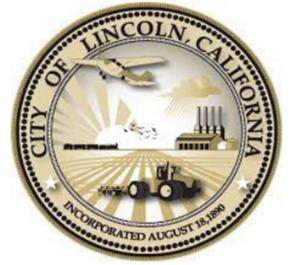


2022

City of Lincoln



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended  
**JUNE 30, 2022**



Photo credit: Eiden Choe

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CITY OF LINCOLN  
STATE OF CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022



PREPARED BY FINANCE DIVISION

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**CITY OF LINCOLN**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2022**

TABLE OF CONTENTS

	Page
<b>INTRODUCTORY SECTION:</b>	
Transmittal Letter	i - iii
Government Finance Officer's Association Certificate of Achievement	iv
List of Officials	v
Organizational Chart	vi
<b>FINANCIAL SECTION:</b>	
<b>Independent Auditor's Report</b>	1 - 3
<b>Management's Discussion and Analysis</b>	4 - 15
<b>Basic Financial Statements:</b>	
Government-wide Financial Statements	
Statement of Net Position	16 - 17
Statement of Activities	18
Fund Financial Statements	
Balance Sheet - Governmental Funds	19 - 20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	21
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	22 - 23
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24
Statement of Net Position - Proprietary Funds	25 - 26
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	27 - 28
Statement of Cash Flows - Proprietary Funds	29 - 30
Statement of Fiduciary Net Position - Fiduciary Funds	31
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	32
Notes to Basic Financial Statements	33 - 77
<b>Required Supplementary Information:</b>	
Schedule of the City's Proportionate Share of the Net Pension Liability	78 - 79
Schedule of Pension Contributions	80 - 81
Schedule of Changes in the City's Net OPEB Liability and Related Ratios	82
Schedule of OPEB Contributions	83
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	84 - 85

**CITY OF LINCOLN**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2022**

TABLE OF CONTENTS

	Page
<b>Required Supplementary Information (Continued)</b>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Public Facility Element (PFE)	86
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Water Connections	87
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Development Services	88
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Low/Moderate Income Housing	89
Notes to Required Supplementary Information	90
<b>Combining Financial Statements and Schedules</b>	
Non-Major Governmental Funds:	
Description of Non-major Funds	91 - 93
Combining Balance Sheets	94 - 98
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	99 - 103
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
Park In-Lieu Fund	104
Gas Tax Fund	105
Street Fund	106
Parks and Recreation Tax Fund	107
Special Assessment Districts Fund	108
Police Grants Fund	109
Revitalization and Rehabilitation Loans Fund	110
Community Development Block Grant Fund	111
HOME Investment Partnership Program Fund	112
CalHOME Grants Fund	113
Oak Tree Mitigation Fund	114
Federal Grants Fund	115
Internal Service Funds	
Description of Internal Service Funds	116
Combining Statement of Net Position	117
Combining Statement of Revenues, Expenses, and Changes in Net Position	118
Combining Statement of Cash Flows	119

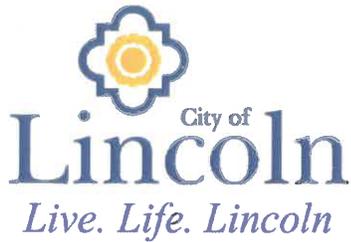
**CITY OF LINCOLN**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2022**

TABLE OF CONTENTS

	Page
<b>Combining Financial Schedules and Other Supplementary Information (Continued)</b>	
Fiduciary Funds	
Description of Custodial Funds	120
Combining Statement of Fiduciary Net Position	121 - 122
Combining Statement of Changes in Fiduciary Net Position	123 - 124
<b>STATISTICAL SECTION:</b>	
Description of Statistical Section	125
Financial Trends	
Net Position by Component	126
Changes in Net Position	127 - 128
Fund Balances - Governmental Funds	129
Changes in Fund Balances - Governmental Funds	130
Revenue Capacity	
Assessed Value and Estimated Actual Value of Taxable Property	131
Property Tax Rates - Direct and Overlapping Governments	132
Principal Property Taxpayers	133
Property Tax Levies and Collections	134
Debt Capacity	
Ratios of Outstanding Debt by Type	135
Direct and Overlapping Governmental Debt	136
Computation of Legal Bonded Debt Margin	137
Economic and Demographic Information	
Demographic and Economic Statistics	138
Principal Employers	139
Sales Tax Producers - Top 25	140
Operating Information	
Full-time Equivalent City Government Employees	141
Operating Indicators	142

INTRODUCTORY SECTION





December 22, 2022

Honorable Mayor and Members of the City Council:

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the City of Lincoln (City) for the fiscal year ended June 30, 2022, 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 controls that have been established for this purpose. The cost of internal control should not exceed anticipated benefits, and therefore the objective of financial management is to provide reasonable, rather than absolute assurance that the financial statements are free of any material misstatements.

The City contracted with Mann, Urrutia, Nelson, CPAs & Associates to perform the annual independent audit. The independent auditor's report is included in the Financial Section of this report. The 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.

### **Profile of the Government**

The City of Lincoln was incorporated in 1890 and is located 27 miles northeast of Sacramento in the northernmost region of south Placer County. The City occupies 22 square miles and serves a population of more than 48,000 people. Lincoln is a General Law City, formed under the State legislative process and structured under the provisions of the California constitution. The Lincoln City Council is the governing body of the City and is comprised of five elected officials, who are elected by district, each for four-year terms. Each of the Councilmembers takes an annual turn as Mayor. 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 appoints the City Manager, who is then responsible for implementing the City Council's policy direction and overall management of the City. 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, general administrative services, and a municipal airport.

Residents of the City may actively participate in the local government process by serving on a City commission, committee, or board. The commissions, committees, and boards act in an advisory capacity to the City Council in the development and implementation of government policy. Included are the Planning

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**City Hall**  
**600 Sixth Street**  
**Lincoln, CA 95648**  
**(916) 434-2400**  
[www.lincolnca.gov](http://www.lincolnca.gov)

**City Manager's Office ♦ Community Development ♦ Engineering ♦ Fire**  
**Library ♦ Recreation ♦ Police ♦ Public Services ♦ Finance**

Commission, Economic Development Committee, Fiscal and Investment Oversight Committee, Airport Committee, Parks and Recreation Committee, and Library Board.

Each year, the City Council adopts an annual budget prior to July 1st, which is the beginning of the fiscal year. This annual budget serves as the foundation for the City's financial planning and control. It also serves as the City's resource allocation plan and identifies estimated costs in relation to estimated revenues. Ultimate budgetary control resides at the fund level. However, the City has adopted several 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.

The City Council and staff strive to achieve the City's stated Mission:

"To provide the highest level of service responsive to our community's expectation and to enhance the quality of life, and economic vitality." The Council's strategic priorities have been identified as economic development, infrastructure, organizational efficiency, team cohesion, and sustainable fiscal health.

### **Major Initiatives**

The City received approximately \$11.5 million allocation of American Rescue Planning Act funding. The City has chosen to recognize \$10 million of these funds as allowed under the Standard Allowance, essentially de-Federalizing the monies. While the majority of these funds are still to be utilized the City Council has dedicated over \$1.2 million of the de-Federalized funds to aid local businesses and non-profits. Some of the de-Federalized funds have also been allocation to fund safety staff as discussed below.

A new City Manager and Finance Director have joined the Lincoln team in the Spring of 2022. Subsequent to the end of the fiscal year, the City Manager has appointed a new Community Development Director and Public Works Director bringing the City's executive team to its full compliment. In addition to stabilizing the management team, the City is also investing in upgrade of its financial and technological infrastructure. These efforts will include implementation of a new enterprise resources planning (ERP) system, enhanced land management and permitting capability and improved cyber security.

Lincoln business is growing steadily. New neighborhood shopping centers are increasing options for local and regional shoppers and diners. The authentic, historic Downtown Lincoln, with its charming streets, bars, pubs, theaters, variety of restaurants and special events, is a draw for the whole region. Upgrades to Downtown streetscape is part of the City's workplan.

Efforts are ongoing to bolster the City's Police and Fire services. The rapid growth of the City has not generated sufficient revenues to bring along enhancements in staffing these public safety services. However, the City Council has determined to use some of the de-Federalized funds, indicated above, and the additional Placer County Public Safety Tax Share to hire 9 additional firefighters. While the majority of the funding for these positions is short term, the City is confident it will be able to retain these additional staff after the funded period has ended.

The Lincoln Regional Airport is another potential economic opportunity for Lincoln. The existing, under-utilized airport benefits from a long, existing runway, available adjacent land, and almost no nearby residential population. The City has previously taken steps to curtail previous Airport operating losses. In the next year, the City will be examining options for future utilization assets to benefit Lincoln.

### **Local Economy**

The City continues to cope with the lingering impacts of the COVID crisis on the economy and on

community activity. However, two years post pandemic, the City continues to experience strong residential housing growth as compared to the rest of the State.

The City has chosen to take a conservative approach in revenue and expense forecasting, as it has done in past years. The City’s sales tax and property tax revenues remain stable with moderate growth predicted, as is the case countywide.

The City is cognizant of the need to build its commercial tax base, which has lagged behind residential development, but is made increasingly more viable due to the remarkable number of “residential rooftops.” Coupled with the City’s favorable location along Highway 65, the City places high priority on recruiting retail and commercial tax base and good new jobs. The City continues to maintain Reserve funds, and to monitor its CalPERS unfunded liability.

**Long-term Financial Planning**

Long-term financial planning continued to be a priority for the City, as we strive to marry our growth planning with responsible financial strategies. The Lincoln community benefits in many ways from the growth it is experiencing (i.e., parks, trails, new stores, a new high school, entertainment), but at the same time, Lincoln remains very committed to retaining its community values and heritage. Growth planning and long-term financial strategy must be accompanied by genuine community engagement in the planning process.

