due To Other Funds
General Fund	$ -	$ 77,307
Public Facility Element (PFE)	531,756	9,106,801
Water Connections	16,461,644	-
Federal Grants	-	2,325,846
Nonmajor Governmental Funds	317,280	7,162
Wastewater Operations	6,763	836,333
Solid Waste	250,399	-
Airport	-	5,214,393
Private Purpose Trust Funds	14,930	14,930
Total	$ 17,582,772	$ 17,582,772

The PFE special revenue fund and the airport enterprise fund have balances due to other funds for which they have not demonstrated the ability to repay within one year of the financial statement date.

NOTE 5: INTERFUND TRANSACTIONS (CONTINUED)

Due To/From Other Funds (Continued)

The liability in the PFE fund is due to expenditures incurred in prior years for the construction of various general infrastructure projects of the City. Developer fees and other revenue sources were not sufficient to pay for these projects.

The liability in the Airport fund is due to expenses incurred for capital assets such as the airport hangars and general operating costs. Operating revenues such as fuel sales, tie downs and lease revenue are not sufficient to fund the general operating costs of the airport operation.

Advances To/From Other Funds

Advances to/from other funds are non-current interfund loans and are offset by a nonspendable fund balance account in applicable governmental funds to indicate they are not in spendable form. The following are advances to/from other funds as of June 30, 2015:

	Advances To Other Funds	Advances From Other Funds
Public Facility Element (PFE)	$ 3,352,000	$ 9,788,200
Water Connections	4,358,242	-
Nonmajor Governmental Funds	2,000,000	-
Wastewater Operations	-	4,358,242
Solid Waste	4,436,200	-
Private Purpose Trust Funds	871,819	871,819
Total	$ 15,018,261	$ 15,018,261

The advances to the PFE fund were made to finance the construction of a fire station, the public works building, regional park and regional retention facility. These loans accrue interest at LAIF rates. The loans are due in fiscal years ending 2016, 2017, and 2018.

The advance to the Wastewater Operations fund was made to pay obligations due to the Water Connections fund. This loan accrues interest at LAIF rates. The loan is due in fiscal year ending 2015.

The advance to and from the Private Purpose Trust funds was made by the Low/Moderate Income Housing fund to the Redevelopment Agency.

NOTE 5: INTERFUND TRANSACTIONS (CONTINUED)

Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various City operation and re-allocations of special revenues. The following are the interfund transfers for fiscal year ended June 30, 2015:

	Transfer In	Transfer Out
General Fund	$ 723,874	$ 567,319
Public Facility Element (PFE)	-	397,830
Nonmajor Governmental Funds	7,692,926	6,636,178
Water	-	160,709
Wastewater Operations	-	92,632
Solid Waste	944,356	1,101,787
Airport	28,800	32,509
Nonmajor Enterprise Funds	-	74,893
Internal Service Funds	46,500	372,599
Private Purpose Trust Funds	1,042,048	1,042,048
Total	$ 10,478,504	$ 10,478,504

NOTE 6: UNEARNED REVENUE

At June 30, 2015, components of unearned revenue were as follows:

	Unearned
General Fund	
Friends of Lincoln Library advance received	$ 6,932
Public Facility Element (PFE)	
State-wide Community Infrastructure Program (SCIP 04) advance received	169,830
Nonmajor Governmental Funds	
Owner advance funding for development	3,646
Hwy 193 improvement advance received	115,000
Developer Fees	777,978
State-wide Community Infrastructure Program (SCIP 04) advance received	1,308
State grant advance received	1,965,794
Water	
State-wide Community Infrastructure Program (SCIP 04) advance received	53,670
Wastewater Operations	
State-wide Community Infrastructure Program (SCIP 04) advance received	46,758
Total	$ 3,140,916

NOTE 7: LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2015:

Type of Indebtedness	Balance July 1, 2014	Additions	Retirements	Balance June 30, 2015	Amounts Due Within One Year
Governmental Activities					
Bonds	$ 20,775,000	$ -	($ 745,000)	$ 20,030,000	$ 770,000
Less: Discount	(75,866)	-	3,449	(72,417)	(3,449)
Plus: Premium	11,769	-	(841)	10,928	841
Bonds, net	20,710,903	-	(742,392)	19,968,511	767,392
Capital Leases	512,089		(135,524)	376,565	141,116
Compensated absences	1,697,545	820,306	(807,544)	1,710,307	1,341,532
Net pension liability	-	12,471,525*	(2,501,519)	9,970,006	-
Net OPEB obligation	2,876,672	998,263	(323,162)	3,551,773	-
Total Governmental Activities	$ 25,797,209	$ 14,290,094	($ 4,510,141)	$ 35,577,162	$ 2,250,040
Business-Type Activities					
Loans	$ 62,591	$ -	($ 23,730)	$ 38,861	$ 25,451
Bonds	260,000	-	(135,000)	125,000	125,000
Capital leases	1,715,670	-	(88,637)	1,627,033	92,911
Postclosure	1,340,231	-	(234,550)	1,105,681	-
Compensated absences	325,821	172,392	(150,394)	347,819	279,225
Net pension liability	-	4,218,158*	(777,405)	3,440,753	-
Net OPEB obligation	1,191,955	91,224	(147,807)	1,135,372	-
Total Business-Type Activities	$ 4,896,268	$ 4,481,774	($ 1,557,523)	$ 7,820,519	$ 522,587

*In accordance with GASB 68, the net pension liability is recorded as a prior period adjustment of net pension. The adjustment to long-term liabilities is the total adjustment less the adjustments to deferred outflows and deferred inflows.

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.

Individual issues of debt payable outstanding at June 30, 2015, are as follows:

Governmental Activities

Bonds:

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 an interest rate of 4.25% to 5.90% and maturity on September 15, 2017. The bonds were used to finance certain public capital improvements.	$ 115,000
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 an interest rate of 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.	7,145,000

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Individual issues of debt payable outstanding at June 30, 2015, are as follows:

Governmental Activities (Continued)	
Bonds: (Continued)	
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 an interest rate of 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.	12,770,000
Total Bonds	20,030,000
Total Governmental Activities	$ 20,030,000
Business-Type Activities	
Loans:	
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.	38,861
Total Loans	38,861
Bonds:	
Lincoln Public Financing Authority Revenue Refunding Bonds Series 2000 issued December 2000, in the total amount of $12,275,000 of which $4,350,000 is considered a liability of the business-type activities and is payable in annual installments of $125,000 to $410,000 with an interest rate of 4.25% to 5.90% and maturity on September 15, 2017. The bonds were used to finance certain water, wastewater and airport improvements.	125,000
Total Bonds	125,000
Total Business-Type Activities	$ 163,861

Following is a schedule of debt payment requirements of governmental activities and business-type activities to maturity for long-term debt, excluding compensated absences that have indefinite maturities, capital leases which are reported in Note 8, landfill postclosure costs which are reported in Note 9, Net Pension Liability which is reported in Note 12 and Net OPEB Obligation which is reported in Note 13.

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities

Year Ended June 30	Bonds		
	Principal	Interest	Total
2016	$ 770,000	$ 928,994	$ 1,698,994
2017	795,000	899,645	1,694,645
2018	800,000	869,195	1,669,195
2019	815,000	836,149	1,651,149
2020	855,000	799,040	1,654,040
2021-2025	4,900,000	3,326,031	8,226,031
2026-2030	5,535,000	1,955,694	7,490,694
2031-2035	3,785,000	887,656	4,672,656
2036-2037	1,775,000	85,381	1,860,381
Total	$ 20,030,000	$10,587,785	$ 30,617,785

Business-Type Activities

Year Ended June 30	Loans		
	Principal	Interest	Total
2016	$ 25,451	$ 2,323	$ 27,774
2017	13,410	476	13,886
Total	$ 38,861	$ 2,799	$ 41,660

Year Ended June 30	Bonds		
	Principal	Interest	Total
2016	$ 125,000	$ 4,218	$ 129,218
Total	$ 125,000	$ 4,218	$ 129,218

NOTE 8: LEASES

Operating Leases

The City is committed under various cancellable and noncancellable operating leases for building and office space. Operating leases do not give rise to property rights or lease obligations and, therefore, the results of the lease agreements are not reflected in the City's government-wide financial statements.

NOTE 8: LEASES (CONTINUED)

Capital Leases

The City has entered into certain capital lease agreements under which the related equipment will become the property of the City when all terms of the lease agreements are met.

	Stated Interest Rate	Present Value Of remaining Payments at June 30, 2015
Governmental Activities	4.050%	$ 376,564
Business-Type Activities	4.735%	1,627,032
Total		$ 2,003,596

Equipment and related accumulated depreciation under capital lease are as follows:

	Governmental Activities	Business-Type Activities
Equipment	$ 568,448	$ 2,438,012
Less: Accumulated depreciation	(114,001)	(365,871)
Net Value	$ 454,447	$ 2,072,141

As of June 30, 2015, capital lease annual amortization is as follows:

Year Ended June 30	Governmental Activities	Business-Type Activities
2016	$ 153,766	$ 168,325
2017	153,766	168,325
2018	89,697	168,325
2019	-	168,325
2020	-	168,325
2021-2025	-	841,624
2026-2028	-	504,975
Total Requirements	397,229	2,188,224
Less Interest	(20,664)	(561,191)
Present Value of Remaining Payments	$ 376,565	$ 1,627,033

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 $1,105,681 as of June 30, 2015. 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, 2015. 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 environment regulations) may need to be covered by an increase in the rate of the franchise surcharge assessed against refuse collection fees.

NOTE 10: NET POSITION

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

- **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.

- **Restricted net position** - Consists of net position with constraints placed 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.

- **Unrestricted net position** - All other net position that does not meet the definition of "restricted" or "net investment in capital assets".

Net Position Restricted by Enabling Legislation

The government-wide Statement of Net Position reports $119,618,434 of restricted net position, of which $19,731,359 is restricted by enabling legislation.

Net Position Flow Assumption

When a government funds outlays for a particular purpose from both restricted and unrestricted resources, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted net position is available, it is considered that restricted resources are used first, followed by the unrestricted resources.

NOTE 11: FUND BALANCES

As prescribed by GASB Statement No. 54, 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. As of June 30, 2015, fund balance for governmental funds are made up of the following:

- **Nonspendable fund balance** - amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts.

- **Restricted fund balance** - 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 with consent of resource providers.

- **Committed fund balance** - 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 highest level of decision making authority for the City that can, by adoption of an ordinance commit fund balance. 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 fund balance** - amounts that are constrained by the City's intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose.

- **Unassigned fund balance** - the residual classification for the City's General fund that includes all amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

NOTE 11: FUND BALANCES (CONTINUED)

The fund balances for all major and nonmajor governmental funds as of June 30, 2015, were distributed as follows:

	General	Public Facility Element (PFE)	Water Connections	Federal Grants	Other Govern-mental Funds	Total
Nonspendable						
Due from other agencies	$ -	$ -	$ 4,067,312	$ -	$ -	$ 4,067,312
Due from other funds	-	-	16,461,644	-	-	16,461,644
Prepaid Costs	-	-	-	-	11,626	11,626
Investment in JPA	361,627	-	-	-	63,648	425,275
Advances	-	3,352,000	4,358,242	-	2,000,000	9,710,242
Loans receivable	-	-	-	-	3,274,081	3,274,081
Endowment - nonspendable	-	-	-	-	356,665	356,665
Subtotal	361,627	3,352,000	24,887,198	-	5,706,020	34,306,845
Restricted For:						
Payroll	43	-	-	-	-	43
Public facility improvements	-	8,228,995	-	-	-	8,228,995
Water capacity expansion	-	-	9,430,569	-	-	9,430,569
Public parks	-	-	-	-	1,373,785	1,373,785
Street and road projects	-	-	-	-	6,555,484	6,555,484
Traffic/street/transit-improvements	-	-	-	-	229,956	229,956
Development services	-	-	-	-	24,251	24,251
Police services	-	-	-	-	268	268
State grants	-	-	-	-	445,368	445,368
Cal Home grants	-	-	-	-	157,984	157,984
Public improvements and maintenance	-	-	-	-	10,977,963	10,977,963
Public safety services	-	-	-	-	14,236	14,236
Oak tree replacement	-	-	-	-	1,487,117	1,487,117
Community development	-	-	-	-	1,640,337	1,640,337
Endowment - spendable	-	-	-	-	146,194	146,194
Capital projects	-	-	-	-	20,738,489	20,738,489
Debt service	-	-	-	-	3,590,833	3,590,833
Subtotal	43	8,228,995	9,430,569	-	47,382,265	65,041,872
Committed to:						
Catastrophic reserve	2,000,000	-	-	-	-	2,000,000
Economic reserve	1,748,170	-	-	-	-	1,748,170
Youth programs	55,556	-	-	-	-	55,556
Subtotal	3,803,726	-	-	-	-	3,803,726
Assigned to:						
Supplemental fees	-	-	-	-	2,638,910	2,638,910
Development services	-	-	-	-	3,487,762	3,487,762
Subtotal	-	-	-	-	6,126,672	6,126,672
Unassigned	5,580,155	(18,320,588)	-	(1,525,899)	-	(14,266,332)
Total	$ 9,745,551	($ 6,739,593)	$ 34,317,767	($1,525,899)	$ 59,214,957	$ 95,012,783

NOTE 11: FUND BALANCES (CONTINUED)

Fund Balance Flow Assumption

When a government funds outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance), a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted fund balance is available, it is considered that restricted fund balance is depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policy

The City Council has adopted a fund balance policy for financial statement reporting for the General fund. The policy establishes procedures for reporting fund balance classifications, establishes prudent reserve requirements and establishes a hierarchy of fund balance expenditures. The policy also provides for the City to establish and maintain a minimum committed unrestricted fund balance (catastrophic reserve) in the General fund equal to $2 million or two months of annual expenditures whichever is greater and a minimum committed unrestricted fund balance (economic reserve) in the General fund equal to 15% of annual expenditures.

NOTE 12: PENSION PLANS

A. General Information about the Pension Plans

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the City's separate Safety and Miscellaneous (all other) Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Effective January 1, 2013, the City added retirement tiers for both Miscellaneous and Safety Plans for new employees as required under the Public Employee Pension Reform Act (PEPRA). New employees hired on or after January 1, 2013 will be subject to new, lower pension formulas, caps on pensionable income levels and new definitions of pensionable income. In addition, new employees will be required to contribute half of the total normal cost of the pension benefit unless impaired by an existing Memorandum of Understanding. The cumulative effect of these PEPRA changes will ultimately reduce the City's retirement costs.

NOTE 12: PENSION PLANS (CONTINUED)

A. General Information about the Pension Plans (Continued)

Summary of Plans and Eligible Participants

Open for New Enrollment	
Miscellaneous PEPRA	Miscellaneous members hired on or after January 1, 2013
Closed to New Enrollment	
Miscellaneous First Tier	Miscellaneous members hired before February 13, 2011
Miscellaneous Second Tier	Miscellaneous members hired after February 13, 2011 and before January 1, 2013
Safety First Tier	Safety employees hired before January 1, 2013

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 with statutorily reduced benefits. Retirement benefits are paid monthly for life. 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.

Each Plans' specific provisions and benefits in effect at June 30, 2015, are summarized as follows:

	Benefit Formula	Retirement Age	Monthly Benefits As a % of Eligible Compensation
Miscellaneous First Tier	2.7% @ 55	50-55	2.000% to 2.700%
Miscellaneous Second Tier	2.0% @ 60	50-60	1.092% to 2.418%
Miscellaneous PEPRA	2.0% @ 62	52-62	1.000% to 2.500%
Safety	3.0% @ 50	50	3.000%
Safety PEPRA	2.7% @ 57	50-57	2.000% to 2.700%

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 all Plans 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.

NOTE 12: PENSION PLANS (CONTINUED)

A. General Information about the Pension Plans (Continued)

Contributions (Continued)

	Employer Contribution Rates	Employee Contribution Rates	Employer Paid Member Contribution Rates
Miscellaneous First Tier	21.926%	8.000%	0.000%
Miscellaneous Second Tier	8.005%	8.000%	0.000%
Miscellaneous PEPRA	6.250%	6.250%	0.000%
Safety	30.298%	9.000%	0.000%
Safety PEPRA	11.500%	11.500%	0.000%

For the year ended June 30, 2015, the contribution recognized as part of pension expense for each Plan were as follows:

	Contributions-Employer	Contributions-Employee (Paid by Employer)
Miscellaneous First Tier	$ 1,011,541	$ -
Miscellaneous Second Tier	20,167	-
Miscellaneous PEPRA	22,841	-
Safety First Tier	1,010,575	-

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

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2014, and the total pension liability for each Plan used to calculate the net pension liability was determined by actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 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 plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for each Plan as of June 30, 2013 and 2014 was as follows:

	Proportion June 30, 2013	Proportion June 30,2014	Change - Increase (Decrease)
Miscellaneous First Tier	.13236%	.13990%	.00754 %
Miscellaneous Second Tier	.00035%	.00033%	(.00002)%
Miscellaneous PEPRA	.00000%	.00000%	.00000 %
Safety First Tier	.07433%	.07528%	.00095 %

NOTE 12: PENSION PLANS (CONTINUED)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

As of June 30, 2015, the City reported net pension liabilities for its proportionate share os the net pension liability of each Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous First Tier	$ 8,705,517
Miscellaneous Second Tier	20,703
Miscellaneous PEPRA	19
Safety First Tier	4,684,520
Total Net Pension Liability	$ 13,410,759

For the year ended June 30, 2015, the City recognized pension expense of $1,550,223. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 2,175,731	$ -
Differences between projected and actual earnings on pension plan investments	-	(3,200,114)
Difference between City contributions and proportionate share of contributions	577,652	-
Adjustment due to differences in proportions	-	(347,862)
Total	$ 2,753,383	($ 3,547,976)

$2,175,731 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, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2016	($ 717,962)
2017	(717,962)
2018	(734,376)
2019	(800,024)
Thereafter	-
Total	($ 2,970,324)

NOTE 12: PENSION PLANS (CONTINUED)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions

The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.50%
Inflation	2.75%
Payroll Growth	2.75%
Projected Salary Increase	(1)
Investment Rate of Return	7.50%(2)
Mortality	(3)

(1) Depending on age, service, and type of employment
(2) Net of pension plan investment and administrative expenses, including inflation
(3) Derived using CalPERS membership data for all funds

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 7.50% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a 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. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50% is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at the CalPERS we4bsited under the GASB 68 section.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction of pension plan administrative expense. The 7.50% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65%. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

NOTE 12: PENSION PLANS (CONTINUED)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Discount Rate (Continued)

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is schedule to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound 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 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 equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

Asset Class	New Strategic Allocation	Real Return Years 1-10(a)	Real Return Years 11+(b)
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forest land	3.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
Total	100%		

(a) An expected inflation of 2.5% used for this period
(b) An expected inflation of 3.0% used for this period

NOTE 12: PENSION PLANS (CONTINUED)

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 each Plan as of the measurement date, calculated using the discount rate for each 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:

	1% Decrease 6.50%	Discount Rate 7.50%	1% Increase 8.50%
Miscellaneous First Tier	$13,628,350	$8,705,517	$4,620,032
Miscellaneous Second Tier	36,886	20,703	7,272
Miscellaneous PEPRA	34	19	7
Safety First Tier	7,726,755	4,684,520	2,177,849

Pension Plan Fiduciary Net Position

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

C. Payable to the Pension Plan

At June 30, 2015, the City reported a payable of $0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2015.