Efforts are in place to strengthen capital planning and update utility and infrastructure master plans. In the next year, the City will bring forward new rate proposals relating to its water, sewer, and solid waste functions. The City has taken aggressive steps to resolve the findings in the 2019 fiscal year Joint Legislative Audit Committee (JLAC) report. Only two findings remain partially complete but remain on track. Significant progress has been made in addressing financial concerns related to interfund loans, fund deficits and bond debt.

**Acknowledgements**

Preparation of this report was made possible by the efforts of the dedicated and talented staff in the City's Finance Department with special thanks to Finance Director Nita Wracker, Finance Manager Sandra Cooke, Budget Manager Ruthann Codina, and to our dedicated Finance staff and those in other City departments who have assisted in the process.

Respectfully submitted,



Sean Scully  
City Manager



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Lincoln  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

Executive Director/CEO

**CITY OF LINCOLN**

**CITY OFFICIALS**

**JUNE 30, 2022**

**ELECTED OFFICIALS**

Mayor	Holly Andreatta
Mayor Pro Tem	Paul Joiner
Council Member	Alyssa Silhi
Council Member	William Lauritsen
Council Member	Dan Karleskint
City Treasurer	Richard Pearl

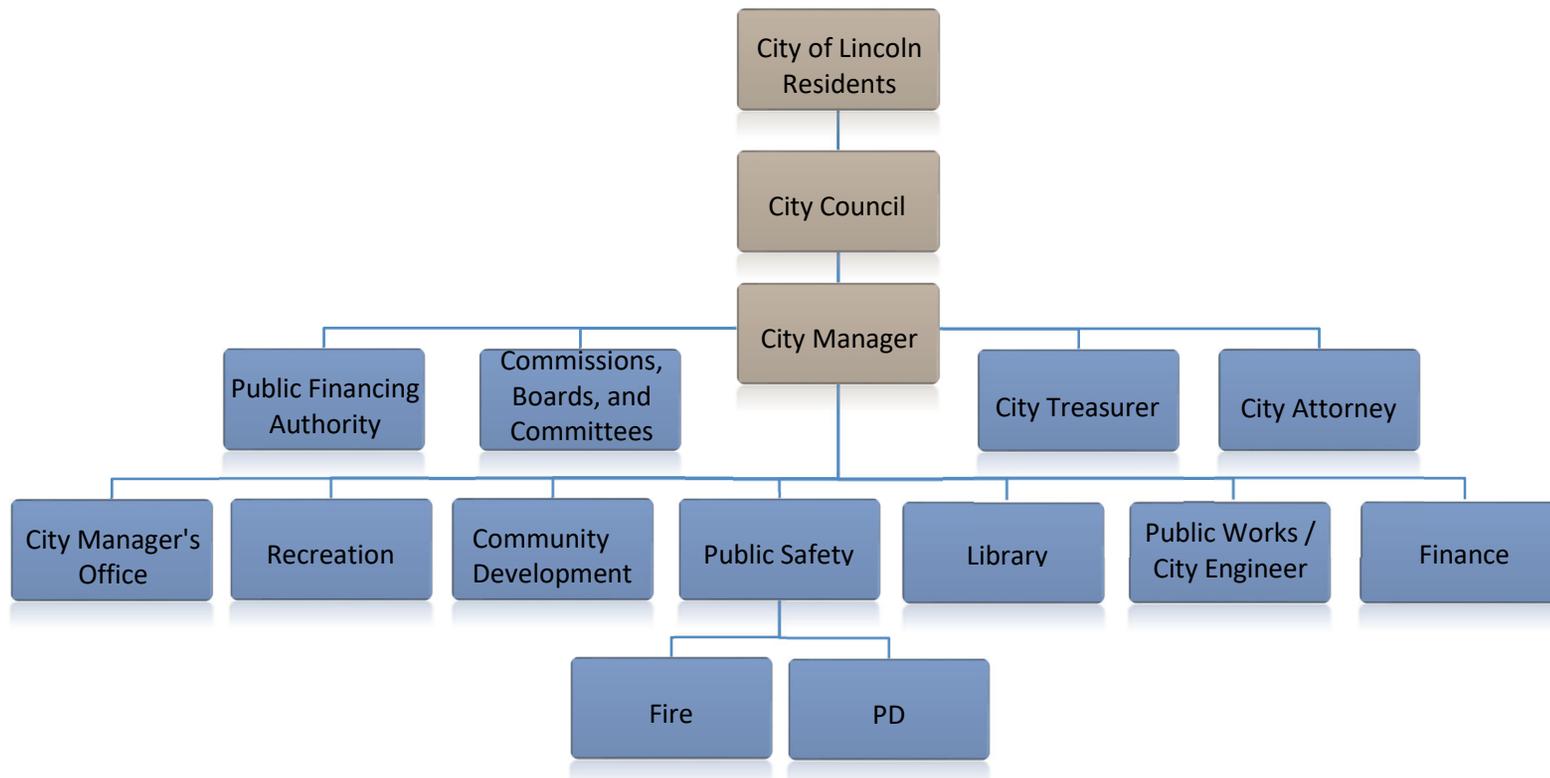
**APPOINTED OFFICIALS**

City Manager	Sean Scully
City Clerk	Gwen Scanlon

**DEPARTMENT HEADS**

Director of Finance	Nita Wracker
Director of Community Development	Vacant
Director of Public Works/City Engineer	Vacant
Public Safety Chief	Matt Alves
Library Director	Kathryn Hunt

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



FINANCIAL SECTION





## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### *Opinions*

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 (the City) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lincoln, as of June 30, 2022, 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.

#### *Basis for Opinions*

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Change in Accounting Principle*

As described in Note 1 to the financial statements, in 2022, the City adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension related schedules, and OPEB related schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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.

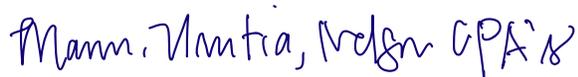
### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2022, 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 solely 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 the effectiveness of the City's 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.



Sacramento, California  
December 22, 2022

**CITY OF LINCOLN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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 for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with the City's basic financial statements following this section.

**FINANCIAL HIGHLIGHTS**

- At the end of the fiscal year, the General Fund reported total assets of \$37,362,832 and total liabilities of \$6,518,787, and a total fund balance of \$28,026,842. Of the total fund balance, the unassigned fund balance of the General Fund totaled \$15,397,663 or 66% of total General Fund expenditures at year-end.
- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at June 30, 2022 by \$859,843,907 (net position). Of this amount, \$678,826,041 is invested in capital assets, net of related debt; \$129,783,392 is restricted for debt service, capital projects, insurance, grants, taxes, and fees; and \$51,234,474 is unrestricted.
- The City's total net position increased by \$19,986,941, of which \$20,505,969 of the increase was attributable to governmental activities netted with a decrease of \$519,028 to business-type activities.
- As of June 30, 2022, the City's governmental funds reported combined ending fund balances of \$152,326,718, an increase of \$25,630,950 from the prior year's balance of \$126,695,768. Nonspendable, restricted, committed and assigned fund balances totaled \$137,217,236, whereas unassigned fund balance totaled \$15,109,482.

**OVERVIEW OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements which 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, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is strengthening or weakening.

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works and facilities, culture and recreation, urban redevelopment and housing, as well as education. The business-type activities of the City of Lincoln include water, wastewater, solid waste, airport, and transit.

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

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

**CITY OF LINCOLN**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2022

***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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds used by the City are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, which focus on the long-term, governmental fund financial 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 the City's near-term capability of maintaining service delivery levels.

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 what is 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 funding choices. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains numerous individual governmental funds. Financial data is presented individually for each of the City's major governmental funds in both the governmental fund balance sheet as well as the governmental fund statement of revenues, expenditures, and changes in fund balance. The City's major funds include the General Fund, Public Facility Element (PFE) fund, Water Connections fund, Development Services fund, and Low/Moderate Income Housing fund. Data for 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 - 24 of this report.

Proprietary funds

The City of Lincoln maintains two different types of proprietary funds; Enterprise funds, which are used to account for its water, wastewater, solid waste, airport, and transit activities, and Internal Service funds which are an accounting device used to accumulate and allocate shared costs internally among the City's various functions or departments.

Enterprise funds report the same functions presented as business-type activities in the government-wide statements. Whereas internal service funds, which predominantly benefit governmental rather than business-type functions, are 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, airport, and transit, which are considered to be major funds.

The basic proprietary fund financial statements can be found on pages 25 - 30 of this report.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of the reporting City government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs.

The basic fiduciary fund financial statements can be found on pages 31 - 32 of this report.

**CITY OF LINCOLN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the City's financial statements. Each note is in sequence with the financial statements and can be found on pages 33 - 77 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) liability. The City adopts an annual appropriated budget for all of its funds. Budgetary information on the City's major governmental funds, which include the General Fund, Public Facility Element (PFE) fund, Water Connections fund, and Development Services fund can be found on pages 84 - 90. These schedules demonstrate compliance with the adopted budget.

The combining statements referred to earlier in connection with non-major governmental funds, internal service funds, and fiduciary funds are presented immediately following the required supplementary information, which is found on pages 91 - 124.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

A comparative analysis of the government-wide data follows.