NOTE 13: OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. Plan Description

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% 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.

NOTE 13: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

B. 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 the year ended June 30, 2015, the City contributed $470,973 to the plan, which represents 43.2% of the cost of current year premiums for eligible retired plan members and their spouses.

C. Annual OPEB Cost and Net OPEB Obligation

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. The City elected to prepay the unfunded actuarial liability.

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 to the Retiree Health Plan.

Annual required contribution	$ 1,132,563
Interest on net OPEB Obligation	284,804
Adjustment to Annual Required Contribution	(327,876)
Annual OPEB Cost	1,089,491
Contributions made:	
Pay as you go contribution	(470,973)
Increase (decrease) in Net OPEB Obligation	618,518
Net OPEB Obligation (Asset) Beginning	4,068,627
Net OPEB Obligation (Asset) Ending	$ 4,687,145

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the current and prior two years are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2013	$ 1,532,519	$ 120.5%	$ 3,366,824
June 30, 2014	1,096,921	36.0%	4,068,627
June 30, 2015	1,089,491	43.2%	4,687,145

NOTE 13: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

D. Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the plan was 15.4 percent funded. The actuarial accrued liability was $10,094,244 and the actuarial value of assets was $1,557,827, resulting in an unfunded actuarial accrued liability (UAAL) of $8,536,417. The covered payroll (annual payroll of employees covered by the plan) was $9,801,620, and the ratio of the UAAL to the covered payroll was 87.1 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the Annual Required Contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information (as it becomes available) that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

E. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. In the July 1, 2013 actuarial valuation, the projected unit credit actuarial method was used. The actuarial assumptions included a 5 percent investment rate of return (net of administrative expenses). The annual healthcare-cost trend rates range from 7 percent in 2013 to 5 percent in 2014 and future years. The assumptions also include a 5 percent discount rate. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2014 was 29 years.

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, 2015, the nonspendable amount was $356,665 and the spendable amount was $146,194.

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.

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.

NOTE 15: RISK MANAGEMENT (CONTINUED)

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 participants as of June 30, 2015 were as follows:

- Anderson
- Auburn
- Colusa
- Corning
- Dixon
- Elk Grove
- Folsom
- Galt
- Gridley
- Ione
- Jackson
- Lincoln
- Marysville
- Nevada City
- Oroville
- Paradise
- Placerville
- Red Bluff
- Rio Vista
- Rocklin
- Willows
- Yuba City

The City's investment in the NCCSIF of $669,640 is recorded in the funds as Investment in JPA. The net change is shown as an income or expenditure/expense item in the funds.

NOTE 16: OTHER INFORMATION

A. Commitments and Contingencies

At June 30, 2015, the City had construction contracts outstanding of approximately $10,781,402.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. 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.

As of June 30, 2015, the City was overseeing the construction of a regional sewer pipe line between the City of Lincoln and Placer County. The cost of this construction is being reimbursed by the County of Placer and upon completion title will pass to the City of Lincoln.

B. 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 private purpose trust funds.

NOTE 16: OTHER INFORMATION (CONTINUED)

B. 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 reasonable possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably the City. Amounts owed to the City are included in Due from Other Agencies and consist of $4,064,231 due to the Water Connections fund, and $297,612 due to the Wastewater Operations fund.

Capital assets activity for the year ended June 30, 2015, was as follows:

	Balance July 1, 2014	Additions	Retirements	Balance June 30, 2015
Capital Assets, Not Being Depreciated				
Land	$ 2,837,713	$ -	$ -	$ 2,837,713
Total Capital Assets, Not Being Depreciated	2,837,713	-	-	2,837,713
Capital Assets, Being Depreciated				
Buildings	179,708	-	-	179,708
Land improvements	1,554,047	-	-	1,554,047
Total Capital Assets, Being Depreciated	1,733,755	-	-	1,733,755
Less Accumulated Depreciation for:				
Buildings	(28,077)	(4,492)	-	(32,569)
Land improvements	(433,232)	(77,705)	-	(510,937)
Total Accumulated Depreciation	(461,309)	(82,197)	-	(543,506)
Total Capital Assets, Being Depreciated, Net	1,272,446	(82,197)	-	1,190,249
Capital Assets, Net	$ 4,110,159	($ 82,197)	$ -	$ 4,027,962

The following is a summary of changes in long-term liabilities for the year ended June 30, 2015:

Type of Indebtedness	Balance July 1, 2014	Additions	Retirements	Balance June 30, 2015	Amounts Due Within One Year
Bonds	$ 11,440,000	$ -	($ 610,000)	$ 10,830,000	$ 640,000
Less: Discount	(33,067)	-	5,076	(27,991)	(5,076)
Total	$ 11,406,933	$ -	($ 604,924)	$ 10,802,009	$ 634,924

NOTE 16: OTHER INFORMATION (CONTINUED)

B. Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

Individual issues of debt payable outstanding at June 30, 2015, are as follows:

Bonds:	
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 installments of $235,000 to $580,000, with an interest rate of 4.25% to 5.90% and maturity 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.	$ 825,000
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 an interest rate of 3.50% to 4.80% and maturity on September 15, 2026. The bonds were used to finance redevelopment activities.	8,100,000
Lincoln Public Financing Authority Housing Set Aside Tax Allocation Revenue Bonds Series 2004B (Taxable), issued October 20, 2004 in the amount of $2,370,000 and payable in annual installments of $35,000 to $160,000, with an interest rate of 5.00% to 5.70% and maturity on September 15, 2033. The bonds were used to finance low and moderate income housing activities.	1,905,000
Total Bonds	$10,830,000

Following is a schedule of debt payment requirements to maturity for long-term debt:

	Bonds		
Year Ended June 30	Principal	Interest	Total
2016	$ 640,000	$ 515,414	$ 1,155,414
2017	675,000	479,745	1,154,745
2018	710,000	441,460	1,151,460
2019	750,000	405,500	1,155,500
2020	785,000	372,170	1,157,170
2021-2025	4,480,000	1,274,688	5,754,688
2026-2030	2,205,000	324,623	2,529,623
2031-2035	585,000	69,113	654,113
Total	$ 10,830,000	$ 3,882,713	$ 14,712,713

C. Subsequent Events

On June 2, 2014, the Central Valley Regional Water Quality Control Board (Board) issued a Cleanup and Abatement Order requiring the City to implement a corrective action to address ground water impacts and lack of separation between high ground water and the waste placed within the landfill. The City was required to complete the corrective action by October 15, 2015. Subsequent to June 30, 2015, the City completed the required corrective action in a timely manner. The Board is in the process of renewing and approving the corrective action installation report.

NOTE 16: OTHER INFORMATION (CONTINUED)

C. Subsequent Events (Continued)

Management has evaluated events subsequent to June 30, 2015 through January 7, 2016 the date on which the financial statements were available for issuance. Management has determined no additional subsequent events requiring disclosure have occurred.

D. 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, 2015, 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, 2015
Special Tax Bonds, Series 1998 Lincoln Airpark 98-1	Lincoln Airpark	$ 3,380,000	$ 1,775,000
Refunding Bond, Series 2011A Twelve Bridges Series 204	Twelve Bridges	28,305,000	23,320,000
Refunding Bond, Series 2011B Twelve Bridges Series 204	Twelve Bridges	13,495,000	11,248,000
Limited Obligation Improv. Bond Foskett Ranch Series 2004-3	Foskett Ranch	6,000,000	3,640,000
Special Tax Bonds, Series 2006 Lakeside CFO Series 2006-1	Lakeside	7,310,000	6,940,000
Special Tax Revenue Bonds 2007 Special Tax Revenue Bond 2007 A&B	Lincoln Crossing	102,870,000	93,199,900
Special Tax Revenue Bonds, Series 2009 CFD Sorrento Series 2009	Sorrento Project	2,190,000	2,035,000
Special Tax Revenue Bonds, Series 2013 Lakeside Series 2013	Lakeside	4,830,000	4,785,000
Special Tax Revenue Bonds, Series 2013 CFD Sorrento Series 2013	Sorrento Project	5,165,000	5,085,000
Special Tax Revenue Bonds, Series 2014 CFD Sorrento Series 2014	Sorrento Project	5,680,000	5,680,000

Required Supplementary Information
(Unaudited)

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CITY OF LINCOLN
Required Supplementary Information
City Pension Plan
Schedule of Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2015
Last 10 Years*

	2015
Miscellaneous First Tier Plan	
Proportion of the net pension liability	0.13990%
Proportionate share of the net pension liability	$ 8,705,517
Covered employee payroll	5,328,247
Proportionate share of the net pension liability as a percentage of covered employee payroll	163.38%
Plan fiduciary net position as a percentage of the total pension liability	76.54%
Miscellaneous Second Tier Plan	
Proportion of the net pension liability	0.00033%
Proportionate share of the net pension liability	$ 20,703
Covered employee payroll	339,824
Proportionate share of the net pension liability as a percentage of covered employee payroll	6.09%
Plan fiduciary net position as a percentage of the total pension liability	83.03%
Miscellaneous PEPRA Plan	
Proportion of the net pension liability	0.00000%
Proportionate share of the net pension liability	$ 19
Covered employee payroll	177,349
Proportionate share of the net pension liability as a percentage of covered employee payroll	0.01%
Plan fiduciary net position as a percentage of the total pension liability	82.88%
Safety Plan	
Proportion of the net pension liability	0.07528%
Proportionate share of the net pension liability	$ 4,684,520
Covered employee payroll	3,571,167
Proportionate share of the net pension liability as a percentage of covered employee payroll	131.18%
Plan fiduciary net position as a percentage of the total pension liability	79.37%

***** The City implemented GASB 68 for fiscal year June 30, 2015, therefore only one year is shown.

CITY OF LINCOLN
Required Supplementary Information
City Pension Plan
Schedule of Contributions
For the Year Ended June 30, 2015
Last 10 Years*

	2015
Miscellaneous First Tier Plan	
Contractually required contribution (actuarially determined)	$ 1,011,541
Contributions in relation to the actuarially determined contributions	(1,011,541)
Contribution deficiency (excess)	$ -
Covered employee payroll	$ 5,328,247
Contributions as a percentage of covered employee payroll	18.98%
Miscellaneous Second Tier Plan	
Contractually required contribution (actuarially determined)	$ 20,167
Contributions in relation to the actuarially determined contributions	(20,167)
Contribution deficiency (excess)	$ -
Covered employee payroll	$ 339,824
Contributions as a percentage of covered employee payroll	5.93%
Miscellaneous PEPRA Plan	
Contractually required contribution (actuarially determined)	$ 22,841
Contributions in relation to the actuarially determined contributions	(22,841)
Contribution deficiency (excess)	$ -
Covered employee payroll	$ 177,349
Contributions as a percentage of covered employee payroll	12.88%
Safety Plan	
Contractually required contribution (actuarially determined)	$ 1,010,575
Contributions in relation to the actuarially determined contributions	(1,010,575)
Contribution deficiency (excess)	$ -
Covered employee payroll	$ 3,571,167
Contributions as a percentage of covered employee payroll	28.30%

***** The City implemented GASB 68 for fiscal year June 30, 2015, therefore only one year is shown.

CITY OF LINCOLN
Required Supplementary Information
Notes to City Pension Plans
For the Year Ended June 30, 2015

NOTE 1: SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

There were no changes in assumptions or benefits in calculating the net pension liability.

NOTE 2: SCHEDULE OF CONTRIBUTIONS

Methods and assumptions used to determine the contribution rates for the Miscellaneous Plans were as follows:

Miscellaneous Tier One Plan	
Valuation Date	June 30, 2011
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	20 years as of the valuation date
Asset valuation method	15 year smoothed market
Inflation	2.75%
Salary increases	3.3% to 14.2% depending on age, service, and type of employment
Investment rate of return	7.75%, net of pension plan investment expense, including inflation
Retirement age	50-67 years

Miscellaneous Tier Two Plan	
Valuation Date	June 30, 2011
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	9 years as of the valuation date
Asset valuation method	15 year smoothed market
Inflation	2.75%
Salary increases	3.3% to 14.2% depending on age, service, and type of employment
Investment rate of return	7.75%, net of pension plan investment expense, including inflation
Retirement age	50-67 years

Methods and assumptions used to determine the contribution rates for the Safety Plan was as follows:

Safety Plan	
Valuation Date	June 30, 2011
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	21 years as of the valuation date
Asset valuation method	15 year smoothed market
Inflation	2.75%
Salary increases	3.3% to 14.2% depending on age, service, and type of employment
Investment rate of return	7.75%, net of pension plan investment expense, including inflation
Retirement age	50-67 years

CITY OF LINCOLN
Required Supplementary Information
City OPEB Plan Schedule of Funding Progress
For the Year Ended June 30, 2015

SCHEDULE OF FUNDING PROGRESS

The Schedule of Funding Progress - Other Postemployment Benefits provides a consolidated snapshot of the City's ability to meet current and future liabilities with the plan assets. Of particular interest to most is the funded status ratio. This ratio conveys a plan's level of assets to liabilities, an important indicator to determine the financial health of the OPEB plan. The closer the plan is to a 100% funded status, the better position it will be in to meet all of its future liabilities.

The table below shows a three year analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial accrued liability as a percentage of the annual covered payroll for the City Other Postemployment Benefit Plan.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Simplified Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage Of Covered Payroll ((b-a)/c)
July 1, 2009	$ -	$ 8,551,351	$ 8,551,351	0.0%	$13,098,294	65.3%
July 1, 2011	-	12,518,361	12,518,361	0.0%	10,673,967	117.3%
July 1, 2013	1,557,827	10,094,244	8,536,417	15.4%	9,801,620	87.1%

CITY OF LINCOLN
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Taxes	$11,526,200	$11,726,200	$12,715,968	$ 989,768
Licenses and permits	451,000	451,000	661,326	210,326
Fines and forfeitures	85,070	85,070	73,722	(11,348)
Use of money and property	81,000	81,000	68,386	(12,614)
Intergovernmental	177,500	222,775	271,294	48,519
Charges for services	1,144,070	1,397,270	1,546,680	149,410
Other revenues	304,870	304,870	318,569	13,699
Total Revenues	13,769,710	14,268,185	15,655,945	1,387,760
EXPENDITURES				
Current:				
General government:				
Administration allocation	1,720,302	1,853,412	1,853,458	(46)
City council	126,554	126,554	130,851	(4,297)
City treasurer	649	649	661	(12)
City attorney	150,000	150,000	148,097	1,903
Human resources	-	1,000	71	929
Economic development	361,693	402,693	246,280	156,413
Finance	302,038	319,428	330,267	(10,839)
Total General Government	2,661,236	2,853,736	2,709,685	144,051
Public safety:				
Fire administration	44,340	44,340	52,467	(8,127)
Fire operations	3,602,916	3,883,137	3,748,104	135,033
Police support services	-	-	2,979	(2,979)
Police operations	4,882,658	4,830,887	4,885,032	(54,145)
Total Public Safety	8,529,914	8,758,364	8,688,582	69,782
Public works and facilities:				
Parks	205,339	205,339	206,780	(1,441)
Facilities maintenance	92,455	92,455	93,649	(1,194)
Total Public Works and Facilities	297,794	297,794	300,429	(2,635)
Culture and recreation:				
Recreation administration	229,365	229,365	211,063	18,302
Adult sports	69,049	69,049	49,521	19,528
Youth sports	152,970	152,970	135,864	17,106
Community classes/facility rental	220,101	220,101	174,497	45,604
Aquatic programs	69,417	69,417	75,248	(5,831)
Total Culture and Recreation	740,902	740,902	646,193	94,709

Continued (Page 1 of 2)

CITY OF LINCOLN
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
EXPENDITURES				
Current:				
Urban redevelopment and housing:				
Development services administration	196,783	196,783	96,043	100,740
Planning	269,358	280,858	240,244	40,614
Building	283,785	283,785	220,452	63,333
Total Urban Redevelopment and Housing	749,926	761,426	556,739	204,687
Education:				
Twelve bridges library	395,002	395,002	397,620	(2,618)
Total Education	395,002	395,002	397,620	(2,618)
Total Expenditures	13,374,774	13,807,224	13,299,248	507,976
Excess of Revenues Over (Under) Expenditures	394,936	460,961	2,356,697	1,895,736
OTHER FINANCING SOURCES (USES)				
Transfers in	316,273	415,793	723,874	308,081
Transfers out	(493,480)	(493,480)	(567,319)	(73,839)
Total Other Financing Sources (Uses)	(177,207)	(77,687)	156,555	234,242
Net Change in Fund Balance	217,729	383,274	2,513,252	2,129,978
Fund Balance - Beginning	7,659,144	7,659,144	7,659,144	-
Fund Balance - Ending	$ 7,876,873	$ 8,042,418	$10,172,396	$ 2,129,978

Reconciliation of Net Changes in Fund Balances - Budgetary to GAAP Basis:

Total Expenditures - Budgetary Basis	$ 13,299,248
Capital outlay and debt service expenditures were not budgeted for by the City	426,845
Total Expenditures - Statement of Revenues, Expenditures, and Changes in Fund Balances	$ 13,726,093

Continued (Page 2 of 2)