**Statement of Net Position**  
**As of June 30, 2022 and 2021**  
(in thousands)

	<u>Governmental Activities</u>			<u>Business-Type Activities</u>			<u>Total Government</u>		
	<u>2022</u>	<u>2021</u>	<u>Net Change</u>	<u>2022</u>	<u>2021</u>	<u>Net Change</u>	<u>2022</u>	<u>2021</u>	<u>Net Change</u>
<b>ASSETS</b>									
Current and other assets	\$ 176,508	\$ 145,692	\$ 30,816	\$ 67,064	\$ 60,083	\$ 6,981	\$ 243,572	\$ 205,775	\$ 37,797
Capital assets	<u>347,522</u>	<u>352,604</u>	<u>(5,082)</u>	<u>346,447</u>	<u>349,818</u>	<u>(3,371)</u>	<u>693,969</u>	<u>702,422</u>	<u>(8,453)</u>
Total Assets	<u>524,030</u>	<u>498,296</u>	<u>25,734</u>	<u>413,511</u>	<u>409,901</u>	<u>3,610</u>	<u>937,541</u>	<u>908,197</u>	<u>29,344</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>12,974</u>	<u>13,965</u>	<u>(991)</u>	<u>3,320</u>	<u>3,789</u>	<u>(469)</u>	<u>16,294</u>	<u>17,754</u>	<u>(1,460)</u>
<b>LIABILITIES</b>									
Long-term liabilities	41,259	55,805	(14,546)	7,247	11,623	(4,376)	48,506	67,428	(18,922)
Other liabilities	<u>17,207</u>	<u>12,805</u>	<u>4,402</u>	<u>7,684</u>	<u>5,070</u>	<u>2,614</u>	<u>24,891</u>	<u>17,875</u>	<u>7,016</u>
Total Liabilities	<u>58,466</u>	<u>68,610</u>	<u>(10,144)</u>	<u>14,931</u>	<u>16,693</u>	<u>(1,762)</u>	<u>73,397</u>	<u>85,303</u>	<u>(11,906)</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>15,034</u>	<u>771</u>	<u>14,263</u>	<u>5,561</u>	<u>138</u>	<u>5,423</u>	<u>20,595</u>	<u>909</u>	<u>19,686</u>
<b>NET POSITION</b>									
Net investment in capital assets	332,379	336,402	(4,023)	346,447	349,818	(3,371)	678,827	686,221	(7,394)
Restricted	110,940	71,644	39,296	18,843	14,645	4,198	129,783	86,289	43,494
Unrestricted	<u>20,185</u>	<u>34,834</u>	<u>(14,649)</u>	<u>31,050</u>	<u>32,396</u>	<u>(1,346)</u>	<u>51,235</u>	<u>67,230</u>	<u>(15,995)</u>
Total Net Position	<u>\$ 463,504</u>	<u>\$ 442,880</u>	<u>\$ 20,624</u>	<u>\$ 396,340</u>	<u>\$ 396,859</u>	<u>\$ (519)</u>	<u>\$ 859,845</u>	<u>\$ 839,740</u>	<u>\$ 20,105</u>

By far, the largest portion of the City's net position is unspendable (\$678,826,041 or 79%) and reflects its investment in capital assets (e.g. infrastructure, land, buildings, equipment), less any related debt. The City's remaining net position consists of restricted funds of \$129,783,392 which are resources subject to external restrictions, and unrestricted net position totaling \$51,234,474.

**CITY OF LINCOLN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**Changes in Net Position**  
**As of June 30, 2022 and 2021**  
**(in thousands)**

	Governmental Activities			Business-Type Activities			Total Government		
	2022	2021	Net Change	2022	2021	Net Change	2022	2021	Net Change
<b>REVENUES:</b>									
Program Revenues									
Charges for services	\$ 42,122	\$ 29,594	\$ 12,528	\$ 31,870	\$ 38,515	\$ (6,645)	\$ 73,992	\$ 68,109	\$ 5,883
Operating grants and contributions	8,298	5,356	2,942	519	233	286	8,817	5,589	3,228
Capital grants and contributions	5,125	1,560	3,565	9,994	4,578	5,416	15,119	6,138	8,981
General Revenues									
Property taxes	13,820	12,606	1,214	-	-	-	13,820	12,606	1,214
Sales taxes	5,733	4,900	833	381	307	74	6,114	5,207	907
Franchise taxes	928	941	(13)	-	-	-	928	941	(13)
Other taxes	408	203	205	-	-	-	408	203	205
Investment earnings	(4,625)	563	(5,188)	(2,380)	130	(2,510)	(7,005)	693	(7,698)
Other revenues	1,411	1,055	356	1,142	1,704	(562)	2,553	2,759	(206)
Gain on sale of asset	-	-	-	18	17	1	18	17	1
Total Revenues	<u>73,220</u>	<u>56,778</u>	<u>16,442</u>	<u>41,544</u>	<u>45,484</u>	<u>(3,940)</u>	<u>114,764</u>	<u>102,262</u>	<u>12,502</u>
<b>EXPENSES:</b>									
General government	7,979	7,237	742	-	-	-	7,979	7,237	742
Public safety	11,446	14,494	(3,048)	-	-	-	11,446	14,494	(3,048)
Public works and facilities	26,405	23,765	2,640	-	-	-	26,405	23,765	2,640
Culture & recreation	1,071	642	429	-	-	-	1,071	642	429
Urban redevelopment and housing	606	683	(77)	-	-	-	606	683	(77)
Education	1,326	1,172	154	-	-	-	1,326	1,172	154
Interest	515	557	(42)	-	-	-	515	557	(42)
Water	-	-	-	17,973	16,976	997	17,973	16,976	997
Wastewater	-	-	-	17,504	14,621	2,883	17,504	14,621	2,883
Solid waste	-	-	-	7,552	6,140	1,412	7,552	6,140	1,412
Airport	-	-	-	1,823	1,270	553	1,823	1,270	553
Transit	-	-	-	578	445	133	578	445	133
Total Expenses	<u>49,348</u>	<u>48,550</u>	<u>798</u>	<u>45,430</u>	<u>39,452</u>	<u>5,978</u>	<u>94,778</u>	<u>88,002</u>	<u>6,776</u>
Change in net position before transfers and special items	<u>23,872</u>	<u>8,228</u>	<u>15,644</u>	<u>(3,886)</u>	<u>6,032</u>	<u>(9,918)</u>	<u>19,986</u>	<u>14,260</u>	<u>5,726</u>
Transfers	(3,365)	(1,099)	(2,266)	3,365	1,099	2,266	-	-	-
Special items	-	6,890	(6,890)	-	-	-	-	6,890	(6,890)
Change in net position	20,507	14,019	6,488	(521)	7,131	(7,652)	19,986	21,150	(1,164)
Net Position Beginning, as restated	<u>442,998</u>	<u>428,862</u>	<u>14,136</u>	<u>396,859</u>	<u>389,728</u>	<u>7,131</u>	<u>839,857</u>	<u>818,590</u>	<u>21,267</u>
Net Position Ending	<u>\$ 463,505</u>	<u>\$ 442,881</u>	<u>\$ 20,624</u>	<u>\$ 396,338</u>	<u>\$ 396,859</u>	<u>\$ (521)</u>	<u>\$ 859,843</u>	<u>\$ 839,740</u>	<u>\$ 20,103</u>

Governmental activities increased the City's net position by \$20,623,431 and business-type activities decreased the City's net position by \$519,028. Total net position increased by \$20,104,403, or 3% over the prior year.

**CITY OF LINCOLN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**Governmental Activities**

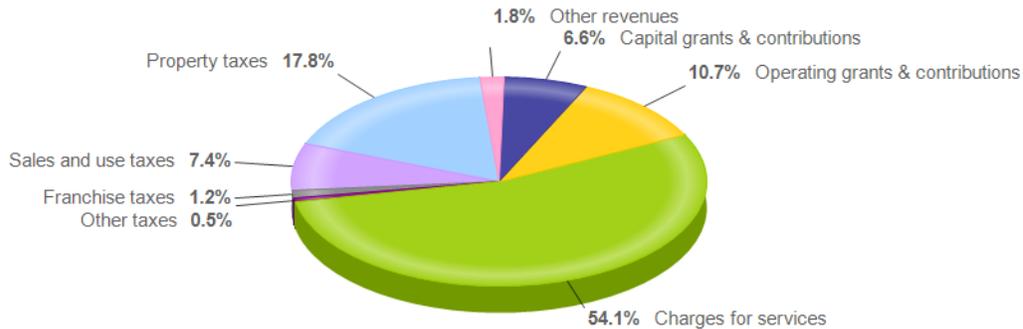
Governmental activities increased the City's net position by \$20,623,431 or 103% as of June 30, 2022.

Key elements for the changes in revenues and expenses for governmental activities are as follows:

- Charges for services increased \$12.5 million primarily due to an increase in the number of new residential construction permits issued. In addition, recreation activities increased due to opening up more programs as COVID restrictions lifted.
- Interest and investment earnings decreased \$5.2 million primarily as a result of changes in market values.
- Taxes increased \$2.2 million resulting primarily from increased sales tax and annual property increases due to increased home sales activity. Along with \$800k in special assessments.
- Capital contributions included a contribution of \$4.7 million from custodial funds for capital projects.

The following charts show governmental activities revenues by source and expenses by function.

**Governmental Activities**  
 Revenues by Source

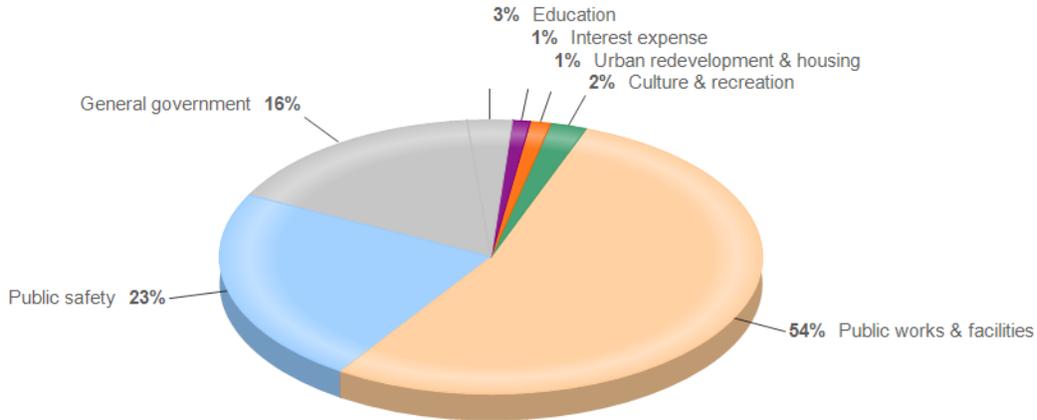


\* Zero Data, Interest earnings

**CITY OF LINCOLN**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2022

**Governmental Activities**

Expenses by Function



**Business-Type Activities**

Business-type activities decreased the City's net position by \$519,028 or 3% as of June 30, 2022.