CITY OF LINCOLN
Required Supplementary Information
Budgetary Comparison Schedule
Public Facility Element (PFE) - Major Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Use of money and property	$ 88,805	$ 88,805	$ 81,487	$ (7,318)
Charges for services	610,790	610,790	1,358,075	747,285
Other revenuees	4,513	4,513	100	(4,413)
Total Revenues	704,108	704,108	1,439,662	735,554
EXPENDITURES				
Current:				
General government	2,748	2,748	2,652	96
Public safety	92,998	92,998	85,520	7,478
Public works and facilities	19,382	19,382	19,315	67
Culture and recreation	16,353	16,353	11,138	5,215
Education	102,776	702,776	89,933	612,843
Debt service:				
Interest and other charges	30,262	30,262	15,071	15,191
Capital outlay	1,489,200	889,200	366,460	522,740
Total Expenditures	1,753,719	1,753,719	590,089	1,163,630
Excess of Revenues Over (Under) Expenditures	(1,049,611)	(1,049,611)	849,573	1,899,184
OTHER FINANCING SOURCES (USES)				
Transfers out	(397,830)	(397,830)	(397,830)	-
Gain (loss) on sale of assets	-	-	1,899,900	1,899,900
Total Other Financing Sources (Uses)	(397,830)	(397,830)	1,502,070	1,899,900
Net Change in Fund Balance	(1,447,441)	(1,447,441)	2,351,643	3,799,084
Fund Balance (Deficit) - Beginning	(9,091,236)	(9,091,236)	(9,091,236)	-
Fund Balance (Deficit) - Ending	$(10,538,677)	$(10,538,677)	$ (6,739,593)	$ 3,799,084

CITY OF LINCOLN
Required Supplementary Information
Budgetary Comparison Schedule
Water Connections - Major Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Use of money and property	$ 236,600	$ 236,600	$ 176,951	$ (59,649)
Charges for services	1,813,490	1,813,490	2,557,801	744,311
Total Revenues	2,050,090	2,050,090	2,734,752	684,662
EXPENDITURES				
Current:				
General government	1,618	1,618	1,620	(2)
Capital outlay	500,000	500,000	232,849	267,151
Total Expenditures	501,618	501,618	234,469	267,149
Excess of Revenues Over (Under) Expenditures	1,548,472	1,548,472	2,500,283	951,811
OTHER FINANCING SOURCES (USES)				
Transfers out	(3,685,000)	(3,685,000)	-	3,685,000
Total Other Financing Sources (Uses)	(3,685,000)	(3,685,000)	-	3,685,000
Net Change in Fund Balance	(2,136,528)	(2,136,528)	2,500,283	4,636,811
Fund Balance - Beginning	31,817,484	31,817,484	31,817,484	-
Fund Balance - Ending	$ 29,680,956	$ 29,680,956	$ 34,317,767	$ 4,636,811

CITY OF LINCOLN
Required Supplementary Information
Budgetary Comparison Schedule
Federal Grants - Major Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Licenses and permits	$ 200	$ 200	$ -	$ (200)
Intergovernmental	7,442,890	7,442,890	4,885,176	(2,557,714)
Total Revenues	7,443,090	7,443,090	4,885,176	(2,557,914)
EXPENDITURES				
Current:				
Public works and facilities	76,280	76,280	2,612	73,668
Capital outlay	7,366,611	7,366,611	4,952,064	2,414,547
Total Expenditures	7,442,891	7,442,891	4,954,676	2,488,215
Net Change in Fund Balance	199	199	(69,500)	(69,699)
Fund Balance - Beginning	(1,456,399)	(1,456,399)	(1,456,399)	-
Fund Balance - Ending	$ (1,456,200)	$ (1,456,200)	$ (1,525,899)	$ (69,699)

CITY OF LINCOLN
Required Supplementary Information
Notes to Budgetary Comparison Schedules
For the Year Ended June 30, 2015

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 devise 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.

CITY OF LINCOLN
Required Supplementary Information
Notes to Budgetary Comparison Schedules
For the Year Ended June 30, 2015

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:

	Appropriations	Expenditures	Excess of Expenditures Over Appropriations
Administration allocation	$ 1,853,412	$ 1,853,458	$ 46
City council	126,554	130,851	4,297
City treasurer	649	661	12
Finance	319,428	330,267	10,839
Fire administration	44,340	52,467	8,127
Police support services	-	2,979	2,979
Police operations	4,830,887	4,885,032	54,145
Parks	205,339	206,780	1,441
Facilities maintenance	92,445	93,649	1,194
Aquatic programs	69,417	75,248	5,831
Twelve bridges library	395,002	397,620	2,618

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Combining and Individual Fund Statements and Schedules

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Nonmajor Governmental Funds

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CITY OF LINCOLN
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Totals
ASSETS					
Cash and investments	$ 33,018,829	$ 1,607,966	$ 2,769,733	$ 486,816	$ 37,883,344
Receivables:					
Accounts	11,214	-	-	-	11,214
Interest	159,723	90	864	27	160,704
Taxes	617	-	-	-	617
Intergovernmental	841,909	-	-	-	841,909
Due from other funds	317,280	-	-	-	317,280
Prepaid costs	11,626	-	-	-	11,626
Investment in JPA	63,648	-	-	-	63,648
Advances to other funds	2,000,000	-	-	-	2,000,000
Restricted cash and investments	498,615	1,989,939	17,994,315	16,255	20,499,124
Loans receivable	3,274,081	-	-	-	3,274,081
Total Assets	$ 40,197,542	$ 3,597,995	$ 20,764,912	$ 503,098	$ 65,063,547
LIABILITIES					
Accounts payable	$ 1,812,427	$ -	$ 26,112	$ 239	$ 1,838,778
Accrued salaries and benefits	70,363	-	311	-	70,674
Other accrued liabilities	4,569	-	-	-	4,569
Retention payable	27,195	-	-	-	27,195
Deposits payable	1,036,486	-	-	-	1,036,486
Due to other funds	-	7,162	-	-	7,162
Unearned revenue	2,863,726	-	-	-	2,863,726
Total Liabilities	5,814,766	7,162	26,423	239	5,848,590
FUND BALANCES					
Nonspendable	5,349,355	-	-	356,665	5,706,020
Restricted	22,906,749	3,590,833	20,738,489	146,194	47,382,265
Assigned	6,126,672	-	-	-	6,126,672
Total Fund Balances	34,382,776	3,590,833	20,738,489	502,859	59,214,957
Total Liabilities and Fund Balances	$ 40,197,542	$ 3,597,995	$ 20,764,912	$ 503,098	$ 65,063,547

CITY OF LINCOLN
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2015

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Totals
REVENUES					
Special assessments	$ 3,366,095	$ -	$ -	$ -	$ 3,366,095
Licenses and permits	943,074	-	-	-	943,074
Fines and forfeitures	410	-	-	-	410
Use of money and property	372,407	13,469	30,276	4,654	420,806
Intergovernmental	4,855,897	-	-	-	4,855,897
Charges for services	1,375,649	-	105,000	-	1,480,649
Other revenues	1,599	198,607	1,586,819	-	1,787,025
Total Revenues	10,915,131	212,076	1,722,095	4,654	12,853,956
EXPENDITURES					
Current:					
General government	95,082	4,949	32,103	-	132,134
Public safety	107,415	-	-	-	107,415
Public works and facilities	4,929,320	14,249	-	-	4,943,569
Urban redevelopment and housing	2,007	-	-	-	2,007
Debt service:					
Principal	-	745,000	-	-	745,000
Interest and other charges	-	991,416	-	-	991,416
Capital outlay	2,026,104	-	-	-	2,026,104
Total Expenditures	7,159,928	1,755,614	32,103	-	8,947,645
Excess of Revenues Over (Under) Expenditures	3,755,203	(1,543,538)	1,689,992	4,654	3,906,311
OTHER FINANCING SOURCES (USES)					
Transfers in	5,977,355	1,654,511	61,060	-	7,692,926
Transfers out	(6,575,118)	-	(61,060)	-	(6,636,178)
Total Other Financing Sources (Uses)	(597,763)	1,654,511	-	-	1,056,748
Net Change in Fund Balances	3,157,440	110,973	1,689,992	4,654	4,963,059
Fund Balances - Beginning	31,225,336	3,479,860	150,788	498,205	35,354,189
Prior Period Adjustment	-	-	18,897,709	-	18,897,709
Fund Balances - Beginning, Restated	31,225,336	3,479,860	19,048,497	498,205	54,251,898
Fund Balances - Ending	$ 34,382,776	$ 3,590,833	$ 20,738,489	$ 502,859	$ 59,214,957

Nonmajor Governmental Funds

- **Special Revenue Funds**

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CITY OF LINCOLN
Nonmajor 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 are 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 to purchase property for public parks.

Gas Tax

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

Street Fund

Accounts for revenues and expenditures street projects.

Supplemental Fees

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

Parks and Recreation Tax

Accounts for monies received from the State and County to be used for traffic/street/transit improvements.

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.

Police Grants

Accounts for grants received for special police services.

Revitalization and Rehabilitation Loans

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

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.

Oak Tree Mitigation

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

State Grants

Accounts for state grants received and used for capital projects.

Cal Home Grants

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

Special Assessment Districts

Accounts for resources received to provide improvements and maintenance to public property within the District.

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CITY OF LINCOLN
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2015

	Park In-Lieu	Gas Tax	Street Fund	Supplemental Fees
ASSETS				
Cash and investments	$ 1,373,709	$ 3,244,341	$ 3,572,141	$ 2,638,764
Receivables:				
Accounts	-	3,500	-	-
Interest	76	180	202	146
Taxes	-	-	-	-
Intergovernmental	-	250,763	181,856	-
Due from other funds	-	-	-	-
Prepaid costs	-	-	11,626	-
Investment in JPA	-	7,309	-	-
Advances to other funds	-	-	-	-
Restricted cash and investments	-	-	-	-
Loans receivable	-	-	-	-
Total Assets	$ 1,373,785	$ 3,506,093	$ 3,765,825	$ 2,638,910
LIABILITIES				
Accounts payable	$ -	$ 31,258	$ 507,957	$ -
Accrued salaries and benefits	-	14,653	3,190	-
Other accrued liabilities	-	-	-	-
Retention payable	-	-	21,795	-
Deposits payable	-	-	-	-
Unearned revenue	-	-	118,646	-
Total Liabilities	-	45,911	651,588	-
FUND BALANCES				
Nonspendable	-	7,309	11,626	-
Restricted	1,373,785	3,452,873	3,102,611	-
Assigned	-	-	-	2,638,910
Total Fund Balances	1,373,785	3,460,182	3,114,237	2,638,910
Total Liabilities and Fund Balances	$ 1,373,785	$ 3,506,093	$ 3,765,825	$ 2,638,910

Parks and Recreation Tax	Development Services	Police Grants	Revitalization and Rehabilitation Loans	Community Development Block Grant (CDBG)	HOME Investment Partnership Program	Oak Tree Mitigation	State Grants
$ 231,251	$ 6,202,963	$ 7,100	$ 808,864	$ 193,633	$ 141,306	$ 1,170,020	$ 2,097,464
-	6,539	-	-	-	-	-	1,175
13	344	-	47	9	8	65	117
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	409,290
-	-	-	-	-	-	317,280	-
-	-	-	-	-	-	-	-
-	51,395	-	-	-	-	-	-
-	-	-	-	-	-	2,000,000	-
-	-	-	-	498,615	-	-	-
-	-	-	13,542	536,541	2,124,682	-	-
$ 231,264	$ 6,261,241	$ 7,100	$ 822,453	$ 1,228,798	$ 2,265,996	$ 3,487,365	$ 2,508,046
$ -	$ 862,046	$ 754	$ 225	$ 1,500	$ 420	$ 248	$ 91,484
-	21,323	6,078	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	5,400
-	1,036,486	-	-	-	-	-	-
1,308	777,978	-	-	-	-	-	1,965,794
1,308	2,697,833	6,832	225	1,500	420	248	2,062,678
-	51,395	-	13,542	536,541	2,124,682	2,000,000	-
229,956	24,251	268	808,686	690,757	140,894	1,487,117	445,368
-	3,487,762	-	-	-	-	-	-
229,956	3,563,408	268	822,228	1,227,298	2,265,576	3,487,117	445,368
$ 231,264	$ 6,261,241	$ 7,100	$ 822,453	$ 1,228,798	$ 2,265,996	$ 3,487,365	$ 2,508,046

Continued (Page 1 of 2)

CITY OF LINCOLN
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2015

	Cal Home Grants	Special Assessment Districts	Totals
ASSETS			
Cash and investments	$ 160,625	$11,176,648	$ 33,018,829
Receivables:			
Accounts	-	-	11,214
Interest	9	158,507	159,723
Taxes	-	617	617
Intergovernmental	-	-	841,909
Due from other funds	-	-	317,280
Prepaid costs	-	-	11,626
Investment in JPA	-	4,944	63,648
Advances to other funds	-	-	2,000,000
Restricted cash and investments	-	-	498,615
Loans receivable	599,316	-	3,274,081
Total Assets	$ 759,950	$11,340,716	$ 40,197,542
LIABILITIES			
Accounts payable	$ 2,650	$ 313,885	$ 1,812,427
Accrued salaries and benefits	-	25,119	70,363
Other accrued liabilities	-	4,569	4,569
Retention payable	-	-	27,195
Deposits payable	-	-	1,036,486
Unearned revenue	-	-	2,863,726
Total Liabilities	2,650	343,573	5,814,766
FUND BALANCES			
Nonspendable	599,316	4,944	5,349,355
Restricted	157,984	10,992,199	22,906,749
Assigned	-	-	6,126,672
Total Fund Balances	757,300	10,997,143	34,382,776
Total Liabilities and Fund Balances	$ 759,950	$11,340,716	$ 40,197,542

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CITY OF LINCOLN
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2015

	Park In-Lieu	Gas Tax	Street Fund	Supplemental Fees
REVENUES				
Special assessments	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	410	-
Use of money and property	11,808	26,674	19,520	24,451
Intergovernmental	-	1,412,947	2,548,188	-
Charges for services	66,039	-	-	139,525
Other revenues	-	-	-	-
Total Revenues	77,847	1,439,621	2,568,118	163,976
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works and facilities	-	431,996	1,005,813	-
Urban redevelopment and housing	-	-	-	-
Capital outlay	-	757,901	627,793	-
Total Expenditures	-	1,189,897	1,633,606	-
Excess of Revenues Over (Under) Expenditures	77,847	249,724	934,512	163,976
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	(34,936)	(316,273)
Total Other Financing Sources (Uses)	-	-	(34,936)	(316,273)
Net Change in Fund Balances	77,847	249,724	899,576	(152,297)
Fund Balances - Beginning	1,295,938	3,210,458	2,214,661	2,791,207
Fund Balances (Deficits) - Ending	$ 1,373,785	$ 3,460,182	$ 3,114,237	$ 2,638,910

Parks and Recreation Tax	Development Services	Police Grants	Revitalization and Rehabilitation Loans	Community Development Block Grant (CDBG)	HOME Investment Partnership Program	Oak Tree Mitigation	State Grants
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	943,074	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,665	47,357	(24)	8,434	21,665	70,792	13,708	19,700
-	3,122	106,230	-	-	-	-	725,410
64,938	1,095,697	-	-	-	-	9,450	-
-	1,599	-	-	-	-	-	-
66,603	2,090,849	106,206	8,434	21,665	70,792	23,158	745,110
-	-	-	-	7,937	50,913	-	-
-	-	106,078	-	-	-	-	-
-	1,299,003	658	-	-	-	248	6
-	-	-	2,007	-	-	-	-
-	-	-	-	-	-	-	547,786
-	1,299,003	106,736	2,007	7,937	50,913	248	547,792
66,603	791,846	(530)	6,427	13,728	19,879	22,910	197,318
-	-	-	-	-	-	-	-
-	(153,416)	-	-	-	-	-	-
-	(153,416)	-	-	-	-	-	-
66,603	638,430	(530)	6,427	13,728	19,879	22,910	197,318
163,353	2,924,978	798	815,801	1,213,570	2,245,697	3,464,207	248,050
$ 229,956	$ 3,563,408	$ 268	$ 822,228	$ 1,227,298	$ 2,265,576	$ 3,487,117	$ 445,368

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CITY OF LINCOLN
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2015

	Cal Home Grants	Special Assessment Districts	Totals
REVENUES			
Special assessments	$ -	$ 3,366,095	$ 3,366,095
Licenses and permits	-	-	943,074
Fines and forfeitures	-	-	410
Use of money and property	19,479	87,178	372,407
Intergovernmental	60,000	-	4,855,897
Charges for services	-	-	1,375,649
Other revenues	-	-	1,599
Total Revenues	79,479	3,453,273	10,915,131
EXPENDITURES			
Current:			
General government	2,725	33,507	95,082
Public safety	-	1,337	107,415
Public works and facilities	-	2,191,596	4,929,320
Urban redevelopment and housing	-	-	2,007
Capital outlay	-	92,624	2,026,104
Total Expenditures	2,725	2,319,064	7,159,928
Excess of Revenues Over (Under) Expenditures	76,754	1,134,209	3,755,203
OTHER FINANCING SOURCES (USES)			
Transfers in	-	5,977,355	5,977,355
Transfers out	-	(6,070,493)	(6,575,118)
Total Other Financing Sources (Uses)	-	(93,138)	(597,763)
Net Change in Fund Balances	76,754	1,041,071	3,157,440
Fund Balances - Beginning	680,546	9,956,072	31,225,336
Fund Balances (Deficits) - Ending	$ 757,300	$10,997,143	$ 34,382,776

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CITY OF LINCOLN
Budgetary Comparison Schedule
Park In-Lieu - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Use of money and property	$ 15,700	$ 15,700	$ 11,808	$ (3,892)
Charges for services	93,200	93,200	66,039	(27,161)
Total Revenues	108,900	108,900	77,847	(31,053)
EXPENDITURES				
Current:				
Public works and facilities	-	-	-	-
Total Expenditures	-	-	-	-
Net Change in Fund Balance	108,900	108,900	77,847	(31,053)
Fund Balance - Beginning	1,295,938	1,295,938	1,295,938	-
Fund Balance - Ending	$ 1,404,838	$ 1,404,838	$ 1,373,785	$ (31,053)