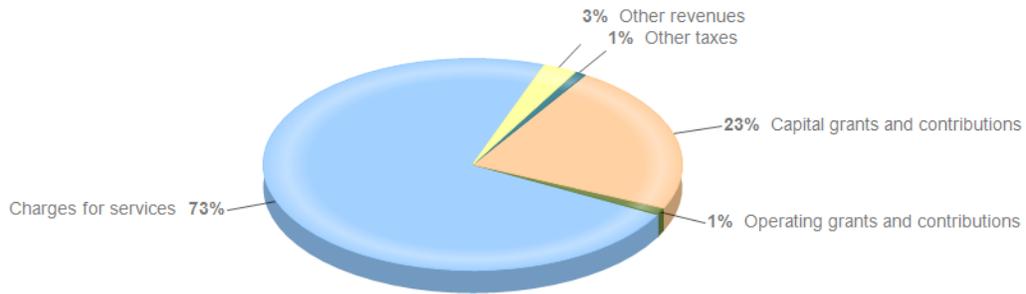
Key elements accounting for the changes in revenues and expenses for business-type activities are as follows:

- Connection fees increased \$5.4 million due to new construction while charges for services decreased \$6.6 million primarily due to a reduction in the additional capacity charges.

**CITY OF LINCOLN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

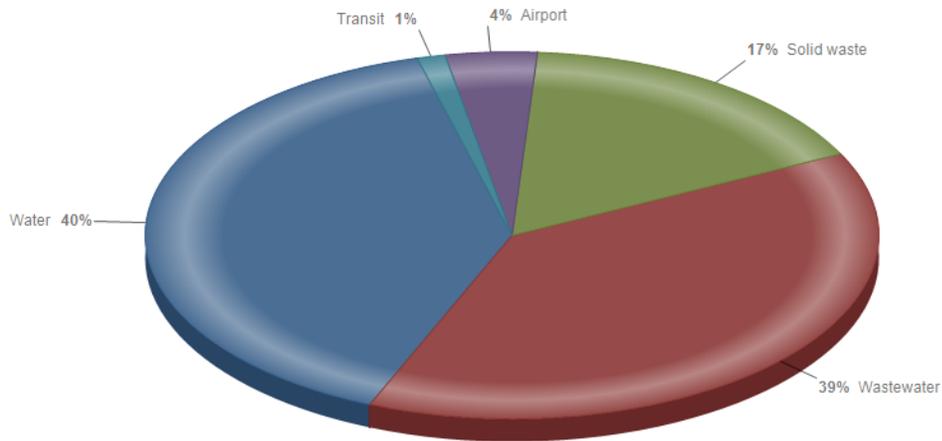
The following charts show business-type activities revenues by sources and expenses by enterprise:

**Business-Type Activities**  
Revenues by Source



\* Zero Data, Interest earnings

**Business-Type Activities**  
Expenses by Enterprise



**CITY OF LINCOLN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. Each fund functions as its own entity with its own set of financial statements for analyses of revenues, expenses, assets, liabilities, and fund balance.

Under the Governmental Accounting Standards Board Statement No. 54, fund balances are classified as nonspendable, restricted, committed, assigned, and unassigned. Nonspendable fund balances are amounts that are inherently nonspendable, i.e. cannot be spent because of their form or because they must be maintained intact. Restricted fund balances are amounts with externally enforceable limitations on use, such as limitations imposed by creditors or grantors, and limitations imposed by other governments. Committed fund balances are amounts that can only be used for the specific purposes determined by formal action of the City's highest level of decision making authority (the City Council). Assigned fund balances are amounts constrained by the City's intent to be used for specific purposes. Unassigned fund balances, the residual net resources, are the amounts in excess of nonspendable, restricted, committed, and assigned amounts. Negative fund balances are included in the unassigned fund balance category.

***Governmental Funds***

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of resources. Such information is useful in assessing the City's current resources available for service delivery.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$152,326,718, an increase of \$25,630,950, or 20% over the prior year balance. The increased fund balance is the result of revenues and contributions from property owners exceeding expenditures and net transfers out. When comparing total revenues and expenditures against the prior year, net revenues increased.

Nonspendable fund balances totaled \$5,500,910, restricted fund balances totaled \$110,583,757, committed fund balances totaled \$6,905,274, assigned fund balances totaled \$14,227,295, and unassigned fund balances totaled \$15,109,482. The General Fund has a positive unassigned fund balance of \$15,397,663. The Federal Grants fund has a negative unassigned fund balance of \$288,181 up from a negative \$252,394. The accumulated negative fund balance in the Federal Grants fund is the result of delayed grant reimbursements, which were subsequently received in the next fiscal year.

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

General Fund

The General Fund is the chief operating fund of the City of Lincoln. Fiscal year 2021-22 increased the City's General Fund balance by \$3,860,039 to an ending fund balance of \$28,026,842. The unassigned fund balance of the General Fund was \$15,397,663. The committed fund balance at year-end was \$6,905,274 which contains reserves of \$6,006,794 for operating, \$114,818 for OPEB, \$704,484 for capital replacement and \$79,178 for youth programs. The nonspendable fund balance at year-end of \$5,045,194 is invested in the City's insurance programs with a JPA - Northern California Cities Self-Insurance Fund and an interfund advance to the Airport enterprise fund of \$4,816,601.

General Fund revenues exceeded expenditures by \$4,814,434 while other financing sources (uses) resulted in a reduction of \$954,395 thus resulting in a year-end gain of \$3,860,039. This gain is due to a stable increase in all revenue sources and the year closing with expenses significantly less than what was budgeted.

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 66% of total General Fund expenditures, up from 67% in the prior year due to a steady increase in revenues and a reduction of expenses in comparison to what was budgeted for the year due to cost cutting and deferral of any unnecessary expenses.

**CITY OF LINCOLN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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

**Revenues Classified by Source**  
**General Fund**  
**For the Years Ended June 30, 2022 and 2021**

	<u>2022</u>		<u>2021</u>		<u>Increase (Decrease)</u>	
	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>Percent</u>
Taxes and assessments	\$ 20,887,944	74 %	\$ 18,649,818	77 %	\$ 2,238,126	12 %
Licenses and permits	2,034,864	7 %	1,608,493	7 %	426,371	27 %
Intergovernmental	1,673,562	6 %	1,037,979	4 %	635,583	61 %
Fines and forfeitures	50,196	- %	52,932	- %	(2,736)	(5)%
Use of money and property	(530,273)	(2)%	(8,547)	- %	(521,726)	6,104 %
Charges for services	3,376,123	12 %	2,634,869	11 %	741,254	28 %
Other revenues	678,046	2 %	356,136	1 %	321,910	90 %
Issuance of lease proceeds	<u>220,000</u>	<u>1 %</u>	<u>-</u>	<u>- %</u>	<u>-</u>	<u>- %</u>
	<u>\$ 28,390,462</u>	<u>100 %</u>	<u>\$ 24,331,680</u>	<u>100 %</u>	<u>\$ 3,838,782</u>	<u>16 %</u>

Total General Fund revenues increased by \$3,838,782 or 16% from the prior fiscal year and are driven by a combination of factors:

- Taxes and assessments increased by \$2,238,126 or 12%, primarily due to the new Limited Term Agreement with the County, annual property increases and increased home sales activity.
- Licenses and permits increased by \$426,371 or 27% resulting largely from increased building and related permitting activities.
- Intergovernmental revenues increased by \$635,583 or 61% as a result of the COVID-19 pandemic and allocation of relief funds received
- Use of money and property decreased by \$521,726 or 6,104% because market value decreases during the year.

**Expenditures by Function**  
**General Fund**  
**For the Years Ended June 30, 2022 and 2021**

	<u>2022</u>		<u>2021</u>		<u>Increase (Decrease)</u>	
	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>Percent</u>
General government	\$ 5,784,900	25 %	\$ 4,684,343	24 %	\$ 1,100,557	23 %
Public safety	12,916,037	56 %	11,899,707	61 %	1,016,330	9 %
Public works & facilities	1,201,786	5 %	1,064,966	5 %	136,820	13 %
Culture & recreation	922,064	4 %	559,933	3 %	362,131	65 %
Urban development & housing	578,697	2 %	662,105	3 %	(83,408)	(13)%
Education	752,926	3 %	579,810	3 %	173,116	30 %
Capital outlay	903,238	4 %	-	- %	903,238	100 %
Debt principal	247,867	1 %	193,810	1 %	54,057	28 %
Debt interest	<u>48,513</u>	<u>- %</u>	<u>55,008</u>	<u>- %</u>	<u>(6,495)</u>	<u>(12)%</u>
	<u>\$ 23,356,028</u>	<u>100 %</u>	<u>\$ 19,699,682</u>	<u>100 %</u>	<u>\$ 3,656,346</u>	<u>19 %</u>

The above General Fund expenditures remain categorically consistent and increased by \$3,656,346 or 19% from the prior fiscal year primarily due to rising salary, benefit, and retirement costs, as well as increased insurance costs.