CITY OF LINCOLN
Budgetary Comparison Schedule
Gas Tax - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Use of money and property	$ 35,900	$ 35,900	$ 26,674	$ (9,226)
Intergovernmental	1,095,790	1,095,790	1,412,947	317,157
Total Revenues	1,131,690	1,131,690	1,439,621	307,931
EXPENDITURES				
Current:				
Public works and facilities	649,549	624,549	431,996	192,553
Capital outlay	837,900	837,900	757,901	79,999
Total Expenditures	1,487,449	1,462,449	1,189,897	272,552
Excess of Revenues Over (Under) Expenditures	(355,759)	(330,759)	249,724	580,483
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(355,759)	(330,759)	249,724	580,483
Fund Balance - Beginning	3,210,458	3,210,458	3,210,458	-
Fund Balance - Ending	$ 2,854,699	$ 2,879,699	$ 3,460,182	$ 580,483

CITY OF LINCOLN
Budgetary Comparison Schedule
Street Fund - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Fines and forfeitures	$ -	$ -	$ 410	$ 410
Use of money and property	24,400	24,400	19,520	(4,880)
Intergovernmental	1,215,800	1,215,800	2,548,188	1,332,388
Total Revenues	1,240,200	1,240,200	2,568,118	1,327,918
EXPENDITURES				
Current:				
Public works and facilities	1,152,583	1,132,983	1,005,813	127,170
Capital outlay	1,535,775	1,535,775	627,793	907,982
Total Expenditures	2,688,358	2,668,758	1,633,606	1,035,152
Excess of Revenues Over (Under) Expenditures	(1,448,158)	(1,428,558)	934,512	2,363,070
OTHER FINANCING SOURCES (USES)				
Transfers out	(35,777)	(35,777)	(34,936)	841
Total Other Financing Sources (Uses)	(35,777)	(35,777)	(34,936)	841
Net Change in Fund Balance	(1,483,935)	(1,464,335)	899,576	2,363,911
Fund Balance - Beginning	2,214,661	2,214,661	2,214,661	-
Fund Balance - Ending	$ 730,726	$ 750,326	$ 3,114,237	$ 2,363,911

CITY OF LINCOLN
Budgetary Comparison Schedule
Supplemental Fees - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Use of money and property	$ 25,600	$ 25,600	$ 24,451	$ (1,149)
Charges for services	56,820	56,820	139,525	82,705
Total Revenues	82,420	82,420	163,976	81,556
EXPENDITURES				
Current:				
General government	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over (Under) Expenditures	82,420	82,420	163,976	81,556
OTHER FINANCING SOURCES (USES)				
Transfers out	(316,273)	(316,273)	(316,273)	-
Total Other Financing Sources (Uses)	(316,273)	(316,273)	(316,273)	-
Net Change in Fund Balance	(233,853)	(233,853)	(152,297)	81,556
Fund Balance - Beginning	2,791,207	2,791,207	2,791,207	-
Fund Balance - Ending	$ 2,557,354	$ 2,557,354	$ 2,638,910	$ 81,556

CITY OF LINCOLN
Budgetary Comparison Schedule
Parks and Recreation Tax - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Use of money and property	$ 1,300	$ 1,300	$ 1,665	$ 365
Charges for services	25,700	25,700	64,938	39,238
Total Revenues	27,000	27,000	66,603	39,603
EXPENDITURES				
Current:				
Public works and facilities	-	-	-	-
Total Expenditures	-	-	-	-
Net Change in Fund Balance	27,000	27,000	66,603	39,603
Fund Balance - Beginning	163,353	163,353	163,353	-
Fund Balance - Ending	$ 190,353	$ 190,353	$ 229,956	$ 39,603

CITY OF LINCOLN
Budgetary Comparison Schedule
Development Services - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Licenses and permits	$ 497,180	$ 497,180	$ 943,074	$ 445,894
Use of money and property	42,200	42,200	47,357	5,157
Intergovernmental	-	-	3,122	3,122
Charges for services	468,150	238,150	1,095,697	857,547
Other revenues	-	-	1,599	1,599
Total Revenues	1,007,530	777,530	2,090,849	1,313,319
EXPENDITURES				
Current:				
Public works and facilities	1,438,288	1,200,588	1,299,003	(98,415)
Total Expenditures	1,438,288	1,200,588	1,299,003	(98,415)
Excess of Revenues Over (Under) Expenditures	(430,758)	(423,058)	791,846	1,214,904
OTHER FINANCING SOURCES (USES)				
Transfers out	(153,416)	(153,416)	(153,416)	-
Total Other Financing Sources (Uses)	(153,416)	(153,416)	(153,416)	-
Net Change in Fund Balance	(584,174)	(576,474)	638,430	1,214,904
Fund Balance - Beginning	2,924,978	2,924,978	2,924,978	-
Fund Balance - Ending	$ 2,340,804	$ 2,348,504	$ 3,563,408	$ 1,214,904

CITY OF LINCOLN
Budgetary Comparison Schedule
Police Grants - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Use of money	$ -	$ -	$ (24)	$ (24)
Intergovernmental	100,000	100,000	106,230	6,230
Total Revenues	100,000	100,000	106,206	6,206
EXPENDITURES				
Current:				
Public safety	100,000	100,000	106,078	(6,078)
Public works and facilities	-	-	658	(658)
Total Expenditures	100,000	100,000	106,736	(6,736)
Net Change in Fund Balance	-	-	(530)	(530)
Fund Balance - Beginning	798	798	798	-
Fund Balance - Ending	$ 798	$ 798	$ 268	$ (530)

CITY OF LINCOLN
Budgetary Comparison Schedule
Revitalization and Rehabilitation Loans - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Use of money and property	$ 11,600	$ 11,600	$ 8,434	$ (3,166)
Total Revenues	11,600	11,600	8,434	(3,166)
EXPENDITURES				
Current:				
Urban redevelopment and housing	5,000	5,000	2,007	2,993
Total Expenditures	5,000	5,000	2,007	2,993
Net Change in Fund Balance	6,600	6,600	6,427	(173)
Fund Balance - Beginning	815,801	815,801	815,801	-
Fund Balance - Ending	$ 822,401	$ 822,401	$ 822,228	$ (173)

CITY OF LINCOLN
Budgetary Comparison Schedule
Community Development Block Grant (CDBG) - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Use of money and property	$ -	$ -	$ 21,665	$ 21,665
Total Revenues	-	-	21,665	21,665
EXPENDITURES				
Current:				
General government	53,019	53,019	7,937	45,082
Total Expenditures	53,019	53,019	7,937	45,082
Net Change in Fund Balance	(53,019)	(53,019)	13,728	66,747
Fund Balance - Beginning	1,213,570	1,213,570	1,213,570	-
Fund Balance - Ending	$ 1,160,551	$ 1,160,551	$ 1,227,298	$ 66,747

CITY OF LINCOLN
Budgetary Comparison Schedule
HOME Investment Partnership Program - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Use of money and property	$ 2,800	$ 2,800	$ 70,792	$ 67,992
Total Revenues	2,800	2,800	70,792	67,992
EXPENDITURES				
Current:				
General government	-	-	50,913	(50,913)
Total Expenditures	-	-	50,913	(50,913)
Net Change in Fund Balance	2,800	2,800	19,879	17,079
Fund Balance - Beginning	2,245,697	2,245,697	2,245,697	-
Fund Balance - Ending	$ 2,248,497	$ 2,248,497	$ 2,265,576	$ 17,079

CITY OF LINCOLN
Budgetary Comparison Schedule
Oak Tree Mitigation - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Use of money and property	$ 16,600	$ 16,600	$ 13,708	$ (2,892)
Charges for services	-	-	9,450	9,450
Total Revenues	16,600	16,600	23,158	6,558
EXPENDITURES				
Current:				
Public works and facilities	-	-	248	(248)
Total Expenditures	-	-	248	(248)
Net Change in Fund Balance	16,600	16,600	22,910	6,310
Fund Balance - Beginning	3,464,207	3,464,207	3,464,207	-
Fund Balance - Ending	$ 3,480,807	$ 3,480,807	$ 3,487,117	$ 6,310

CITY OF LINCOLN
Budgetary Comparison Schedule
State Grants - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Use of money and property	$ 10,500	$ 10,500	$ 19,700	$ 9,200
Intergovernmental	900,890	900,890	725,410	(175,480)
Total Revenues	911,390	911,390	745,110	(166,280)
EXPENDITURES				
Current:				
Public works and facilities	-	-	6	(6)
Capital outlay	900,891	900,891	547,786	353,105
Total Expenditures	900,891	900,891	547,792	353,099
Net Change in Fund Balance	10,499	10,499	197,318	186,819
Fund Balance - Beginning	248,050	248,050	248,050	-
Fund Balance - Ending	$ 258,549	$ 258,549	$ 445,368	$ 186,819

CITY OF LINCOLN
Budgetary Comparison Schedule
Cal Home Grants - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Use of money and property	$ -	$ -	$ 19,479	$ 19,479
Intergovernmental	820,000	820,000	60,000	(760,000)
Total Revenues	820,000	820,000	79,479	(740,521)
EXPENDITURES				
Current:				
General government	820,000	820,000	2,725	817,275
Total Expenditures	820,000	820,000	2,725	817,275
Net Change in Fund Balance	-	-	76,754	76,754
Fund Balance - Beginning	680,546	680,546	680,546	-
Fund Balance - Ending	$ 680,546	$ 680,546	$ 757,300	$ 76,754

CITY OF LINCOLN
Budgetary Comparison Schedule
Special Assessment Districts - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Special assessments	$ 3,019,090	$ 3,019,090	$ 3,366,095	$ 347,005
Use of money and property	89,600	89,600	87,178	(2,422)
Total Revenues	3,108,690	3,108,690	3,453,273	344,583
EXPENDITURES				
Current:				
General government	4,395	4,395	33,507	(29,112)
Public safety	330	330	1,337	(1,007)
Public works and facilities	3,030,509	2,567,843	2,191,596	376,247
Capital outlay	5,278,000	5,278,000	92,624	5,185,376
Total Expenditures	8,313,234	7,850,568	2,319,064	5,531,504
Excess of Revenues Over (Under) Expenditures	(5,204,544)	(4,741,878)	1,134,209	5,876,087
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	5,977,355	5,977,355
Transfers out	(51,532)	(51,532)	(6,070,493)	(6,018,961)
Total Other Financing Sources (Uses)	(51,532)	(51,532)	(93,138)	(41,606)
Net Change in Fund Balance	(5,256,076)	(4,793,410)	1,041,071	5,834,481
Fund Balance - Beginning	9,956,072	9,956,072	9,956,072	-
Fund Balance - Ending	$ 4,699,996	$ 5,162,662	$ 10,997,143	$ 5,834,481

Nonmajor Governmental Funds

- **Debt Service Funds**

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CITY OF LINCOLN
Nonmajor 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 2006-1

Accounts for debt service payments for the 2006 Lease Revenue Series 2004A Bonds which were used to construct the City administration facilities.

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.

CITY OF LINCOLN
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2015

	Lincoln Public Financing Authority Series 2006-1	Lincoln Public Financing Authority Series 2000	Lincoln Public Financing Authority Series 2003	Totals
ASSETS				
Cash and investments	$ 5,636	$ 1,602,330	$ -	$ 1,607,966
Receivables:				
Interest	-	90	-	90
Restricted cash and investments	944,575	324,864	720,500	1,989,939
Total Assets	$ 950,211	$ 1,927,284	$ 720,500	$ 3,597,995
LIABILITIES				
Due to other funds	$ -	$ -	$ 7,162	$ 7,162
Total Liabilities	-	-	7,162	7,162
FUND BALANCES				
Restricted	950,211	1,927,284	713,338	3,590,833
Total Fund Balances	950,211	1,927,284	713,338	3,590,833
Total Liabilities and Fund Balances	$ 950,211	$ 1,927,284	$ 720,500	$ 3,597,995

CITY OF LINCOLN
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended June 30, 2015

	Lincoln Public Financing Authority Series 2006-1	Lincoln Public Financing Authority Series 2000	Lincoln Public Financing Authority Series 2003	Totals
REVENUES				
Use of money and property	$ 63	$ 13,406	$ -	$ 13,469
Other revenues	-	198,607	-	198,607
Total Revenues	63	212,013	-	212,076
EXPENDITURES				
Current:				
General government	-	4,949	-	4,949
Public works and facilities	7,101	-	7,148	14,249
Debt service:				
Principal	330,000	55,000	360,000	745,000
Interest and other charges	614,100	26,905	350,411	991,416
Total Expenditures	951,201	86,854	717,559	1,755,614
Excess of Revenues Over (Under) Expenditures	(951,138)	125,159	(717,559)	(1,543,538)
OTHER FINANCING SOURCES (USES)				
Transfers in	944,100	-	710,411	1,654,511
Total Other Financing Sources (Uses)	944,100	-	710,411	1,654,511
Net Change in Fund Balances	(7,038)	125,159	(7,148)	110,973
Fund Balances - Beginning	957,249	1,802,125	720,486	3,479,860
Fund Balances - Ending	$ 950,211	$ 1,927,284	$ 713,338	$ 3,590,833

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Nonmajor Governmental Funds

- **Capital Projects Funds**

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CITY OF LINCOLN
Nonmajor Capital Projects 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:

Lincoln Public Financing Authority City Hall Series 2006

Accounts for construction of the City administration facility.

Capital Projects

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

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.

Alken Ranch Financial District Improvement

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

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.

CITY OF LINCOLN
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2015

	Lincoln Public Financing Authority City Hall Series 2006	Capital Projects	Twelve Bridges Capital Project
ASSETS			
Cash and investments	$ 152,159	$ 1,525,103	$ 236,473
Receivables:			
Interest	8	85	573
Restricted cash and investments	-	3,683,458	10,545,230
Total Assets	$ 152,167	$ 5,208,646	$ 10,782,276
LIABILITIES			
Accounts payable	$ -	$ -	$ -
Salaries and benefits payable	-	-	-
Total Liabilities	-	-	-
FUND BALANCES			
Restricted	152,167	5,208,646	10,782,276
Total Fund Balances	152,167	5,208,646	10,782,276
Total Liabilities and Fund Balances	$ 152,167	$ 5,208,646	$ 10,782,276

Hwy 65 Bypass	Aiken Ranch Financial District Improvement	Lakeside CFD Improvement Area	Lincoln Crossing	Foskett Ranch Series 2004-3	Total
$ 498,114	$ 7,814	$ 131,103	$ 1,309	$ 217,658	$ 2,769,733
28	-	-	170	-	864
-	-	1,410,192	2,355,435	-	17,994,315
$ 498,142	$ 7,814	$ 1,541,295	$ 2,356,914	$ 217,658	$ 20,764,912
$ 26,112	$ -	$ -	$ -	$ -	$ 26,112
311	-	-	-	-	311
26,423	-	-	-	-	26,423
471,719	7,814	1,541,295	2,356,914	217,658	20,738,489
471,719	7,814	1,541,295	2,356,914	217,658	20,738,489
$ 498,142	$ 7,814	$ 1,541,295	$ 2,356,914	$ 217,658	$ 20,764,912

CITY OF LINCOLN
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2015

	Lincoln Public Financing Authority City Hall Series 2006	Capital Projects	Twelve Bridges Capital Project
REVENUES			
Use of money and property	$ 1,379	$ 11,053	$ 8,663
Charges for services	-	105,000	-
Other revenues	-	1,050,454	-
Total Revenues	1,379	1,166,507	8,663
EXPENDITURES			
Current:			
General government	-	-	3,279
Total Expenditures	-	-	3,279
Excess of Revenues Over (Under) Expenditures	1,379	1,166,507	5,384
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfer out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	1,379	1,166,507	5,384
Fund Balances - Beginning	150,788	-	-
Prior Period Adjustment	-	4,042,139	10,776,892
Fund Balances - Beginning, Restated	150,788	4,042,139	10,776,892
Fund Balances - Ending	$ 152,167	$ 5,208,646	$10,782,276

Hwy 65 Bypass	Aiken Ranch Financial District Improvement	Lakeside CFD Improvement Area	Lincoln Crossing	Foskett Ranch Series 2004-3	Total
$ 5,032	$ 873	$ 1,106	$ 2,170	$ -	$ 30,276
-	-	-	-	-	105,000
536,365	-	-	-	-	1,586,819
541,397	873	1,106	2,170	-	1,722,095
28,824	-	-	-	-	32,103
28,824	-	-	-	-	32,103
512,573	873	1,106	2,170	-	1,689,992
61,060	-	-	-	-	61,060
-	-	-	(61,060)	-	(61,060)
61,060	-	-	(61,060)	-	-
573,633	873	1,106	(58,890)	-	1,689,992
-	-	-	-	-	150,788
(101,914)	6,941	1,540,189	2,415,804	217,658	18,897,709
(101,914)	6,941	1,540,189	2,415,804	217,658	19,048,497
$ 471,719	$ 7,814	$ 1,541,295	$ 2,356,914	$ 217,658	$ 20,738,489

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Nonmajor Governmental Funds

- **Permanent Funds**

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CITY OF LINCOLN
Nonmajor 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 reporting of 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 resources received for the purpose of preserving the open space endowment at the Suncal-Lincoln Crossing.

Brookview Open Space Maintenance Trust

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

Sterling Point Endowment

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

WWTRF Tertiary Storage Basin Maintenance

Accounts for 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
Combining Balance Sheet
Nonmajor Permanent Funds
June 30, 2015

	Stormwater Retention Maintenance	Suncal Open Space Endowment	Brookview Open Space Maintenance Trust	Sterling Point Endowment
ASSETS				
Cash and investments	$ 33,037	$ 247,798	$ -	$ 60,876
Receivables:				
Interest	2	14	-	3
Restricted cash and investments	-	-	16,255	-
Total Assets	$ 33,039	$ 247,812	$ 16,255	$ 60,879
LIABILITIES				
Accounts payable	$ -	$ -	$ 239	$ -
Total Liabilities	-	-	239	-
FUND BALANCES				
Nonspendable	25,439	221,226	5,000	50,000
Restricted	7,600	26,586	11,016	10,879
Total Fund Balances	33,039	247,812	16,016	60,879
Total Liabilities and Fund Balances	$ 33,039	$ 247,812	$ 16,255	$ 60,879

WWTRF Tertiary Storage Basin Maintenance	Lincoln Aircenter	Totals
$ 61,587	$ 83,518	$ 486,816
3	5	27
-	-	16,255
$ 61,590	$ 83,523	$ 503,098
$ -	$ -	$ 239
-	-	239
50,000	5,000	356,665
11,590	78,523	146,194
61,590	83,523	502,859
$ 61,590	$ 83,523	$ 503,098

CITY OF LINCOLN
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Permanent Funds
For the Year Ended June 30, 2015

	Stormwater Retention Maintenance	Suncal Open Space Endowment	Brookview Open Space Maintenance Trust	Sterling Point Endowment
REVENUES				
Use of money and property	$ 635	$ 2,150	$ 1	$ 552
Total Revenues	635	2,150	1	552
EXPENDITURES				
Current:				
Public works and facilities	-	-	-	-
Total Expenditures	-	-	-	-
Net Change in Fund Balances	635	2,150	1	552
Fund Balances - Beginning	32,404	245,662	16,015	60,327
Fund Balances - Ending	$ 33,039	$ 247,812	$ 16,016	$ 60,879

WWTRF Tertiary Storage Basin Maintenance	Lincoln Aircenter	Totals
$ 558	$ 758	$ 4,654
558	758	4,654
-	-	-
-	-	-
558	758	4,654
61,032	82,765	498,205
$ 61,590	$ 83,523	$ 502,859

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Nonmajor Enterprise Funds

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CITY OF LINCOLN
Nonmajor Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed primarily through user charges; or where the City has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Nonmajor enterprise funds of the City are listed below:

Transit

Accounts for the activities of the City of Lincoln's transit services. The City of Lincoln provides fixed route and demand-response public transit services to its residents.