**CITY OF LINCOLN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

Public Facility Element (PFE) Fund

The PFE funds are collected with the issuance of building permits and are used by the City to fund infrastructure projects and public facilities. The City's PFE funds include: transportation, drainage, parks, and community services for police, fire, administration, and the library. Development activity in Lincoln has experienced a renewed development interest during the past 3 years which has led to increased revenue and fund balance.

The PFE fund has a total fund balance of \$16,156,456 at the end of the fiscal year. This is improvement from the fund balance of \$13,304,551 as of June 30, 2021 and is the result of revenue receipts in excess of expenses during the year for all PFE funds with the exception of the Library PFE.

Water Connections Fund

This fund is used to account for water connection fees collected from developers and property owners that are required by the California Government Code to be expended for capacity expansion. The fund balance of the Water Connections fund at the end of the fiscal year was \$50,526,295, or an increase of 10% from prior fiscal year.

Development Services Fund

This fund is used to account for monies received in relation to property development and other projects within the City. Ending fund balance totaled \$13,669,333.

Low/Moderate Income Housing Fund

This fund is used to account for the housing loans established as part of the former Redevelopment Agency of the City of Lincoln. Ending fund balance totaled \$1,638,252.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Each year, the City develops the annual budget for revenues and expenditures 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 as to ensure that the City's budget continuously provides an accurate measurement of available fiscal resources to achieve the City Council priorities.

The final General Fund budget for the fiscal year ending June 30, 2022 projected revenue of \$24,192,334 and expenditures of \$22,615,579, and an increase in fund balance of \$1,576,755. The General Fund's actual performance for the year however, ended with revenues totaling \$28,170,462 or \$3,978,128 more than projected and expenditures totaling \$23,356,028, or \$740,449 less than budgeted, resulting in an annual operating surplus of \$4,814,434.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

***Capital Assets***

The City's capital assets include construction in progress, land, buildings and facilities, machinery and equipment, park facilities, and roads. As of June 30, 2022, the City's total investment in capital assets for its governmental and business-type activities totaled \$693,969,631 (net of accumulated depreciation) which decreased from the prior fiscal year by \$8,452,085 or 1.2%, which is the result of current year annual depreciation exceeding asset investments.

**CITY OF LINCOLN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**CAPITAL ASSETS (NET OF DEPRECIATION)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land and easements	\$ 14,712,994	\$ 15,154,594	\$ 1,591,640	\$ 1,591,640	\$ 16,304,634	\$ 16,746,234
Construction in progress	17,750,034	9,609,764	7,695,090	1,481,776	25,445,124	11,091,540
Buildings & improvements	72,858,912	74,825,543	12,272,087	12,865,754	85,130,999	87,691,297
Furniture & equipment	3,261,897	2,960,755	6,834,566	7,821,331	10,096,463	10,782,086
Infrastructure	<u>238,938,321</u>	<u>250,053,037</u>	<u>318,054,090</u>	<u>326,057,522</u>	<u>556,992,411</u>	<u>576,110,559</u>
Total	<u>\$ 347,522,158</u>	<u>\$ 352,603,693</u>	<u>\$ 346,447,473</u>	<u>\$ 349,818,023</u>	<u>\$ 693,969,631</u>	<u>\$ 702,421,716</u>

Governmental activities decreased by \$5,081,535 or 1.4% and business-type activities decreased by 3,370,550 or 1.0%. Additional information on the City's capital assets can be found in Note 6 of this report.

***Long-term Debt***

As of June 30, 2022, the City of Lincoln had total debt outstanding of \$18,741,571. This amount is comprised of \$13,978,796 in bond debt, 1,164,794 in capital leases, \$3,397,348 in compensated absences and \$200,633 in post-closure liability.

**CITY'S OUTSTANDING DEBT**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Bonds, net	\$ 13,978,796	\$ 15,008,802	\$ -	\$ -	\$ 13,978,796	\$ 15,008,802
Capital leases	1,164,794	1,192,660	-	-	1,164,794	1,192,660
Compensated absences	2,832,739	2,573,719	564,609	543,263	3,397,348	3,116,982
Post-closure	-	-	200,633	305,414	200,633	305,414
Total	<u>\$ 17,976,329</u>	<u>\$ 18,775,181</u>	<u>\$ 765,242</u>	<u>\$ 848,677</u>	<u>\$ 18,741,571</u>	<u>\$ 19,623,858</u>

The City's total debt decreased by \$882,287 or 4% during the fiscal year due to the continuance of scheduled debt service payments. Additional information about the City's long-term debt can be found in Note 8 to the financial statements.

***City's Pension and OPEB Liabilities***

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Net pension liability	\$ 10,093,488	\$ 18,821,841	\$ 3,221,563	\$ 5,786,564	\$ 13,315,051	\$ 24,608,405
Net OPEB liability	<u>16,768,232</u>	<u>21,498,711</u>	<u>3,810,240</u>	<u>5,422,115</u>	<u>20,578,472</u>	<u>26,920,826</u>
Total	<u>\$ 26,861,720</u>	<u>\$ 40,320,552</u>	<u>\$ 7,031,803</u>	<u>\$ 11,208,679</u>	<u>\$ 33,893,523</u>	<u>\$ 51,529,231</u>

The City's net pension liability and net OPEB liability decreased by \$17,635,708 or 34%. Additional information on the City's net pension liability and net OPEB obligation can be found in notes 12 and 13, respectively.

**CITY OF LINCOLN**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2022

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The City's economic health continues to improve resulting from the re-opening of the economy post COVID-19. New residential and commercial construction within the City has exceeded the conservative assumptions used in revenue forecasting, which has resulted in additional strength in the local economy.

**REQUESTS FOR INFORMATION**

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

**CITY OF LINCOLN**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash and investments (Note 2)	\$ 156,171,587	\$ 64,901,701	\$ 221,073,288
Accounts receivable, net	1,926,382	6,059,392	7,985,774
Interest receivable	31,550	15,275	46,825
Taxes receivable	646,147	145	646,292
Intergovernmental receivables	457,040	-	457,040
Leases receivable (Note 3)	2,768,135	673,377	3,441,512
Prepaid items	327,650	434,329	761,979
Inventory	-	77,437	77,437
Internal balances	5,097,237	(5,097,237)	-
Advances to Successor Agency (Note 18)	3,186,100	-	3,186,100
Restricted cash and cash equivalents (Note 2)	16,218	-	16,218
Loans receivable, net of allowance (Note 4)	5,880,267	-	5,880,267
Capital assets (Note 6)			
Land and construction in progress	32,463,028	9,286,730	41,749,758
Other capital assets, net of depreciation	315,059,130	337,160,743	652,219,873
Total capital assets	<u>347,522,158</u>	<u>346,447,473</u>	<u>693,969,631</u>
<b>Total Assets</b>	<u>524,030,471</u>	<u>413,511,892</u>	<u>937,542,363</u>
<b><u>Deferred Outflows of Resources</u></b>			
Changes in the net pension liability (Note 12)	5,130,628	1,237,670	6,368,298
Changes in net OPEB liability (Note 13)	<u>7,843,452</u>	<u>2,082,331</u>	<u>9,925,783</u>
<b>Total Deferred Outflows of Resources</b>	<u>12,974,080</u>	<u>3,320,001</u>	<u>16,294,081</u>
<b><u>LIABILITIES</u></b>			
Accounts payable	4,310,325	6,055,522	10,365,847
Accrued payroll and benefits	769,346	212,900	982,246
Accrued liabilities	125,824	-	125,824
Accrued interest payable	123,259	-	123,259
Retention payable	373,927	168,679	542,606
Deposits payable	3,166,828	611,325	3,778,153
Unearned revenue (Note 7)	4,759,202	85,582	4,844,784
Net pension liability (Note 12)			
Due in more than one year	10,093,488	3,221,563	13,315,051
Other postemployment benefits (Note 13)			
Due in more than one year	16,768,232	3,810,240	20,578,472
Accrued compensated absences (Note 8):			
Due within one year	2,266,191	451,688	2,717,879
Due in more than one year	566,548	112,921	679,469
Post-closure liability (Note 8)			
Due within one year	-	98,302	98,302
Due in more than one year	-	102,331	102,331
Long-term liabilities (Note 8):			
Due within one year	1,312,371	-	1,312,371
Due in more than one year	<u>13,831,219</u>	<u>-</u>	<u>13,831,219</u>
<b>Total Liabilities</b>	<u>58,466,760</u>	<u>14,931,053</u>	<u>73,397,813</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Changes in the net pension liability (Note 12)	8,253,111	3,520,230	11,773,341
Changes in net OPEB liability (Note 13)	4,012,606	1,367,265	5,379,871
Leases (Note 3)	<u>2,768,135</u>	<u>673,377</u>	<u>3,441,512</u>
<b>Total Deferred Inflows of Resources</b>	<u>15,033,852</u>	<u>5,560,872</u>	<u>20,594,724</u>

See accompanying notes to the basic financial statements.

**CITY OF LINCOLN**  
**STATEMENT OF NET POSITION (CONTINUED)**  
**JUNE 30, 2022**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	332,378,568	346,447,473	678,826,041
Restricted for:			
Debt service	3,051,485	-	3,051,485
Capital projects	10,737,718	-	10,737,718
Grants	13,510	-	13,510
Loan programs and housing	4,077,109	-	4,077,109
Assessments and fees	76,375,702	-	76,375,702
Public facility element	16,148,836	18,842,976	34,991,812
Endowments			
Nonexpendable	356,659	-	356,659
Expendable	179,397	-	179,397
Unrestricted	<u>20,184,955</u>	<u>31,049,519</u>	<u>51,234,474</u>
<b>Total Net Position</b>	<b><u>\$ 463,503,939</u></b>	<b><u>\$ 396,339,968</u></b>	<b><u>\$ 859,843,907</u></b>

See accompanying notes to the basic financial statements.