CITY OF LINCOLN
Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2015

	Transit	Totals
ASSETS		
Current Assets:		
Cash and investments	$ 326,912	$ 326,912
Receivables:		
Interest	21	21
Intergovernmental	131,839	131,839
Investment in JPA	12,813	12,813
Total Current Assets	471,585	471,585
Noncurrent Assets:		
Capital assets:		
Depreciable, net	560,997	560,997
Total Noncurrent Assets	560,997	560,997
Total Assets	1,032,582	1,032,582
DEFERRED OUTFLOWS OF RESOURCES		
Pension adjustments	30,011	30,011
Total Deferred Outflows of Resources	30,011	30,011
LIABILITIES		
Current Liabilities:		
Accounts payable	148,627	148,627
Accrued salaries and benefits	7,431	7,431
Compensated absences payable	11,951	11,951
Total Current Liabilities	168,009	168,009
Noncurrent Liabilities:		
Compensated absences payable	2,988	2,988
Net pension liability	235,965	235,965
Net OPEB obligation	62,919	62,919
Total Noncurrent Liabilities	301,872	301,872
Total Liabilities	469,881	469,881
DEFERRED INFLOWS OF RESOURCES		
Pension adjustments	57,628	57,628
Total Deferred Inflows of Resources	57,628	57,628
NET POSITION		
Net investment in capital assets	560,997	560,997
Unrestricted	(25,913)	(25,913)
Total Net Position	$ 535,084	$ 535,084

CITY OF LINCOLN
Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2015

	Transit	Totals
OPERATING REVENUES		
Charges for services	$ 39,289	$ 39,289
Total Operating Revenues	39,289	39,289
OPERATING EXPENSES		
Salaries and benefits	394,892	394,892
Services and supplies	236,013	236,013
Support services	292,823	292,823
Depreciation	56,859	56,859
Total Operating Expenses	980,587	980,587
Operating Income (Loss)	(941,298)	(941,298)
NONOPERATING REVENUES (EXPENSES)		
Taxes	367,131	367,131
Intergovernmental	325,417	325,417
Interest income	3,436	3,436
Gain (loss) on sale of asset	(39,829)	(39,829)
Other non-operating revenues	172	172
Total Nonoperating Revenues (Expenses)	656,327	656,327
Income (Loss) before Transfers	(284,971)	(284,971)
Transfers out	(74,893)	(74,893)
Change in Net Position	(359,864)	(359,864)
Total Net Position - Beginning	1,155,711	1,155,711
Cumulative affect of change in accounting principle	(260,763)	(260,763)
Total Net Position - Beginning, Restated	894,948	894,948
Total Net Position - Ending	$ 535,084	$ 535,084

CITY OF LINCOLN
Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2015

	Transit	Totals
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$ (79,669)	$ (79,669)
Payments to suppliers	(394,300)	(394,300)
Payments to employees	(429,884)	(429,884)
Net Cash Provided (Used) by Operating Activities	(903,853)	(903,853)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Taxes received	367,131	367,131
Intergovernmental revenues received	348,265	348,265
Other revenues received	172	172
Transfers to other funds	(74,893)	(74,893)
Net Cash Provided (Used) by Noncapital Financing Activities	640,675	640,675
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends	3,428	3,428
Net Cash Provided (Used) by Investing Activities	3,428	3,428
Net Increase (Decrease) in Cash and Cash Equivalents	(259,750)	(259,750)
Balances - Beginning	586,662	586,662
Balances - Ending	$ 326,912	$ 326,912
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	$ (941,298)	$ (941,298)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	56,859	56,859
Decrease (Increase) in:		
Investment in JPA	(9,339)	(9,339)
Pension adjustments	(1,495)	(1,495)
Increase (Decrease) in:		
Accounts payable	143,875	143,875
Accrued salaries and benefits	(5,624)	(5,624)
Unearned revenue	(118,958)	(118,958)
Pension adjustments	57,628	57,628
Compensated absences payable	(6,846)	(6,846)
Net pension liability	(53,314)	(53,314)
Net OPEB obligation	(25,341)	(25,341)
Net Cash Provided (Used) by Operating Activities	$ (903,853)	$ (903,853)

Internal Service Funds

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CITY OF LINCOLN
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.

CITY OF LINCOLN
Combining Statement of Net Position
Internal Service Funds
June 30, 2015

	Internal Services	Vehicle/ Equipment Replacement	Facility Maintenance	Total
ASSETS				
Current Assets:				
Cash and investments	$ 1,493,349	$ 541,769	$ 656,553	$ 2,691,671
Receivables:				
Accounts, net	250	-	-	250
Interest	64	30	36	130
Intergovernmental	10,260	-	-	10,260
Investment in JPA	124,222	-	-	124,222
Total Current Assets	1,628,145	541,799	656,589	2,826,533
Noncurrent Assets:				
Capital assets:				
Non-depreciable	93,685	9,765	44,629	148,079
Depreciable, net	48,638	-	-	48,638
Total Noncurrent Assets	142,323	9,765	44,629	196,717
Total Assets	1,770,468	551,564	701,218	3,023,250
LIABILITIES				
Current Liabilities:				
Accounts payable	181,405	-	-	181,405
Accrued salaries and benefits	95,057	-	954	96,011
Compensated absences payable	287,204	-	-	287,204
Total Current Liabilities	563,666	-	954	564,620
Noncurrent Liabilities:				
Compensated absences payable	64,557	-	-	64,557
Total Noncurrent Liabilities	64,557	-	-	64,557
Total Liabilities	628,223	-	954	629,177
NET POSITION				
Net investment in capital assets	142,323	9,765	-	152,088
Unrestricted	999,922	541,799	700,264	2,241,985
Total Net Position	$ 1,142,245	$ 551,564	$ 700,264	$ 2,394,073

CITY OF LINCOLN
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Fund
For the Year Ended June 30, 2015

	Internal Services	Vehicle/ Equipment Replacement	Facility Maintenance	Total
OPERATING REVENUES				
Charges for services	$ 5,805,804	$ -	$ -	$ 5,805,804
Other revenues	17,358	12,000	-	29,358
Total Operating Revenues	5,823,162	12,000	-	5,835,162
OPERATING EXPENSES				
Salaries and benefits	2,885,351	-	-	2,885,351
Services and supplies	2,022,225	52,646	9	2,074,880
Depreciation	6,069	-	-	6,069
Total Operating Expenses	4,913,645	52,646	9	4,966,300
Operating Income (Loss)	909,517	(40,646)	(9)	868,862
NONOPERATING REVENUES (EXPENSES)				
Intergovernmental	964	-	-	964
Interest income	2,382	7,719	6,271	16,372
Gain (loss) on sale of assets	-	14,300	-	14,300
Total Nonoperating Revenues (Expenses)	3,346	22,019	6,271	31,636
Income (Loss) before Transfers	912,863	(18,627)	6,262	900,498
Transfers in	46,500	-	-	46,500
Transfers out	-	(330,599)	(42,000)	(372,599)
Change in Net Position	959,363	(349,226)	(35,738)	574,399
Total Net Position - Beginning	182,882	900,790	736,002	1,819,674
Total Net Position - Ending	$ 1,142,245	$ 551,564	$ 700,264	$ 2,394,073

CITY OF LINCOLN
Combining Statement of Cash Flows
Internal Service Fund
For the Year Ended June 30, 2015

	Internal Services	Vehicle/ Equipment Replacement	Facility Maintenance	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 5,823,297	$ 12,000	$ -	$ 5,835,297
Payments to suppliers	(2,067,271)	(52,819)	-	(2,120,090)
Payments to employees	(2,989,037)	-	945	(2,988,092)
Net Cash Provided (Used) by Operating Activities	766,989	(40,819)	945	727,115
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Intergovernmental revenues received	3,836	-	-	3,836
Transfers from other funds	46,500	-	-	46,500
Transfers to other funds	-	(330,599)	(42,000)	(372,599)
Net Cash Provided (Used) by Noncapital Financing Activities	50,336	(330,599)	(42,000)	(322,263)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(14,270)	-	(44,629)	(58,899)
Proceeds from sales of assets	-	14,300	-	14,300
Net Cash Provided (Used) by Capital and Related Financing Activities	(14,270)	14,300	(44,629)	(44,599)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	2,328	7,709	6,253	16,290
Net Cash Provided (Used) by Investing Activities	2,328	7,709	6,253	16,290
Net Increase (Decrease) in Cash and Cash Equivalents	805,383	(349,409)	(79,431)	376,543
Balances - Beginning	687,966	891,178	735,984	2,315,128
Balances - Ending	$ 1,493,349	$ 541,769	$ 656,553	$ 2,691,671
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	$ 909,517	$ (40,646)	$ (9)	$ 868,862
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	6,069	-	-	6,069
Decrease (Increase) in:				
Accounts receivable	135	-	-	135
Investment in JPA	(105,875)	-	-	(105,875)
Increase (Decrease) in:				
Accounts payable	60,830	(173)	-	60,657
Accrued salaries and benefits	9,345	-	954	10,299
Compensated absences payable	(113,032)	-	-	(113,032)
Net Cash Provided (Used) by Operating Activities	$ 766,989	$ (40,819)	$ 945	$ 727,115

Fiduciary Funds

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CITY OF LINCOLN
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.

Private Purpose Trust Funds

These funds are used to report other trust arrangements under which principal and income benefit individuals, private organizations, or other governments. The private purpose trust funds maintained by the City include the following:

Successor Agency to the Redevelopment Agency of the City of Lincoln
The fund is used to report the dissolution of the Redevelopment Agency of the City of Lincoln.

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.

Markham Ravine Neighborhood Trust
Accounts for resources received for the purpose of preserving open space surrounding the Markham Ravine area.

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.

CITY OF LINCOLN
Fiduciary Funds

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 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.

Capital Improvements
Accounts for bond proceeds, federal and local funds and transfers from other funds which are designated for various buildings and general improvements.

Twelve Bridges Capital Projects
Accounts for construction or purchase of improvements within the Twelve Bridges assessment district.

Highway 65 Capital Projects
Accounts for resources received for work on Highway 65.

Aiken Ranch Financial District Improvements
Accounts for resources received for construction or purchase of improvements within the assessment district.

Lakeside Community Facilities District (CFD) Improvement Area
Accounts for construction or improvements with the Lakeside assessment district.

Lincoln Crossing Capital Projects
Accounts for resources received for construction or purchase of improvements within the assessment district.

Foskett Ranch Series 2004-3
Accounts for resources received to construct improvements at Foskett Ranch.

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 Statement of Fiduciary Net Position
Private Purpose Trust Funds
June 30, 2015

	Successor Agency to the Redevelopment Agency of the City of Lincoln				Total Private Purpose Trust Funds
	Low/Moderate Income Housing	Redevelopment Agency	Capital Projects	Debt Service	
ASSETS					
Current Assets:					
Cash and investments	$ 1,701	$ 956,062	$ 989,608	$ -	$ 1,947,371
Receivables:					
Interest	-	53	55	-	108
Due from other funds	14,930	-	-	-	14,930
Investment in JPA	-	3,061	-	-	3,061
Advances to other funds	871,819	-	-	-	871,819
Restricted cash and investments	20,573	1,041,085	-	-	1,061,658
Loans receivable	3,749,652	309,475	-	-	4,059,127
Capital assets:					
Non-depreciable	-	2,837,713	-	-	2,837,713
Depreciable, net	-	1,190,249	-	-	1,190,249
Total Assets	4,658,675	6,337,698	989,663	-	11,986,036
LIABILITIES					
Current Liabilities:					
Accounts payable	-	530	-	-	530
Interest payable	-	178,683	-	-	178,683
Deposits payable	-	1,000	-	-	1,000
Due to other agencies	-	4,361,843	-	-	4,361,843
Due to other funds	-	14,930	-	-	14,930
Advances from other funds	-	871,819	-	-	871,819
Long-term debt:					
Due within one year	-	634,924	-	-	634,924
Due in more than one year	-	10,167,085	-	-	10,167,085
Total Liabilities	-	16,230,814	-	-	16,230,814
NET POSITION					
Net Position held in trust	4,658,675	(9,893,116)	989,663	-	(4,244,778)
Total Net Position	$ 4,658,675	$ (9,893,116)	$ 989,663	$ -	$ (4,244,778)

CITY OF LINCOLN
Combining Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds
For the Year Ended June 30, 2015

	Successor Agency to the Redevelopment Agency of the City of Lincoln				Total Private Purpose Trust Funds
	Low/Moderate Income Housing	Redevelopment Agency	Capital Projects	Debt Service	
ADDITIONS					
Property taxes	$ -	$ 806,664	$ -	$ -	$ 806,664
Interest and investment income	93,343	129,507	8,973	-	231,823
Other contributions	-	133,072	-	-	133,072
Total Additions	93,343	1,069,243	8,973	-	1,171,559
DEDUCTIONS					
Program expenses	-	4,137,141	1,050,454	-	5,187,595
Interest expense	-	533,072	-	-	533,072
Depreciation	-	82,197	-	-	82,197
Amortization	-	5,076	-	-	5,076
Total Deductions	-	4,757,486	1,050,454	-	5,807,940
Transfers in	-	1,042,048	-	-	1,042,048
Transfers out	-	-	-	(1,042,048)	(1,042,048)
Change in Net Position	93,343	(2,646,195)	(1,041,481)	(1,042,048)	(4,636,381)
Total Net Position - Beginning	4,565,332	(7,246,921)	2,031,144	1,042,048	391,603
Total Net Position - Ending	$ 4,658,675	$ (9,893,116)	$ 989,663	$ -	$ (4,244,778)

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CITY OF LINCOLN
Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2015

	Little League	Markham Ravine Neighborhood Trust	Lincoln Airpark 98-1	Twelve Bridges Series 2011	Foskett Ranch Series 2004-3
ASSETS					
Cash and investments	$ 42,274	$ -	$ 443,778	$ 6,739,974	$ 489,632
Receivables:					
Interest	2	-	25	374	27
Special assessments	-	-	257	61,844	4,320
Restricted cash and investments	-	-	220,783	5,304,267	414,190
Total Assets	$ 42,276	$ -	$ 664,843	$ 12,106,459	$ 908,169
LIABILITIES					
Accounts payable	$ -	$ -	$ -	$ -	$ -
Due to other agencies	-	331	-	-	-
Due to property owners	-	-	664,843	12,106,459	908,169
Agency obligations	42,276	(331)	-	-	-
Total Liabilities	$ 42,276	$ -	$ 664,843	$ 12,106,459	$ 908,169

Lakeside CFD Series 2006	Special Tax Revenue Bond 2007 A&B	CFD Sorrento Series 2009	CFD Sorrento 2005-1 Series 2013	Capital Improvements	Twelve Bridges Capital Projects	Highway 65 Capital Projects	Aiken Ranch Financial District Improvements
$ 516,584	$ 12,370,136	$ 624,582	$ -	$ -	$ -	$ -	$ -
29	698	35	-	-	-	-	-
2,215	94,841	1,923	-	-	-	-	-
1,128,590	7,576,962	228,167	507,119	-	-	-	-
$ 1,647,418	$ 20,042,637	$ 854,707	$ 507,119	$ -	$ -	$ -	$ -
$ -	$ 2,800	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	2,750	-	-	-	-
1,620,989	20,039,837	854,707	504,369	-	-	-	-
26,429	-	-	-	-	-	-	-
$ 1,647,418	$ 20,042,637	$ 854,707	$ 507,119	$ -	$ -	$ -	$ -

Continued (Page 1 of 2)

CITY OF LINCOLN
Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2015

	Lakeside CFD Improvement Area	Lincoln Crossing Capital Projects	Foskett Ranch Series 2004-3	CFD Sorrento 2005-1 Series 2014-1	Totals
ASSETS					
Cash and investments	$ -	$ -	$ -	$ -	$ 21,226,960
Receivables:					
Interest	-	-	-	2	1,192
Special assessments	-	-	-	-	165,400
Restricted cash and investments	-	-	-	592,163	15,972,241
Total Assets	$ -	$ -	$ -	$ 592,165	$ 37,365,793
LIABILITIES					
Accounts payable	$ -	$ -	$ -	$ -	$ 2,800
Due to other agencies	-	-	-	-	3,081
Due to property owners	-	-	-	-	36,699,373
Agency obligations	-	-	-	592,165	660,539
Total Liabilities	$ -	$ -	$ -	$ 592,165	$ 37,365,793

Continued (Page 2 of 2)