**CITY OF LINCOLN**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total Primary Government
<b>PRIMARY GOVERNMENT</b>							
Governmental activities:							
General government	\$ 7,978,828	\$ 3,599,525	\$ 581,105	\$ 8,767	\$ (3,789,431)	\$ -	\$ (3,789,431)
Public safety	11,446,089	2,333,797	1,222,568	-	(7,889,724)	-	(7,889,724)
Public works and facilities	26,405,413	31,616,856	6,458,870	5,115,761	16,786,074	-	16,786,074
Culture and recreation	1,071,344	4,556,115	-	-	3,484,771	-	3,484,771
Urban redevelopment and housing	605,557	-	-	-	(605,557)	-	(605,557)
Education	1,326,178	15,495	35,763	-	(1,274,920)	-	(1,274,920)
Interest and fiscal charges	<u>514,762</u>	-	-	-	<u>(514,762)</u>	-	<u>(514,762)</u>
Total governmental activities	<u>49,348,171</u>	<u>42,121,788</u>	<u>8,298,306</u>	<u>5,124,528</u>	<u>6,196,451</u>	<u>-</u>	<u>6,196,451</u>
Business-type activities:							
Water	17,972,553	12,998,938	6,363	5,017,802	-	50,550	50,550
Wastewater	17,503,845	9,311,644	2,238	4,075,007	-	(4,114,956)	(4,114,956)
Solid waste	7,551,871	7,845,387	3,163	901,541	-	1,198,220	1,198,220
Airport	1,822,575	1,714,159	116,085	-	-	7,669	7,669
Transit	<u>577,606</u>	-	<u>390,809</u>	-	-	<u>(186,797)</u>	<u>(186,797)</u>
Total business-type activities	<u>45,428,450</u>	<u>31,870,128</u>	<u>518,658</u>	<u>9,994,350</u>	<u>-</u>	<u>(3,045,314)</u>	<u>(3,045,314)</u>
Total primary government	<u>\$ 94,776,621</u>	<u>\$ 73,991,916</u>	<u>\$ 8,816,964</u>	<u>\$ 15,118,878</u>	<u>\$ 6,196,451</u>	<u>\$ (3,045,314)</u>	<u>\$ 3,151,137</u>
General revenues:							
Taxes:							
Property taxes					\$ 13,819,529	\$ -	\$ 13,819,529
Sales and use taxes					5,732,715	381,307	6,114,022
Franchise taxes					928,079	-	928,079
Other taxes					407,621	-	407,621
Interest and investment earnings (losses)					(4,624,516)	(2,379,793)	(7,004,309)
Gain on disposal of capital assets					-	18,049	18,049
Other revenue					1,410,794	1,142,019	2,552,813
Transfers					<u>(3,364,704)</u>	<u>3,364,704</u>	<u>-</u>
Total general revenues, transfers, and special items					<u>14,309,518</u>	<u>2,526,286</u>	<u>16,835,804</u>
Change in net position					<u>20,505,969</u>	<u>(519,028)</u>	<u>19,986,941</u>
Net position - July 1, 2021					442,880,508	396,858,996	839,739,504
Prior period restatement (Note 19)					<u>117,462</u>	<u>-</u>	<u>117,462</u>
Net position - July 1, 2021, restated					<u>442,997,970</u>	<u>396,858,996</u>	<u>839,856,966</u>
Net position - June 30, 2022					<u>\$ 463,503,939</u>	<u>\$ 396,339,968</u>	<u>\$ 859,843,907</u>

See accompanying notes to the basic financial statements.

**CITY OF LINCOLN**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2022**

	<b>General Fund</b>	<b>Public Facility Element (PFE)</b>	<b>Water Connections</b>	<b>Development Services</b>
<b><u>ASSETS</u></b>				
Cash and investments	\$ 27,633,615	\$ 25,371,257	\$ 41,964,332	\$ 17,900,436
Accounts receivable, net	1,416,035	2,403	5,018	171,997
Interest receivable	1,711	6,025	9,891	4,241
Taxes receivable	449,018	-	-	-
Intergovernmental receivable	95,477	-	-	102,380
Leases receivable	2,721,782	-	-	-
Due from other funds	-	-	-	-
Prepaid items	228,593	7,620	-	30,479
Advances to other funds	4,816,601	1,072,665	5,408,120	-
Advances to Successor Agency	-	-	3,186,100	-
Restricted cash and investments	-	-	-	-
Loans receivable, net	-	-	-	-
	<u>\$ 37,362,832</u>	<u>\$ 26,459,970</u>	<u>\$ 50,573,461</u>	<u>\$ 18,209,533</u>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)</u></b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 1,176,248	\$ 471,437	\$ 38,993	\$ 1,105,913
Accrued payroll and benefits	540,442	-	-	46,270
Accrued liabilities	15,189	-	8,173	93,616
Retention payable	7,706	359,484	-	-
Deposits and other payables	20,000	-	-	3,069,797
Due to other funds	-	-	-	-
Advances from other funds	-	9,472,593	-	-
Unearned revenue	4,759,202	-	-	-
	<u>6,518,787</u>	<u>10,303,514</u>	<u>47,166</u>	<u>4,315,596</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	95,421	-	-	224,604
Leases	2,721,782	-	-	-
	<u>2,817,203</u>	<u>-</u>	<u>-</u>	<u>224,604</u>
 <b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	5,045,194	7,620	-	30,479
Restricted	-	16,148,836	50,526,295	90,270
Committed	6,905,274	-	-	-
Assigned	678,711	-	-	13,548,584
Unassigned	15,397,663	-	-	-
	<u>28,026,842</u>	<u>16,156,456</u>	<u>50,526,295</u>	<u>13,669,333</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 37,362,832</u>	<u>\$ 26,459,970</u>	<u>\$ 50,573,461</u>	<u>\$ 18,209,533</u>

See accompanying notes to the basic financial statements.

**CITY OF LINCOLN**  
**BALANCE SHEET (continued)**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2022**

	<b>Low/Moderate Income Housing</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 1,637,866	\$ 39,764,519	\$ 154,272,025
Accounts receivable, net	-	298,521	1,893,974
Interest receivable	386	8,848	31,102
Taxes receivable	-	197,129	646,147
Intergovernmental receivable	-	259,183	457,040
Leases receivable	-	46,353	2,768,135
Due from other funds	-	266,602	266,602
Prepaid items	-	60,958	327,650
Advances to other funds	-	3,272,444	14,569,830
Advances to Successor Agency	-	-	3,186,100
Restricted cash and investments	-	16,218	16,218
Loans receivable, net	<u>3,709,009</u>	<u>2,171,258</u>	<u>5,880,267</u>
 Total Assets	 <u>\$ 5,347,261</u>	 <u>\$ 46,362,033</u>	 <u>\$ 184,315,090</u>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)</u></b>			
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 1,249,501	\$ 4,042,092
Accrued payroll and benefits	-	66,165	652,877
Accrued liabilities	-	8,846	125,824
Retention payable	-	6,737	373,927
Deposits and other payables	-	77,031	3,166,828
Due to other funds	-	266,602	266,602
Advances from other funds	-	-	9,472,593
Unearned revenue	-	-	4,759,202
 Total Liabilities	 <u>-</u>	 <u>1,674,882</u>	 <u>22,859,945</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenues	3,709,009	2,331,258	6,360,292
Leases	<u>-</u>	<u>46,353</u>	<u>2,768,135</u>
 Total Deferred Inflows of Resources	 <u>3,709,009</u>	 <u>2,377,611</u>	 <u>9,128,427</u>
 <b>FUND BALANCES (DEFICITS)</b>			
Nonspendable	-	417,617	5,500,910
Restricted	1,638,252	42,180,104	110,583,757
Committed	-	-	6,905,274
Assigned	-	-	14,227,295
Unassigned	<u>-</u>	<u>(288,181)</u>	<u>15,109,482</u>
 Total Fund Balances (Deficits)	 <u>1,638,252</u>	 <u>42,309,540</u>	 <u>152,326,718</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 <u>\$ 5,347,261</u>	 <u>\$ 46,362,033</u>	 <u>\$ 184,315,090</u>

See accompanying notes to the basic financial statements.

**CITY OF LINCOLN**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

Total fund balances of governmental funds	\$ 152,326,718
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds, net of accumulated depreciation of \$270,280,501.	346,504,910
Certain notes, loans, and interest receivables are not available to pay for current period expenditures and therefore are offset by deferred inflow of resources in the governmental funds.	5,880,267
Other long-term assets are not available to pay for current period expenditures and therefore, are reported as unavailable revenues in the governmental funds.	480,025
Deferred outflows of resources related to changes in the net pension liability are not applicable to the current period.	5,130,628
Deferred outflows of resources related to changes in the net OPEB liability are not applicable to the current period.	7,843,452
Long-term liabilities are not due in the current period and, therefore are not reported in the governmental funds.	
Net pension liability	(10,093,488)
Net OPEB liability	(16,768,232)
Compensated absences	(2,311,910)
Long-term liabilities net of premiums and discounts	(15,143,590)
Deferred inflows related to changes in the net pension liability	(8,253,111)
Deferred inflows related to changes in the net OPEB liability	(4,012,606)
Accrued interest payable from the current portion of interest due on long-term liabilities has not been reported in the governmental funds.	(123,259)
Internal service funds are used by management to charge costs of certain activities such as equipment replacement, to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities of the Statement of Net Position.	<u>2,044,135</u>
Net position of governmental activities	<u>\$ 463,503,939</u>

See accompanying notes to the basic financial statements.