CITY OF LINCOLN
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2015

	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015
LITTLE LEAGUE				
ASSETS				
Cash and investments	$ 41,892	$ 382	$ -	$ 42,274
Receivables:				
Interest	-	2	-	2
Total Assets	$ 41,892	$ 384	$ -	$ 42,276
LIABILITIES				
Due to property owners	$ 1,686	$ -	$ (1,686)	$ -
Agency obligations	40,206	2,070	-	42,276
Total Liabilities	$ 41,892	$ 2,070	$ (1,686)	$ 42,276
MARKHAM RAVINE NEIGHBORHOOD TRUST				
ASSETS				
Cash and investments	$ 7	$ -	$ (7)	$ -
Total Assets	$ 7	$ -	$ (7)	$ -
LIABILITIES				
Due to other agencies	$ -	$ 331	$ -	$ 331
Agency obligations	7	-	(338)	(331)
Total Liabilities	$ 7	$ 331	$ (338)	$ -
LINCOLN AIRPARK 98-1				
ASSETS				
Cash and investments	$ 439,334	$ 4,444	$ -	$ 443,778
Receivables:				
Interest	9	16	-	25
Special assessments	65	192	-	257
Restricted cash and investments	220,783	-	-	220,783
Total Assets	$ 660,191	$ 4,652	$ -	$ 664,843
LIABILITIES				
Due to property owners	$ 660,191	$ 4,652	$ -	$ 664,843
Total Liabilities	$ 660,191	$ 4,652	$ -	$ 664,843

Continued (Page 1 of 6)

CITY OF LINCOLN
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2015

	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015
TWELVE BRIDGES SERIES 2011				
ASSETS				
Cash and investments	$ 6,584,838	$ 155,136	$ -	$ 6,739,974
Receivables:				
Interest	135	239	-	374
Special assessments	76,887	-	(15,043)	61,844
Restricted cash and investments	4,987,168	317,099	-	5,304,267
Total Assets	$ 11,649,028	$ 472,474	$ (15,043)	$ 12,106,459
LIABILITIES				
Due to property owners	$ 11,649,028	$ 457,431	$ -	$ 12,106,459
Total Liabilities	$ 11,649,028	$ 457,431	$ -	$ 12,106,459
FOSKETT RANCH SERIES 2004-3				
ASSETS				
Cash and investments	$ 433,619	$ 56,013	$ -	$ 489,632
Receivables:				
Interest	9	18	-	27
Special assessments	2,740	1,580	-	4,320
Restricted cash and investments	466,690	-	(52,500)	414,190
Total Assets	$ 903,058	$ 57,611	$ (52,500)	$ 908,169
LIABILITIES				
Due to property owners	$ 903,058	$ 5,111	$ -	$ 908,169
Total Liabilities	$ 903,058	$ 5,111	$ -	$ 908,169
LAKESIDE CFD SERIES 2006				
ASSETS				
Cash and investments	$ 619,667	$ -	$ (103,083)	$ 516,584
Receivables:				
Interest	12	17	-	29
Special assessments	948	1,267	-	2,215
Restricted cash and investments	1,128,410	180	-	1,128,590
Total Assets	$ 1,749,037	$ 1,464	$ (103,083)	$ 1,647,418
LIABILITIES				
Due to property owners	$ 1,723,523	$ -	$ (102,534)	$ 1,620,989
Agency obligations	25,514	915	-	26,429
Total Liabilities	$ 1,749,037	$ 915	$ (102,534)	$ 1,647,418

Continued (Page 2 of 6)

CITY OF LINCOLN
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2015

	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015
SPECIAL TAX REVENUE BOND 2007 A & B				
ASSETS				
Cash and investments	$ 11,149,568	$ 1,220,568	$ -	$ 12,370,136
Receivables:				
Interest	237	461	-	698
Special assessments	102,984	-	(8,143)	94,841
Restricted cash and investments	7,578,325	-	(1,363)	7,576,962
Total Assets	$ 18,831,114	$ 1,221,029	$ (9,506)	$ 20,042,637
LIABILITIES				
Accounts payable	$ -	$ 2,800	$ -	$ 2,800
Due to property owners	18,831,114	1,208,723	-	20,039,837
Total Liabilities	$ 18,831,114	$ 1,211,523	$ -	$ 20,042,637
CFD SORRENTO SERIES 2009				
ASSETS				
Cash and investments	$ 493,304	$ 131,278	$ -	$ 624,582
Receivables:				
Interest	11	24	-	35
Special assessments	-	1,923	-	1,923
Restricted cash and investments	228,167	-	-	228,167
Total Assets	$ 721,482	$ 133,225	$ -	$ 854,707
LIABILITIES				
Due to property owners	$ 698,587	$ 156,120	$ -	$ 854,707
Agency obligations	22,895	-	(22,895)	-
Total Liabilities	$ 721,482	$ 156,120	$ (22,895)	$ 854,707
CFD SORRENTO 2005-1 SERIES 2013				
ASSETS				
Cash and investments	$ 3,322	$ -	$ (3,322)	$ -
Restricted cash and investments	507,119	-	-	507,119
Total Assets	$ 510,441	$ -	$ (3,322)	$ 507,119
LIABILITIES				
Accounts payable	$ 1,554	$ -	$ (1,554)	$ -
Due to other agencies	-	2,750		2,750
Due to property owners	450,728	53,641		504,369
Agency obligations	58,159	-	(58,159)	-
Total Liabilities	$ 510,441	$ 56,391	$ (59,713)	$ 507,119

Continued (Page 3 of 6)

CITY OF LINCOLN
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2015

	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015
CAPITAL IMPROVEMENTS				
ASSETS				
Cash and investments	$ 358,673	$ -	$ (358,673)	$ -
Receivables:				
Interest	8	-	(8)	-
Restricted cash and investments	3,683,458	-	(3,683,458)	-
Total Assets	$ 4,042,139	$ -	$ (4,042,139)	$ -
LIABILITIES				
Agency obligations	$ 4,042,139	$ -	$ (4,042,139)	$ -
Total Liabilities	$ 4,042,139	$ -	$ (4,042,139)	$ -
TWELVE BRIDGES CAPITAL PROJECTS				
ASSETS				
Cash and investments	$ 237,605	$ -	$ (237,605)	$ -
Receivables:				
Interest	555	-	(555)	-
Restricted cash and investments	10,538,732	-	(10,538,732)	-
Total Assets	$ 10,776,892	$ -	$ (10,776,892)	$ -
LIABILITIES				
Agency obligations	$ 10,776,892	$ -	$ (10,776,892)	$ -
Total Liabilities	$ 10,776,892	$ -	$ (10,776,892)	$ -
HIGHWAY 65 CAPITAL PROJECTS				
ASSETS				
Receivables:				
Interest	$ -	$ -	$ -	$ -
Total Assets	$ -	$ -	$ -	$ -
LIABILITIES				
Due to other agencies	$ 101,914	$ -	$ (101,914)	$ -
Agency obligations	(101,914)	101,914	-	-
Total Liabilities	$ -	$ 101,914	$ (101,914)	$ -

Continued (Page 4 of 6)

CITY OF LINCOLN
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2015

	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015
AIKEN RANCH FINANCIAL DISTRICT IMPROVEMENTS				
ASSETS				
Cash and investments	$ 84,381	$ -	$ (84,381)	$ -
Receivables:				
Interest	2	-	(2)	-
Total Assets	$ 84,383	$ -	$ (84,383)	$ -
LIABILITIES				
Deposits payable	$ 77,442	-	(77,442)	$ -
Agency obligations	6,941	-	(6,941)	-
Total Liabilities	$ 84,383	$ -	$ (84,383)	$ -
LAKESIDE CFD IMPROVEMENT AREA				
ASSETS				
Cash and investments	$ 92,210	$ -	$ (92,210)	$ -
Receivables:				
Interest	2	-	(2)	-
Restricted cash and investments	1,990,625	-	(1,990,625)	-
Total Assets	$ 2,082,837	$ -	$ (2,082,837)	$ -
LIABILITIES				
Deposits payable	$ 84,980	-	(84,980)	$ -
Due to other agencies	457,667	-	(457,667)	-
Agency obligations	1,540,190	-	(1,540,190)	-
Total Liabilities	$ 2,082,837	$ -	$ (2,082,837)	$ -
LINCOLN CROSSING CAPITAL PROJECTS				
ASSETS				
Cash and investments	$ 598,050	$ -	$ (598,050)	$ -
Receivables:				
Interest	137	-	(137)	-
Restricted cash and investments	2,353,983	-	(2,353,983)	-
Total Assets	$ 2,952,170	$ -	$ (2,952,170)	$ -
LIABILITIES				
Unearned revenue	$ 536,365	$ -	$ (536,365)	$ -
Agency obligations	2,415,805	-	(2,415,805)	-
Total Liabilities	$ 2,952,170	$ -	$ (2,952,170)	$ -

Continued (Page 5 of 6)

CITY OF LINCOLN
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2015

	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015
FOSKETT RANCH SERIES 2004-3				
ASSETS				
Restricted cash and investments	$ 217,658	$ -	$ (217,658)	$ -
Total Assets	$ 217,658	$ -	$ (217,658)	$ -
LIABILITIES				
Agency obligations	217,658	-	(217,658)	-
Total Liabilities	$ 217,658	$ -	$ (217,658)	$ -
CFD SORRENTO 2005-1 SERIES 2014-1				
ASSETS				
Restricted cash and investments	$ -	$ 592,163	$ -	$ 592,163
Receivbles:				
Interest	-	2	-	2
Total Assets	$ -	$ 592,165	$ -	$ 592,165
LIABILITIES				
Agency obligations	-	592,165	-	592,165
Total Liabilities	$ -	$ 592,165	$ -	$ 592,165
TOTAL AGENCY FUNDS				
ASSETS				
Cash and investments	$ 21,136,470	$ 1,567,821	$ (1,477,331)	$ 21,226,960
Receivables:				
Interest	1,117	779	(704)	1,192
Special assessments	183,624	4,962	(23,186)	165,400
Restricted cash and investments	33,901,118	909,442	(18,838,319)	15,972,241
Total Assets	$ 55,222,329	$ 2,483,004	$(20,339,540)	$ 37,365,793
LIABILITIES				
Accounts payable	$ 1,554	$ 2,800	$ (1,554)	$ 2,800
Deposits payable	162,422	-	(162,422)	-
Due to other agencies	559,581	3,081	(559,581)	3,081
Due to property owners	34,917,915	1,885,678	(104,220)	36,699,373
Unearned revenue	536,365	-	(536,365)	-
Agency obligations	19,044,492	697,064	(19,081,017)	660,539
Total Liabilities	$ 55,222,329	$ 2,588,623	$(20,445,159)	$ 37,365,793

Continued (Page 6 of 6)

STATISTICAL SECTION

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CITY OF LINCOLN
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.

Financial Trends

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

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, property taxes.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

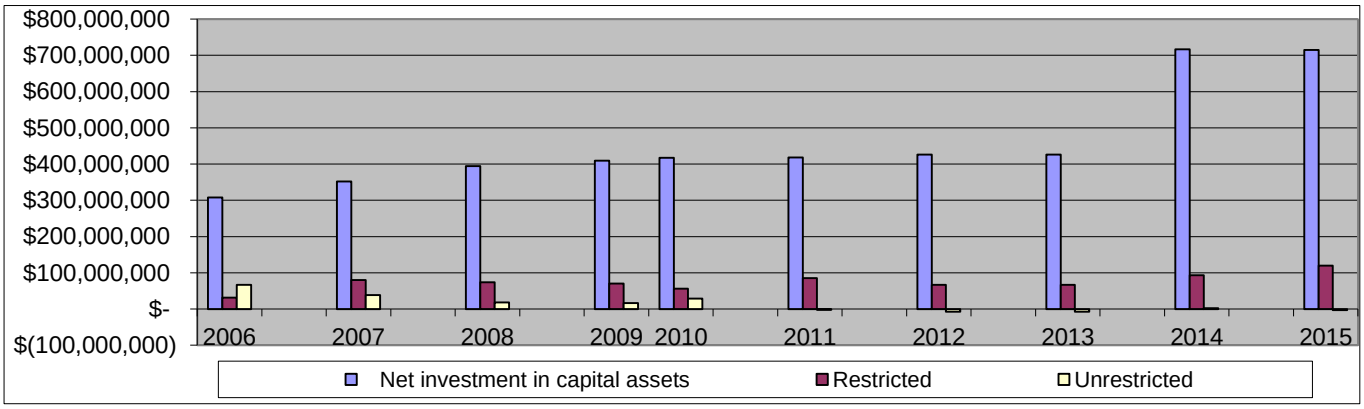
Operating Information

These schedules contain service and infrastructure data to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

Sources:
Unless otherwise stated, the information in this section 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,			
	2006	**2007**	**2008**	**2009**
Governmental Activities				
Net investment in capital assets	$ 228,636,971	$ 261,793,043	$ 294,937,121	$ 308,606,157
Restricted	30,269,065	80,161,807	73,577,655	70,016,244
Unrestricted	55,639,215	25,892,420	7,649,218	5,219,572
Total Governmental Activities Net Position	$ 314,545,251	$ 367,847,270	$ 376,163,994	$ 383,841,973
Business-type Activities				
Net investment in capital assets	$ 78,971,667	$ 89,880,781	$ 98,927,946	$ 100,630,330
Restricted	805,637	-	-	-
Unrestricted	10,805,714	12,768,350	10,823,306	11,443,010
Total Business-Type Activities Net Position	$ 90,583,018	$ 102,649,131	$ 109,751,252	$ 112,073,340
Primary Government				
Net investment in capital assets	$ 307,608,638	$ 351,673,824	$ 393,865,067	$ 409,236,487
Restricted	31,074,702	80,161,807	73,577,655	70,016,244
Unrestricted	66,445,029	38,660,770	18,472,524	16,662,582
Total Primary Government Net Position	$ 405,128,369	$ 470,496,401	$ 485,915,246	$ 495,915,313
% change from prior year		*16.1%*	*3.3%*	*2.1%*



2010	2011	2012	2013	2014	2015
$ 316,134,425	$ 316,648,571	$ 325,101,751	$ 325,101,751	$ 367,327,505	$ 367,624,105
56,455,609	85,179,081	66,398,405	66,398,405	78,880,674	105,113,762
16,288,802	(17,608,936)	(26,688,143)	(26,688,143)	(16,019,760)	(22,118,189)
$ 388,878,836	$ 384,218,716	$ 364,812,013	$ 364,812,013	$ 430,188,419	$ 450,619,678
$ 101,091,339	$ 101,243,804	$ 101,133,414	$ 101,133,414	$ 349,214,909	$ 347,013,821
-	-	-	-	14,406,184	14,504,672
12,439,997	15,806,202	18,834,287	18,834,287	18,376,045	18,881,017
$ 113,531,336	$ 117,050,006	$ 119,967,701	$ 119,967,701	$ 381,997,138	$ 380,399,510
$ 417,225,764	$ 417,892,375	$ 426,235,165	$ 426,235,165	$ 716,542,414	$ 714,637,926
56,455,609	85,179,081	66,398,405	66,398,405	93,286,858	119,618,434
28,728,799	(1,802,734)	(7,853,856)	(7,853,856)	2,356,285	(3,237,172)
$ 502,410,172	$ 501,268,722	$ 484,779,714	$ 484,779,714	$ 812,185,557	$ 831,019,188
1.3%	*-0.2%*	*-3.3%*	*0.0%*	*67.5%*	*2.3%*

CITY OF LINCOLN
Changes in Net Position
Last Ten Fiscal Years
(Full Accrual Basis of Accounting)

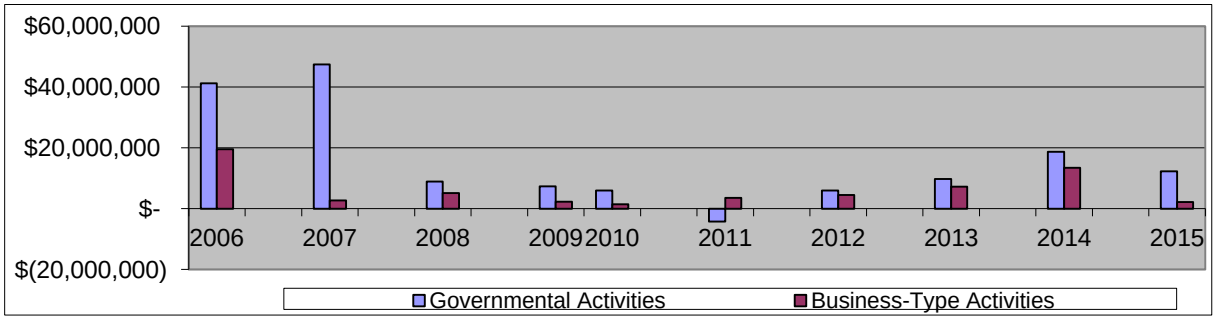
	Fiscal Year Ended June 30,			
	2006	2007	2008	2009
Expenses				
Governmental Activities:				
General government	$ 4,183,295	$ 5,934,488	$ 3,338,046	$ 3,103,629
Public safety	7,405,303	9,321,876	11,021,601	12,158,513
Public works and facilities	14,853,782	11,648,924	12,308,543	7,931,581
Culture and recreation	679,296	1,213,474	1,137,484	1,110,552
Urban redevelopment and housing	507,643	684,389	872,134	842,254
Education	381,966	474,949	990,075	1,162,534
Interest on long-term debt	1,254,426	2,363,861	2,284,708	2,079,556
Total Governmental Activities	29,265,711	31,641,961	31,952,591	28,388,619
Business-Type Activities:				
Water	7,062,409	12,573,785	9,251,012	9,561,253
Wastewater operations	4,822,193	6,122,532	5,231,985	5,491,924
Solid waste	3,481,344	3,668,061	4,211,966	4,380,483
Airport	575,464	2,137,445	2,279,738	2,191,656
Transit	413,238	863,988	1,035,816	1,033,824
Lincoln Public Financing Authority	1,799,468	-	-	-
Total Business-Type Activities	18,154,116	25,365,811	22,010,517	22,659,140
Total Primary Government Expenses	$ 47,419,827	$ 57,007,772	$ 53,963,108	$ 51,047,759
Program Revenues				
Governmental Activities:				
Charges for Services:				
General government	$ 4,666,450	$ 395,839	$ 165,923	$ 161,624
Public Safety	111,986	1,163,497	668,673	552,752
Public works and facilities	38,941,713	15,474,292	6,912,437	5,436,917
Culture and recreation	-	3,011,148	1,386,841	1,260,374
Urban redevelopment and housing	-	-	5,600	7,920
Education	-	332,073	99,604	37,747
Operating Grants and Contributions	4,757,822	4,886,915	4,740,064	10,130,229
Capital Grants and Contributions	956	19,200,884	4,417,019	1,399,632
Total Governmental Activities Program Revenues	48,478,927	44,464,648	18,396,161	18,987,195
Business-Type Activities:				
Charges for Services:				
Water	10,656,301	22,246,238	13,238,191	11,699,450
Wastewater operations	14,846,171	4,199,846	5,677,253	6,427,678
Solid waste	6,354,465	4,542,292	4,253,409	4,838,459
Airport	1,438,133	1,493,308	1,600,082	1,361,802
Transit	47,388	52,454	44,745	31,741
Operating Grants and Contributions	1,115,614	1,420,586	1,775,927	652,139
Capital Grants and Contributions	-	7,144,753	3,229,166	1,192,629
Total Business-Type Activities Program Revenues	34,458,072	41,099,477	29,818,773	26,203,898
Total Primary Government Program Revenues	$ 82,936,999	$ 85,564,125	$ 48,214,934	$ 45,191,093

2010	2011	2012	2013	2014	2015
$ 2,672,943	$ 2,816,650	$ 2,574,813	$ 2,583,219	$ 2,534,252	$ 2,465,172
10,847,388	10,484,408	9,006,804	8,973,076	8,676,336	9,111,739
13,720,906	11,295,372	10,423,827	8,083,773	7,502,426	19,030,793
1,059,559	870,049	591,312	743,858	714,789	745,314
1,979,294	1,093,409	178,613	666,038	512,756	568,277
877,314	712,886	486,019	420,772	559,449	490,309
1,932,458	1,884,470	1,361,643	1,074,815	1,073,464	1,012,610
33,089,862	29,157,244	24,623,031	22,545,551	21,573,472	33,424,214
9,330,009	8,798,950	7,821,110	8,410,782	9,626,761	12,418,348
5,915,385	4,920,695	5,144,059	10,647,682	7,567,116	10,760,685
4,427,701	3,952,669	4,369,551	4,460,008	4,576,457	5,087,810
2,071,412	1,993,639	939,595	2,009,793	2,122,836	1,632,005
1,075,578	1,145,903	1,818,658	979,330	855,631	980,587
-	-	-	-	-	-
22,820,085	20,811,856	20,092,973	26,507,595	24,748,801	30,879,435
$ 55,909,947	$ 49,969,100	$ 44,716,004	$ 49,053,146	$ 46,322,273	$ 64,303,649
$ 3,787,376	$ 126,476	$ 586,097	$ 1,222,290	$ 1,970,636	$ 1,054,510
592,754	348,360	260,351	555,899	634,161	569,572
1,549,410	3,636,128	4,436,027	10,939,600	10,979,608	9,447,200
1,048,639	959,300	918,670	1,506,132	971,265	909,070
174,016	8,920	-	-	568,277	-
55,307	22,429	38,321	37,835	159,415	7,480
11,351,298	4,129,716	3,455,701	3,614,352	3,248,047	1,673,308
3,396,988	151,718	1,680,280	881,562	7,957,869	14,184,897
21,955,788	9,383,047	11,375,447	18,757,670	26,489,278	27,846,037
11,164,332	10,002,881	11,000,418	10,221,213	11,018,047	12,615,858
6,785,503	7,084,463	7,220,843	7,237,746	7,297,551	7,517,029
4,842,441	4,843,540	4,848,401	5,025,078	5,272,082	5,825,523
1,294,419	1,244,251	1,449,562	1,558,585	1,785,214	1,261,533
27,941	43,255	51,090	51,068	47,195	39,289
1,195,343	1,428,826	1,142,591	6,154,480	1,549,590	1,188,545
896,587	480,434	543,189	2,641,668	5,590,940	4,254,405
26,206,566	25,127,650	26,256,094	32,889,838	32,560,619	32,702,182
$ 48,162,354	$ 34,510,697	$ 37,631,541	$ 51,647,508	$ 59,049,897	$ 60,548,219

Continued (Page 1 of 2)

CITY OF LINCOLN
Changes in Net Position
Last Ten Fiscal Years
(Full Accrual Basis of Accounting)

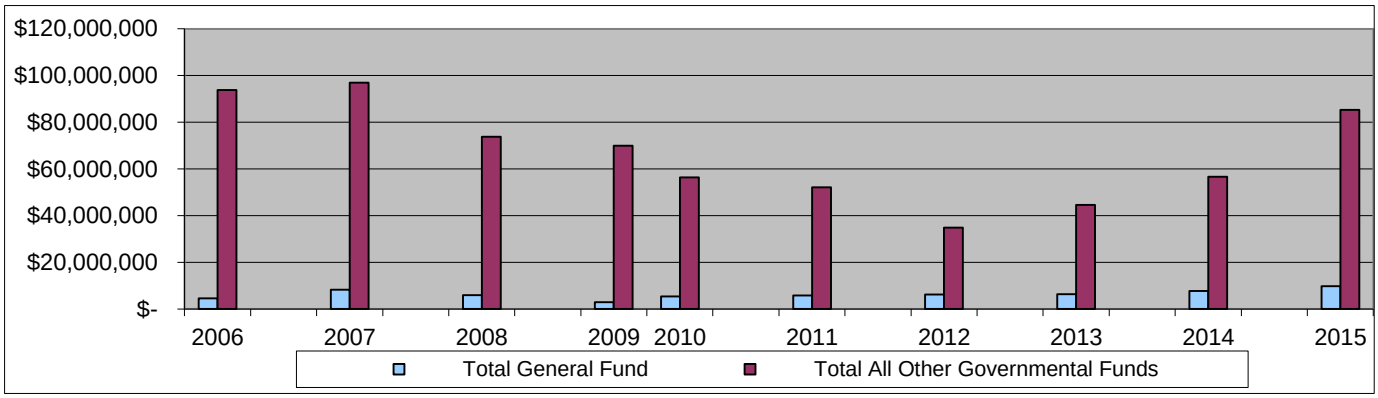
	Fiscal Year Ended June 30,			
	2006	2007	2008	2009
Net (Expense)/Revenue				
Governmental Activities	$ 19,213,216	$ 12,822,687	$ (13,556,430)	$ (9,401,424)
Business-Type Activities	16,303,956	15,733,666	7,808,256	3,544,758
Total Primary Government Net Expense	$ 35,517,172	$ 28,556,353	$ (5,748,174)	$ (5,856,666)
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes:				
Property taxes	$ 7,063,246	$ 11,104,412	$ 11,911,470	$ 11,035,176
Sales and use taxes	1,667,402	1,944,926	2,226,163	1,905,089
Franchise taxes	-	-	-	-
Other local taxes	3,478,469	770,972	629,413	635,042
Interest and investment earnings	4,460,701	5,767,170	3,798,947	995,126
Unrealized loss on investments	(1,957,729)	-	-	-
Licenses and permits	5,746,208	-	-	-
Miscellaneous	1,579,099	151,349	390,049	219,821
Gain on sale of capital assets	-	-	-	-
Transfers		14,891,647	3,511,923	1,981,900
Extraordinary gain	-	-	-	-
Total Governmental Activities	22,037,396	34,630,476	22,467,965	16,772,154
Business-Type Activities				
Taxes:				
Property taxes	62,027	52,030	64,113	91,060
Sales and use taxes	-	-	-	-
Business taxes	1,970,013	-	-	-
Interest and investment earnings	1,161,867	731,368	573,296	450,245
Miscellaneous	27,816	1,100,621	251,704	217,925
Gain on sale of capital assets	-	-	-	-
Transfers		(14,891,647)	(3,511,923)	(1,981,900)
Total Business-Type Activities	3,221,723	(13,007,628)	(2,622,810)	(1,222,670)
Total Primary Government	$ 25,259,119	$ 21,622,848	$ 19,845,155	$ 15,549,484
Change in Net Position				
Governmental Activities	$ 41,250,612	$ 47,453,163	$ 8,911,535	$ 7,370,730
Business-Type Activities	19,525,679	2,726,038	5,185,446	2,322,088
Total Primary Government	$ 60,776,291	$ 50,179,201	$ 14,096,981	$ 9,692,818



2010	2011	2012	2013	2014	2015
$ (11,134,074)	$ (19,774,197)	$ (13,247,584)	$ (3,787,881)	$ 4,915,806	$ (5,578,177)
3,386,481	4,315,794	6,163,121	6,382,243	7,811,818	1,822,747
$ (7,747,593)	$ (15,458,403)	$ (7,084,463)	$ 2,594,362	$ 12,727,624	$ (3,755,430)
$ 9,628,569	$ 9,742,282	$ 8,309,198	$ 7,511,360	$ 7,668,875	$ 9,020,576
1,971,789	1,968,627	2,218,295	2,252,003	2,419,729	2,598,143
-	-	-	-	-	837,267
988,427	849,872	990,613	975,649	191,278	259,982
2,261,095	1,121,897	733,848	565,913	1,208,941	764,002
-	-	-	-	-	-
-	-	-	-		-
192,290	557,398	478,529	1,717,469	401,427	2,105,907
-	-	-	-	717,066	1,858,685
2,040,473	1,357,294	2,195,637	525,888	1,159,153	489,374
-	-	4,329,643	-	-	-
17,082,643	15,597,370	19,255,763	13,548,282	13,766,469	17,933,936
68,526	40,349	43,204	47,684	259,982	-
-	-	-	-	850,659	412,877
-	-	-	-	-	-
(193,548)	335,266	282,286	262,287	550,349	372,555
237,010	184,555	209,841	1,079,475	168,876	125,745
-	-	-	-	4,935,797	(39,829)
(2,040,473)	(1,357,294)	(2,195,637)	(525,888)	(1,159,153)	(489,374)
(1,928,485)	(797,124)	(1,660,306)	863,558	5,606,510	381,974
$ 15,154,158	$ 14,800,246	$ 17,595,457	$ 14,411,840	$ 19,372,979	$ 18,315,910
$ 5,948,569	$ (4,176,827)	$ 6,008,179	$ 9,760,401	$ 18,682,275	$ 12,355,759
1,457,996	3,518,670	4,502,815	7,245,801	13,418,328	2,204,721
$ 7,406,565	$ (658,157)	$ 10,510,994	$ 17,006,202	$ 32,100,603	$ 14,560,480

CITY OF LINCOLN
Fund Balances - Government Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,			
	2006	2007	2008	2009
General Fund				
Reserved and Designated	$ 1,460,000	$ 3,059,045	$ 3,286,125	$ 2,880,860
Unreserved	3,108,506	5,256,512	2,688,528	-
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	$ 4,568,506	$ 8,315,557	$ 5,974,653	$ 2,880,860
All Other Governmental Funds				
Reserved	$ 44,532,011	$ 42,354,064	$ 47,210,444	$ 47,888,812
Unreserved, reported in				
Special revenue funds	48,927,286	18,105,451	(8,090,513)	(11,049,197)
Capital project funds	(88,721)	36,340,919	34,508,966	32,934,551
Permanent funds	411,973	122,995	134,277	146,506
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total All Other Governmental Funds	$ 93,782,549	$ 96,923,429	$ 73,763,174	$ 69,920,672



Notes:

(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.

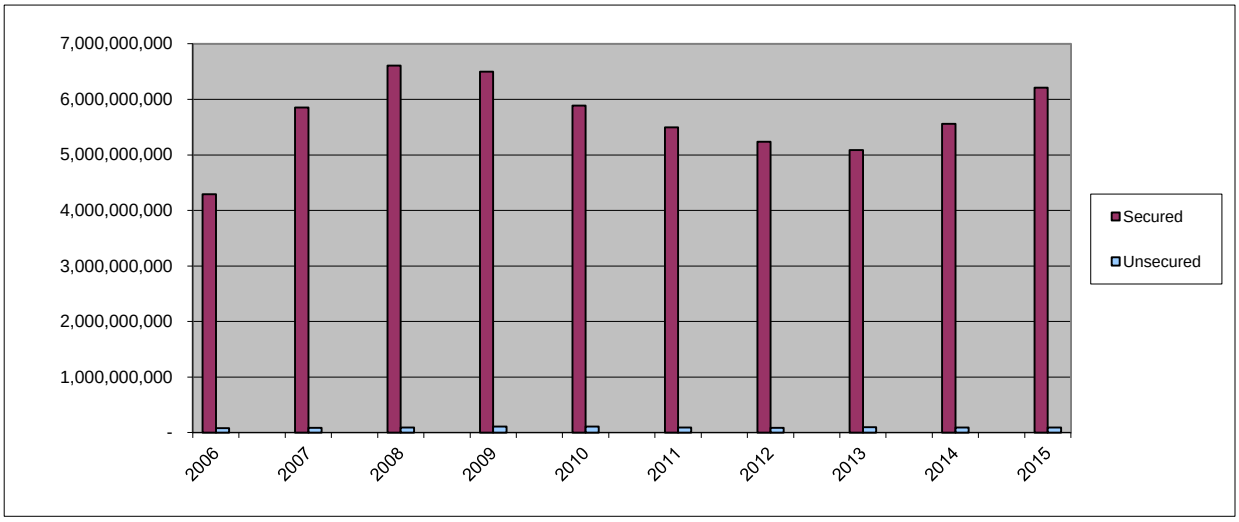
2010	2011 (a)	2012	2013	2014	2015
$ 2,880,860	$ -	$ -	$ -	$ -	$ -
2,540,251	-	-	-	-	-
-	149,424	100,250	613,502	136,582	361,627
-	86,096	-	-	-	43
-	1,460,000	2,524,334	2,050,459	3,703,541	3,803,726
-	4,132,105	3,533,294	3,715,005	3,819,021	5,580,155
$ 5,421,111	$ 5,827,625	$ 6,157,878	$ 6,378,966	$ 7,659,144	$ 9,745,551
$ 43,364,354	$ -	$ -	$ -	$ -	$ -
(16,545,750)	-	-	-	-	-
29,397,051	-	-	-	-	-
144,382	-	-	-	-	-
-	35,794,414	33,014,706	32,810,398	31,238,435	33,945,218
-	51,397,385	33,380,699	33,745,233	41,992,206	65,041,829
-	2,124,330	-	-	-	-
-	-	-	5,214,476	5,650,033	6,126,672
-	(37,233,469)	(31,519,259)	(27,173,388)	(22,256,636)	(19,846,487)
$ 56,360,037	$ 52,082,660	$ 34,876,146	$ 44,596,719	$ 56,624,038	$ 85,267,232

CITY OF LINCOLN
Changes in Fund Balances - Government Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,			
	2006	2007	2008	2009
Revenues				
Taxes and assessments	$ 12,209,116	$ 13,896,857	$ 14,863,744	$ 13,613,879
Licenses and permits	5,746,207	3,017,918	1,593,525	1,235,966
Fines and penalties	111,986	182,577	214,105	207,324
Use of money and property	2,492,190	6,006,258	3,970,684	1,377,206
Intergovernmental	4,758,778	7,024,618	6,995,606	8,812,824
Charges for services	43,608,163	17,622,446	7,919,761	6,544,271
Contributions from property owners	-	12,306,766	-	-
Other revenue	1,578,004	289,377	683,415	2,291,103
Total Revenues	70,504,444	60,346,817	36,240,840	34,082,573
Expenditures				
Current				
General government	3,988,242	5,844,044	3,242,267	3,008,223
Public safety	7,335,530	9,070,904	10,582,460	11,431,573
Public works and facilities	14,028,439	11,217,289	11,894,916	6,979,895
Culture and recreation	671,955	1,208,758	1,124,925	1,063,421
Urban redevelopment and housing	494,378	635,104	740,714	740,432
Education	378,308	474,349	976,424	1,159,032
Debt Service				
Principal	325,000	810,000	840,000	850,000
Interest and bond issuance costs	1,258,015	2,434,880	2,288,246	2,084,218
Capital Outlay	45,774,837	58,547,303	33,675,842	15,683,974
Total Expenditures	74,254,704	90,242,631	65,365,794	43,000,768
Excess (Deficiency) of Revenues Over Expenditures	(3,750,260)	(29,895,814)	(29,124,954)	(8,918,195)
Other Financing Sources (Uses)				
Bond proceeds	-	14,446,543	-	-
Transfers in	1,974,419	44,122,301	9,129,680	6,661,106
Transfers out	(1,959,926)	(29,254,097)	(5,617,757)	(4,679,206)
Proceeds from sale of capital assets	-	-	-	-
Debt proceeds	-	-	-	-
Total Other Financing Sources (Uses)	14,493	29,314,747	3,511,923	1,981,900
Net Change in fund balance before prior period adjustments and extraordinary items	(3,735,767)	(581,067)	(25,613,031)	(6,936,295)
Prior period adjustment	38,309	7,468,997	111,872	-
Extraordinary item				
Assets transferred to/liabilities assumed by Successor Agency/Housing Successor	-	-	-	-
Net Change in Fund Balance	$ (3,697,458)	$ 6,887,930	$ (25,501,159)	$ (6,936,295)
Debt service as a percentage of noncapital expenditures	5.6%	10.2%	9.9%	10.7%

2010	2011	2012	2013	2014	2015
$ 12,573,987	$ 13,018,727	$ 14,494,396	$ 14,136,484	$ 13,492,395	$ 16,082,063
7,766,334	1,092,144	655,747	1,342,696	1,565,818	1,604,400
172,751	129,884	115,085	79,606	48,509	74,132
2,239,808	1,141,512	805,847	563,366	1,197,057	747,630
5,848,961	3,268,014	6,294,565	4,697,951	3,526,877	10,012,367
6,384,352	4,599,914	2,476,782	9,904,756	10,787,334	6,943,205
1,634,852	-	-	-	-	-
539,519	695,524	478,529	1,717,469	401,427	2,105,694
37,160,564	23,945,719	25,320,951	32,442,328	31,019,417	37,569,491
2,598,301	2,740,006	2,549,256	2,574,534	2,321,201	2,846,091
10,192,862	9,746,718	8,478,042	8,723,479	8,116,557	8,881,517
12,119,189	8,942,799	7,691,014	5,223,957	4,819,786	5,265,925
978,406	812,219	571,875	741,632	646,189	657,331
1,938,707	666,240	144,653	665,834	512,755	558,746
876,907	712,472	490,327	418,188	558,740	487,553
1,140,000	1,150,000	1,180,000	700,000	771,784	880,524
1,927,946	1,893,176	1,555,009	1,083,203	1,082,887	1,024,729
8,442,931	2,690,016	2,091,332	2,706,542	4,049,046	7,850,556
40,215,249	29,353,646	24,751,508	22,837,369	22,878,945	28,452,972
(3,054,685)	(5,407,927)	569,443	9,604,959	8,140,472	9,116,519
-	-	-	-	-	-
12,335,882	9,663,693	4,930,996	3,808,876	7,833,725	8,416,800
(10,197,886)	(8,126,629)	(2,735,359)	(3,591,758)	(3,601,414)	(7,601,327)
-	-	-	-	726,942	1,899,900
-	-	-	-	568,873	-
2,137,996	1,537,064	2,195,637	217,118	5,528,126	2,715,373
(916,689)	(3,870,863)	2,765,080	9,822,077	13,668,598	11,831,892
(10,103,695)	-	(13,087,464)	119,584	(361,101)	18,897,709
-	-	(6,553,877)	(6,553,877)	-	-
$ (11,020,384)	$ (3,870,863)	$ (16,876,261)	$ 3,387,784	$ 13,307,497	$ 30,729,601
9.7%	11.4%	12.1%	8.9%	9.8%	9.2%

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



Fiscal Year Ending June 30	Secured	Unsecured	SBE Nonunitary	Taxable Assessed Value	% Change	Direct Rate
2006	4,289,856,605	81,117,909	623,600	4,371,598,114	40.358%	1.025%
2007	5,850,690,035	84,252,015	586,271	5,935,528,321	35.775%	1.012%
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%

Notes:

In 1978, the voters 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 acutal market value of the taxable property and is subject to the limitations described above.