**CITY OF LINCOLN**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<u>General Fund</u>	<u>Public Facility Element (PFE)</u>	<u>Water Connections</u>	<u>Development Services</u>
<b><u>REVENUES</u></b>				
Taxes and assessments	\$ 20,887,944	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
License and permits	2,034,864	-	-	5,485,626
Intergovernmental	1,673,562	-	-	55,229
Fines and forfeitures	50,196	-	-	-
Use of money and property	(530,273)	(696,407)	(1,439,958)	(617,307)
Charges for services	3,376,123	10,791,194	10,034,499	2,722,191
Other revenues	<u>678,046</u>	<u>335,633</u>	<u>-</u>	<u>24,789</u>
Total Revenues	<u>28,170,462</u>	<u>10,430,420</u>	<u>8,594,541</u>	<u>7,670,528</u>
<b><u>EXPENDITURES</u></b>				
Current:				
General government	5,784,900	70,333	-	-
Public safety	12,916,037	-	-	-
Public works and facilities	1,201,786	331,523	15,300	2,990,464
Cultural and recreation	922,064	-	-	-
Urban development and housing	578,697	-	-	-
Education	752,926	67,523	-	-
Capital outlay	903,238	7,083,296	-	-
Debt service:				
Principal	247,867	-	-	-
Interest and fiscal charges	<u>48,513</u>	<u>25,840</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>23,356,028</u>	<u>7,578,515</u>	<u>15,300</u>	<u>2,990,464</u>
Excess (Deficiency) of Revenues over Expenditures	<u>4,814,434</u>	<u>2,851,905</u>	<u>8,579,241</u>	<u>4,680,064</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Proceeds from capital leases	220,000	-	-	-
Transfers in	140,682	-	-	-
Transfers out	<u>(1,315,077)</u>	<u>-</u>	<u>(4,000,000)</u>	<u>(80,208)</u>
Total Other Financing Sources (Uses)	<u>(954,395)</u>	<u>-</u>	<u>(4,000,000)</u>	<u>(80,208)</u>
Net Change in Fund Balances	<u>3,860,039</u>	<u>2,851,905</u>	<u>4,579,241</u>	<u>4,599,856</u>
Fund Balances (Deficits) - July 1, 2021	24,166,803	13,304,551	45,947,054	9,058,396
Prior period adjustment (Note 19)	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,081</u>
Fund Balances (Deficits) - July 1, 2021, restated	<u>24,166,803</u>	<u>13,304,551</u>	<u>45,947,054</u>	<u>9,069,477</u>
Fund Balances (Deficits) - June 30, 2022	<u>\$ 28,026,842</u>	<u>\$ 16,156,456</u>	<u>\$ 50,526,295</u>	<u>\$ 13,669,333</u>

See accompanying notes to the basic financial statements.

**CITY OF LINCOLN**  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (continued)  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Low/Moderate Income Housing</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>REVENUES</u></b>			
Taxes and assessments	\$ -	\$ -	\$ 20,887,944
Special assessments	-	5,267,314	5,267,314
License and permits	-	-	7,520,490
Intergovernmental	-	7,283,324	9,012,115
Fines and forfeitures	-	-	50,196
Use of money and property	(61,491)	(1,330,494)	(4,675,930)
Charges for services	-	2,908,755	29,832,762
Other revenues	-	<u>5,119,123</u>	<u>6,157,591</u>
Total Revenues	<u>(61,491)</u>	<u>19,248,022</u>	<u>74,052,482</u>
<b><u>EXPENDITURES</u></b>			
Current:			
General government	-	153,233	6,008,466
Public safety	-	221,515	13,137,552
Public works and facilities	695	6,910,532	11,450,300
Cultural and recreation	-	773	922,837
Urban development and housing	-	3,619	582,316
Education	-	-	820,449
Capital outlay	-	2,568,363	10,554,897
Debt service:			
Principal	-	970,000	1,217,867
Interest and fiscal charges	-	<u>507,791</u>	<u>582,144</u>
Total Expenditures	<u>695</u>	<u>11,335,826</u>	<u>45,276,828</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(62,186)</u>	<u>7,912,196</u>	<u>28,775,654</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Proceeds from capital leases	-	-	220,000
Transfers in	-	2,023,578	2,164,260
Transfers out	-	<u>(133,679)</u>	<u>(5,528,964)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,889,899</u>	<u>(3,144,704)</u>
Net Change in Fund Balances	<u>(62,186)</u>	<u>9,802,095</u>	<u>25,630,950</u>
Fund Balances (Deficits) - July 1, 2021	1,700,438	32,518,526	126,695,768
Prior period adjustment (Note 19)	<u>-</u>	<u>(11,081)</u>	<u>-</u>
Fund Balances (Deficits) - July 1, 2021, restated	<u>1,700,438</u>	<u>32,507,445</u>	<u>126,695,768</u>
Fund Balances (Deficits) - June 30, 2022	<u>\$ 1,638,252</u>	<u>\$ 42,309,540</u>	<u>\$ 152,326,718</u>

See accompanying notes to the basic financial statements.

**CITY OF LINCOLN**  
**RECONCILIATION OF THE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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

Net change in fund balances - total governmental funds	\$ 25,630,950
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets are capitalized and allocated over their estimated useful lives and reported as depreciation expense.</p>	
Capital asset purchases	10,539,637
Depreciation expense	(15,987,917)
Capital contribution	8,767
<p>Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal.</p>	
	(18,467)
<p>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. Some revenues reported in the prior year Statement of Activities were recognized in the governmental funds in the current year. This is the net change in revenues.</p>	
	(378,048)
<p>Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.</p>	
Debt principal payments	1,217,866
Proceeds from capital lease	(220,000)
Net accretion on bond premiums/discounts	60,006
<p>Compensated absences expenditures reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in a governmental fund. This is the net change in compensated absences for the current period.</p>	
	(137,785)
<p>Receipts of payments and disbursements of funds related to notes and loans receivable are reported as revenue and expenditures, respectively, in governmental funds, but an increase and decrease, respectively, in notes receivable in the Statement of Net Position.</p>	
Loan program receipts	(548,974)
Accrued interest on loans	125,879
<p>Accrued interest payable is interest due on long-term liabilities. This is the net change in accrued interest in the current period.</p>	
	7,377
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>	
Pension expense related to deferred outflows and inflows of resources	1,558,702
OPEB expense related to deferred outflows and inflows of resources	(585,164)
<p>Internal service funds are used by management to charge the costs of certain activities, such as equipment replacement, to individual funds. The net revenue (expense) of the internal service funds is reported with the governmental funds.</p>	
	<u>(766,860)</u>
Change in net position of governmental activities	<u>\$ 20,505,969</u>

See accompanying notes to the basic financial statements.

**CITY OF LINCOLN**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2022**

	<b>Business-Type Activities</b>			
	<b>Major Funds</b>			
	<b>Water</b>	<b>Wastewater</b>	<b>Solid Waste</b>	<b>Airport</b>
<b>ASSETS</b>				
Current Assets				
Cash and investments	\$ 27,204,035	\$ 21,899,229	\$ 14,116,773	\$ 473,331
Accounts receivable, net	1,689,927	3,368,158	1,021,901	(20,594)
Interest receivable	6,418	5,167	3,293	112
Taxes receivable	-	-	-	145
Leases receivable - current portion	-	47,178	-	121,481
Prepaid items	198,114	121,917	91,438	15,240
Inventory	-	-	-	77,437
<b>Total Current Assets</b>	<b>29,098,494</b>	<b>25,441,649</b>	<b>15,233,405</b>	<b>667,152</b>
Non Current Assets				
Leases receivable - noncurrent	-	3,606	-	501,112
Advances to other funds	-	-	854,504	-
Capital assets, net of accumulated depreciation	165,429,631	168,484,890	6,505,395	5,446,573
<b>Total Non-Current Assets</b>	<b>165,429,631</b>	<b>168,488,496</b>	<b>7,359,899</b>	<b>5,947,685</b>
<b>Total Assets</b>	<b>194,528,125</b>	<b>193,930,145</b>	<b>22,593,304</b>	<b>6,614,837</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Changes in the net pension liability	358,140	233,742	433,552	109,489
Changes in net OPEB liability	694,532	565,513	691,446	76,987
<b>Total Deferred Outflows of Resources</b>	<b>1,052,672</b>	<b>799,255</b>	<b>1,124,998</b>	<b>186,476</b>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable	1,518,843	3,959,101	288,092	77,814
Accrued salaries and benefits	72,016	57,452	76,436	6,996
Retention payable	503	168,176	-	-
Deposits payable	72,000	500,000	-	39,325
Unearned revenue	-	-	-	-
Compensated absences - current	208,889	98,235	131,001	10,306
Postclosure - current	-	-	98,302	-
<b>Total Current Liabilities</b>	<b>1,872,251</b>	<b>4,782,964</b>	<b>593,831</b>	<b>134,441</b>
Non-Current Liabilities				
Advances from other funds	-	209,616	-	5,742,125
Compensated absences - noncurrent	52,222	24,559	32,750	2,576
Postclosure liability - noncurrent	-	-	102,331	-
Net pension liability	911,409	554,883	1,068,943	343,210
Net OPEB liability	1,148,748	1,042,393	1,248,712	190,671
<b>Total Non-Current Liabilities</b>	<b>2,112,379</b>	<b>1,831,451</b>	<b>2,452,736</b>	<b>6,278,582</b>
<b>Total Liabilities</b>	<b>3,984,630</b>	<b>6,614,415</b>	<b>3,046,567</b>	<b>6,413,023</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Changes in the net pension liability	1,184,170	974,179	1,240,279	94,629
Changes in net OPEB liability	446,310	381,752	492,612	36,008
Leases	-	50,784	-	622,593
<b>Total Deferred Inflows of Resources</b>	<b>1,630,480</b>	<b>1,406,715</b>	<b>1,732,891</b>	<b>753,230</b>
<b>NET POSITION:</b>				
Net investment in capital assets	165,429,631	168,484,890	6,505,395	5,446,573
Restricted for public facility element	9,901,094	4,374,090	4,567,792	-
Unrestricted	14,634,962	13,849,290	7,865,657	(5,811,513)
<b>Total Net Position</b>	<b>\$ 189,965,687</b>	<b>\$ 186,708,270</b>	<b>\$ 18,938,844</b>	<b>\$ (364,940)</b>

See accompanying notes to the basic financial statements.