Source:

California Municipal Statistics and Placer County Auditor-Controller

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

	Fiscal Year Ended June 30,			
	2006	**2007**	**2008**	**2009**
City of Lincoln				
General purpose	1.000	1.000	1.000	1.000
	1.000	1.000	1.000	1.000
Western Placer Unified School District	0.015	0.012	0.013	0.147
Placer County Water Agency Zone 1	0.010	-	-	-
	1.025	1.012	1.013	1.147

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

2010	2011	2012	2013	2014	2015
1.000	1.000	1.000	1.000	1.000	1.000
1.000	1.000	1.000	1.000	1.000	1.000
0.170	0.021	0.026	0.026	0.026	0.025
-	-	-	-	-	-
1.170	1.021	1.026	1.026	1.026	1.025

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

		2014/15		
Property Owner	Primary Land Use	Rank	Taxable Assessed Value	% of Total City Taxable Assessed Value
Sierra Pacific Industries	Industrial	1	56,079,330	0.90%
OK&B	Warehouse	2	27,539,207	0.44%
Elliot Homes Inc.	Residential Properties	3	19,188,401	0.31%
Target Corporation	Commercial Store	4	17,508,642	0.28%
Auburn Creek Investors	Apartments	5	16,584,959	0.27%
Buzz Oates Enterprises II	Warehouse	6	16,350,141	0.26%
Shadowbriar Investments Inc.	Undeveloped	7	15,889,703	0.26%
JPS Development LLC	Shopping Center	8	15,598,213	0.25%
Lawford #12 Partners Ltd.	Residential Properties	9	14,407,884	0.23%
1550 3rd Street LLC	Assisted Living Facility	10	12,753,682	0.21%
			211,900,162	3.41%
2014-2015 Local Secured Assessed Valuation:			$ 6,210,620,359	

		2005/06		
Property Owner	Primary Land Use	Rank	Taxable Assessed Value	% of Total City Taxable Assessed Value
Buzz Oates Enterprises	Industrial	1	89,495,653	2.09%
Dell Webb California Corporation	Residential Properties	2	83,778,492	1.95%
Centex Homes	Residential Properties	3	75,072,068	1.75%
Sierra Pacific Industries	Industrial	4	38,128,729	0.89%
Pulte Home Corporation	Residential Properties	5	36,725,000	0.86%
JTS Communities Inc.	Residential Properties	6	36,176,957	0.84%
D. R. Horton, Inc. Sacramento	Residential Properties	7	30,075,814	0.70%
WL Lincoln 257 Associates LLC	Residential Properties	8	21,352,562	0.50%
TV Investment Partners Group	Shopping Center	9	20,246,000	0.47%
Auburn Creek Investors	Residential Properties	10	15,375,859	0.36%
			446,427,134	10.41%
2005-2006 Local Secured Assessed Valuation:			$ 4,289,856,605	

Source:
California Municipal Statistics

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

Fiscal Year	Taxes Levied for the Fiscal Year	Collections within the Fiscal Year of the Levy	
		Amount	Percent of Levy
2005/2006	3,271,079	3,220,862	98.46%
2006/2007	4,418,402	4,301,403	97.35%
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%

Notes:

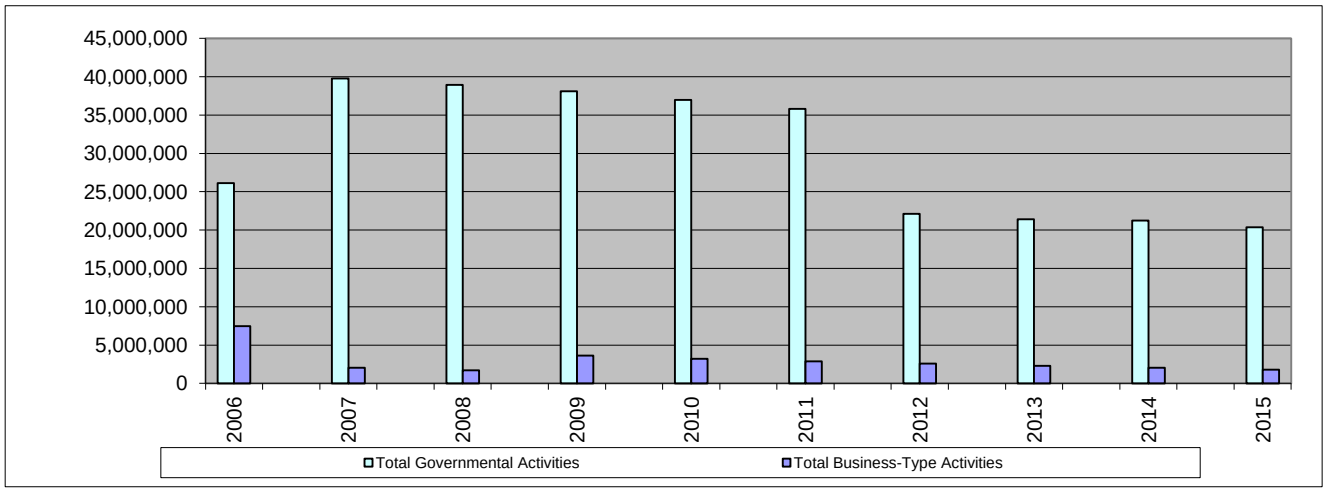
Current tax collections beginning in 1993 have been reduced by a mandatory tax reallocation imposed by the State of California. Placer County uses an estimate for the delinquency rate and compiles delinquency as a lump sum. Subsequent collections are not broken out by fiscal year from the County; thus,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

Source:

Placer County Auditor-Controller

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

	Governmental Activities			Business-Type Activities		
Fiscal Year Ending June 30	Bonds	Capital Lease	Total Governmental Activities	Loans	Bonds	Capital Lease
2006	26,119,819	-	26,119,819	202,917	7,270,000	-
2007	39,764,046	-	39,764,046	189,363	1,840,000	17,330
2008	38,931,732	-	38,931,732	174,826	1,545,000	-
2009	38,089,415	-	38,089,415	159,235	1,270,000	2,203,029
2010	36,957,099	-	36,957,099	142,514	1,020,000	2,031,293
2011	35,814,783	-	35,814,783	124,580	795,000	1,957,869
2012	22,120,687	-	22,120,687	105,345	590,000	1,880,905
2013	21,423,295	-	21,423,295	84,716	410,000	1,800,232
2014	20,710,903	512,089	21,222,992	62,591	260,000	1,715,670
2015	19,968,511	376,565	20,345,076	38,861	125,000	1,627,033



Notes:
(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 Annual Financial Reports

Total Business-Type Activities	Total Primary Government	Percentage of Personal Income (1)	Percentage of Assessed Value (2)	Per Capita (1)
7,472,917	33,592,736	4731.74%	0.77%	1,000
2,046,693	41,810,739	4337.80%	0.70%	1,118
1,719,826	40,651,558	4829.77%	0.61%	1,022
3,632,264	41,721,679	4492.16%	0.63%	1,041
3,193,807	40,150,906	4889.98%	0.67%	977
2,877,449	38,692,232	5612.78%	0.69%	895
2,576,250	24,696,937	9270.11%	0.46%	567
2,294,948	23,718,243	n/a	0.46%	541
2,038,261	23,261,253	n/a	0.41%	515
1,790,894	22,135,970	n/a	0.35%	483

CITY OF LINCOLN
Direct and Overlapping Bonded Debt
As of June 30, 2015

2014-15 Assessed Valuation	$ 6,302,674,653

	Total Debt 6/30/2015	% Applicable (1)	City's Share of Debt 6/30/15
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Western Placer Unified School District	$ 23,210,306	84.748%	$ 19,670,270
Western Placer Unified School District Community Facilities District No. 1	12,376,387	100.00%	12,376,387
City of Lincoln Community Facilities Districts	119,975,000	100.00%	119,975,000
City of Lincoln 1915 Act Bonds (Estimate)	36,343,000	100.00%	36,343,000
California Statewide Communities Development Authority Assessment Districts	2,266,164	50.404-100%	1,623,672
Total Overlapping Tax and Assessment Debt			189,988,329
OVERLAPPING GENERAL FUND DEBT:			
Placer County General Fund Obligations	38,085,000	10.711%	4,079,284
Placer County Office of Education Certificates of Participation	1,650,000	10.711%	176,732
Sierra Joint Community College District Certificates of Participation	8,457,000	8.028%	678,928
Western Placer Unified School District Certificates of Participation	128,545,000	84.748%	108,939,317
Placer Mosquito and Vector Control District Certificates of Participatic	3,910,000	10.711%	418,800
Total Overlapping General Fund Debt			114,293,061
OVERLAPPING TAX INCREMENT DEBT	10,830,000	100.00%	10,830,000
Total Overlapping Debt			315,111,390
DIRECT GENERAL FUND DEBT:			
City of Lincoln General Fund Obligations	20,030,000	100.00%	20,030,000
Total Direct General Fund Debt			20,030,000
Total Combined Debt			$ 335,141,390 (2)

Ratios to 2014-15 Assessed Valuation:	
Total Overlapping Tax and Assessment Debt	3.01%
Total Direct Debt	32.00%
Combined Total Debt	5.32%
Ratios to Redevelopment Incremental Valuation ($203,571,272):	
Total Overlapping Tax Increment Debt	4.94%

Notes:

(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, 2015

Secured Property Assessed Value, Net of Exempt Real Property	$ 6,210,620,359	
Bonded debt limit (3.75% of assessed value) (a)		$ 232,898,263
Amount of Debt Subject to Limit:		
Total bonded debt	22,135,970	
Less total bonds not subject to limit (b)	(2,167,459)	
Amount of Debt Subject to Limit		19,968,511
Legal Debt Margin		$ 212,929,752

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
2006	160,869,623	26,119,819	160,869,623	16.24%
2007	219,400,876	39,764,046	219,400,876	18.12%
2008	247,807,612	38,931,732	247,807,612	15.71%
2009	243,704,320	38,089,415	243,704,320	15.63%
2010	220,690,352	36,957,099	220,690,352	16.75%
2011	205,986,253	35,814,783	205,986,253	17.39%
2012	196,382,539	22,120,687	196,382,539	11.26%
2013	190,725,264	21,423,295	190,725,264	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%

Notes:

(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 the limit.

Source:

City of Lincoln Finance Department

CITY OF LINCOLN
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year Ending June 30	Population	Total Personal Income	Per Capita Personal Income	Annualized Unemployment Rate (%)
2006	33,589	1,589,521,221	47,323	7.8%
2007	37,400	1,813,666,579	48,494	9.0%
2008	39,758	1,963,376,670	49,383	11.9%
2009	40,060	1,874,205,719	46,785	18.5%
2010	41,111	1,963,372,899	47,758	20.2%
2011	43,248	2,171,709,392	50,215	19.1%
2012	43,572	2,289,433,433	52,544	16.9%
2013	43,818	(a)	(a)	14.20%
2014	45,206	(a)	(a)	12.00%
2015	45,837	(a)	(a)	11.22%

Notes:
(a) Information not available.

Source:
California State Department of Finance
California State Franchise Tax Board
California Employment Development Department

CITY OF LINCOLN
Principal Employers
Current Year

	2014/15		
Employer	**Rank**	**Number of Employees**	**% of Total City Employees**
Thunder Valley Casion	1	2,500	27.57%
Western Placer Unified School District	2	625	6.89%
Sierra Pacific Industries	3	300	3.31%
San Francisco Bay Coffee Co.	4	300	3.31%
Horizon Charter School	5	240	2.65%
Target	6	210	2.32%
Walmart	7	200	2.21%
Violet Holdings	8	200	2.21%
Calhoun Construction, Inc.	9	175	1.93%
City of Lincoln	10	155	1.71%
Subtotal		4,905	54.09%
Total Employed		9,069	

Notes:
Data pertaining to principal employers for nine years ago is not readily available.

Source:
Hoovers, April 2013 and individual companies

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

	Fiscal Year Ending June 30			
	2006	**2007**	**2008**	**2009**
City Manager				
Administration	2.0	2.0	2.5	2.5
Human Resources	2.0	2.0	2.5	2.5
Economic Development	0.8	0.8	0.3	0.3
Records Management	3.0	3.0	3.0	3.0
Administrative Services				
Administration	2.0	2.0	4.0	3.0
Finance	11.0	11.0	11.5	11.5
Information Technology	2.0	2.0	2.0	2.0
Central Services	2.0	2.0	2.5	2.5
Development Services (a)				
Administration	2.0	2.0	2.0	1.7
Planning	8.5	8.0	8.5	6.1
Building	9.5	11.0	9.5	6.5
Development & Engineering	8.0	9.0	8.0	8.0
Financial Analysis	-	-	-	-
Public Services				
Administration	9.0	11.0	9.0	7.5
Engineering	-	-	-	-
Water	9.9	10.5	9.8	12.8
Wastewater	5.0	5.0	5.0	6.0
Solid Waste	11.5	14.5	11.5	16.1
Streets	6.7	6.6	6.7	8.1
Transit	5.0	5.0	5.0	6.5
Airport	3.0	3.0	3.0	3.0
Parks & Facilities	6.0	7.0	6.0	11.0
Fleet Maintenance	7.0	8.0	7.0	7.5
Police				
Administration	5.0	4.0	6.0	7.0
Communications	7.0	8.0	9.0	9.0
Operations	33.0	39.0	40.0	39.0
Fire				
Administration	-	2.0	3.0	3.0
Operations	23.0	25.0	24.0	24.0
Library	3.5	8.5	11.0	10.5
Recreation (c)	5.0	5.0	6.0	7.0
Redevelopment	1.3	1.3	1.3	1.3
Total Full-Time Equivalents	**193.6**	**218.0**	**219.0**	**228.8**

Notes:

(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 and departments are listed by their current names.

(b) In some years, maintenance crews are reported in the budget documents as a total number and in other years they are broken out by division.

(c) Includes regular employees only, does not include part-time seasonal.

Source:

City of Lincoln Original Budget Documents

2010	2011	2012	2013	2014	2015
2.5	2.8	2.8	1.8	2.0	2.8
2.0	2.0	2.0	2.0	1.0	2.5
0.3	1.0	-	-	1.0	1.0
3.0	3.0	3.0	3.0	2.8	2.0
3.0	3.0	3.0	2.0	3.0	3.0
9.0	8.0	9.0	10.0	10.0	9.0
2.0	1.0	1.0	1.0	1.0	1.0
2.0	2.0	2.0	2.0	1.0	2.0
1.0	0.5	4.3	3.3	7.3	1.0
5.8	3.4	1.0	1.0	3.0	3.5
4.5	4.0	4.0	4.0	3.0	4.0
4.0	4.1	1.0	1.0	2.0	3.0
-	1.0	-	-	-	-
9.0	5.0	6.0	7.0	12.0	8.5
-	-	-	-	2.0	-
9.4	7.5	8.1	8.1	10.0	6.5
4.0	3.8	3.5	3.5	6.5	6.5
14.4	13.6	10.3	12.2	13.9	13.4
5.2	4.2	4.2	4.3	6.2	6.2
6.5	7.7	7.0	4.0	4.5	7.0
3.0	2.3	2.5	2.0	2.0	2.0
7.0	5.0	6.0	5.0	5.5	6.5
6.0	5.0	5.0	5.0	5.0	5.5
5.0	6.0	5.0	2.5	5.5	2.5
7.0	6.0	6.0	6.0	6.0	6.0
32.0	27.0	21.0	19.5	16.5	19.5
3.0	3.0	3.0	2.0	3.0	2.0
21.0	21.0	19.5	19.0	18.0	18.0
6.7	5.7	2.0	2.0	3.5	3.9
6.0	5.5	4.0	4.0	4.0	4.0
3.0	-	-	-	-	-
187.2	**163.4**	**146.0**	**137.0**	**161.2**	**152.8**

CITY OF LINCOLN
Operating Indicators
Last Ten Fiscal Years

	Fiscal Year Ending June 30			
	2006	**2007**	**2008**	**2009**
Business Licenses				
Annual business license	712	740	585	576
Enviroment and Utilities				
Gallons of wastewater treated per year (in millions)	1,037	1,022	1,093	1,077
Gallons of wastewater discharged per year (in millions)	957	885	820	847
Fire				
Fires per year	n/a	92	141	133
Emergency medical calls per year	n/a	1,208	1,805	2,065
Hazardous materials incidents per year	n/a	23	56	58
Non-emergency service calls per year	n/a	817	1,137	865
Police				
911 calls per year	n/a	n/a	n/a	4,501
Cases investigated per year	3,535	3,524	2,963	2,792
Arrests per year	708	1,325	1,293	989
Building Permits				
Building permits issued per year	2,145	678	192	126

Notes:
n/a = information not available
**new licenses applied for

Source:
City of Lincoln

2010	2011	2012	2013	2014	2015
498**	1,916	-	1,120	1,182	1,938
1,117	1,239	1,135	1,144	1,095	1,062
1,024	1,144	999	843	1,063	813
115	114	134	137	121	142
2,059	2,047	2,212	2,465	2,667	2,637
55	45	35	45	49	40
836	1,027	857	933	969	749
9,253	9,597	10,187	10,998	8,710	8,852
2,291	2,134	1,890	1,898	1,142	1,866
735	602	458	429	314	479
116	56	138	314	280	233

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