**CITY OF LINCOLN**  
**STATEMENT OF NET POSITION (continued)**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2022**

	<u>Business-Type Activities</u>		<u>Governmental Activities</u>
	<u>Major Funds</u>		<u>Internal Service Funds</u>
	<u>Transit</u>	<u>Total</u>	
<b>ASSETS</b>			
Current Assets			
Cash and investments	\$ 1,208,333	\$ 64,901,701	\$ 1,899,562
Accounts receivable, net	-	6,059,392	32,408
Interest receivable	285	15,275	448
Taxes receivable	-	145	-
Leases receivable - current portion	-	168,659	-
Prepaid items	7,620	434,329	-
Inventory	-	77,437	-
<b>Total Current Assets</b>	<u>1,216,238</u>	<u>71,656,938</u>	<u>1,932,418</u>
Non Current Assets			
Leases receivable - noncurrent	-	504,718	-
Advances to other funds	-	854,504	-
Capital assets, net of accumulated depreciation	580,984	346,447,473	1,017,248
<b>Total Non-Current Assets</b>	<u>580,984</u>	<u>347,806,695</u>	<u>1,017,248</u>
<b>Total Assets</b>	<u>1,797,222</u>	<u>419,463,633</u>	<u>2,949,666</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Changes in the net pension liability	102,747	1,237,670	-
Changes in net OPEB liability	53,853	2,082,331	-
<b>Total Deferred Outflows of Resources</b>	<u>156,600</u>	<u>3,320,001</u>	<u>-</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	211,672	6,055,522	268,233
Accrued salaries and benefits	-	212,900	116,469
Retention payable	-	168,679	-
Deposits payable	-	611,325	-
Unearned revenue	85,582	85,582	-
Compensated absences - current	3,257	451,688	416,663
Postclosure - current	-	98,302	-
<b>Total Current Liabilities</b>	<u>300,511</u>	<u>7,683,998</u>	<u>801,365</u>
Non-Current Liabilities			
Advances from other funds	-	5,951,741	-
Compensated absences - noncurrent	814	112,921	104,166
Postclosure liability - noncurrent	-	102,331	-
Net pension liability	343,118	3,221,563	-
Net OPEB liability	179,716	3,810,240	-
<b>Total Non-Current Liabilities</b>	<u>523,648</u>	<u>13,198,796</u>	<u>104,166</u>
<b>Total Liabilities</b>	<u>824,159</u>	<u>20,882,794</u>	<u>905,531</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Changes in the net pension liability	26,973	3,520,230	-
Changes in net OPEB liability	10,583	1,367,265	-
Leases	-	673,377	-
<b>Total Deferred Inflows of Resources</b>	<u>37,556</u>	<u>5,560,872</u>	<u>-</u>
<b>NET POSITION:</b>			
Net investment in capital assets	580,984	346,447,473	1,017,248
Restricted for public facility element	-	18,842,976	-
Unrestricted	511,123	31,049,519	1,026,887
<b>Total Net Position</b>	<u>\$ 1,092,107</u>	<u>\$ 396,339,968</u>	<u>\$ 2,044,135</u>

See accompanying notes to the basic financial statements.

**CITY OF LINCOLN**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<b>Business-Type Activities</b>			
	<b>Major Funds</b>			
	<b>Water</b>	<b>Wastewater</b>	<b>Solid Waste</b>	<b>Airport</b>
<b><u>OPERATING REVENUES</u></b>				
Charges for services	\$ 12,883,276	\$ 9,311,644	\$ 7,845,387	\$ 1,714,159
Connection fees	115,662	-	-	-
Other revenue	11,874	980,829	108,591	13,646
<b>Total Operating Revenue</b>	<b>13,010,812</b>	<b>10,292,473</b>	<b>7,953,978</b>	<b>1,727,805</b>
<b><u>OPERATING EXPENSES</u></b>				
Salaries and benefits	2,630,616	2,522,650	2,826,501	267,135
Services and supplies	10,814,866	9,045,483	3,739,546	908,677
Support services	697,488	582,876	381,480	73,956
Depreciation	3,829,583	5,352,836	559,380	466,769
<b>Total Operating Expenses</b>	<b>17,972,553</b>	<b>17,503,845</b>	<b>7,506,907</b>	<b>1,716,537</b>
<b>Operating Income (Loss)</b>	<b>(4,961,741)</b>	<b>(7,211,372)</b>	<b>447,071</b>	<b>11,268</b>
<b><u>NON-OPERATING REVENUES (EXPENSES)</u></b>				
Taxes	-	-	-	39,690
Intergovernmental	6,363	2,238	3,163	116,085
Interest income (expense)	(1,003,181)	(826,304)	(500,227)	(10,361)
Other non-operating revenues	3,085	23,994	-	-
Gain (loss) on sale of capital assets	14,930	3,119	(44,964)	-
Interest expense	-	-	-	(106,038)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(978,803)</b>	<b>(796,953)</b>	<b>(542,028)</b>	<b>39,376</b>
<b>Income (Loss) Before Transfers and Contributions</b>	<b>(5,940,544)</b>	<b>(8,008,325)</b>	<b>(94,957)</b>	<b>50,644</b>
<b><u>TRANSFERS AND CONTRIBUTIONS</u></b>				
Capital grants and contributions	-	-	25,007	-
Capital connection fees	5,017,802	4,075,007	876,534	-
Transfers in	4,000,000	-	-	-
Transfers out	(187,150)	(160,415)	(106,943)	(167,419)
<b>Total Transfers and Contributions</b>	<b>8,830,652</b>	<b>3,914,592</b>	<b>794,598</b>	<b>(167,419)</b>
Change in net position	2,890,108	(4,093,733)	699,641	(116,775)
Net Position - July 1, 2021	187,075,579	190,802,003	18,239,203	(248,165)
Net Position - June 30, 2022	<u>\$ 189,965,687</u>	<u>\$ 186,708,270</u>	<u>\$ 18,938,844</u>	<u>\$ (364,940)</u>

See accompanying notes to the basic financial statements.

**CITY OF LINCOLN**  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (continued)  
**PROPRIETARY FUNDS**  
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Business-Type Activities</u>		<u>Governmental</u>
	<u>Major Funds</u>		<u>Activities</u>
	<u>Transit</u>	<u>Total</u>	<u>Internal Service</u>
			<u>Funds</u>
<b><u>OPERATING REVENUES</u></b>			
Charges for services	\$ -	\$ 31,754,466	\$ 4,816,796
Connection fees	-	115,662	-
Other revenue	-	<u>1,114,940</u>	<u>60,437</u>
<b>Total Operating Revenue</b>	<u>-</u>	<u>32,985,068</u>	<u>4,877,233</u>
<b><u>OPERATING EXPENSES</u></b>			
Salaries and benefits	44,087	8,290,989	3,490,436
Services and supplies	472,494	24,981,066	1,991,003
Support services	35,532	1,771,332	-
Depreciation	<u>25,493</u>	<u>10,234,061</u>	<u>88,189</u>
<b>Total Operating Expenses</b>	<u>577,606</u>	<u>45,277,448</u>	<u>5,569,628</u>
<b>Operating Income (Loss)</b>	<u>(577,606)</u>	<u>(12,292,380)</u>	<u>(692,395)</u>
<b><u>NON-OPERATING REVENUES (EXPENSES)</u></b>			
Taxes	341,617	381,307	-
Intergovernmental	390,809	518,658	-
Interest income (expense)	(39,720)	(2,379,793)	(74,465)
Other non-operating revenues	-	27,079	-
Gain (loss) on sale of capital assets	-	(26,915)	-
Interest expense	<u>-</u>	<u>(106,038)</u>	<u>-</u>
<b>Total Non-Operating Revenues (Expenses)</b>	<u>692,706</u>	<u>(1,585,702)</u>	<u>(74,465)</u>
<b>Income (Loss) Before Transfers and Contributions</b>	<u>115,100</u>	<u>(13,878,082)</u>	<u>(766,860)</u>
<b><u>TRANSFERS AND CONTRIBUTIONS</u></b>			
Capital grants and contributions	-	25,007	-
Capital connection fees	-	9,969,343	-
Transfers in	-	4,000,000	600,000
Transfers out	<u>(13,369)</u>	<u>(635,296)</u>	<u>(600,000)</u>
<b>Total Transfers and Contributions</b>	<u>(13,369)</u>	<u>13,359,054</u>	<u>-</u>
Change in net position	101,731	(519,028)	(766,860)
Net Position - July 1, 2021	<u>990,376</u>	<u>396,858,996</u>	<u>2,810,995</u>
Net Position - June 30, 2022	<u>\$ 1,092,107</u>	<u>\$ 396,339,968</u>	<u>\$ 2,044,135</u>

See accompanying notes to the basic financial statements.

**CITY OF LINCOLN**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<b>Business-Type Activities</b>			
	<b>Major Funds</b>			
	<b>Water</b>	<b>Wastewater</b>	<b>Solid Waste</b>	<b>Airport</b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>				
Cash received from customers	\$ 13,181,217	\$ 13,228,016	\$ 7,876,783	\$ 1,718,639
Cash paid to suppliers	(11,551,239)	(7,169,308)	(4,189,799)	(982,555)
Cash paid to employees	(2,262,013)	(2,230,104)	(2,426,288)	(241,418)
Net Cash Provided by (Used For) Operating Activities	<u>(632,035)</u>	<u>3,828,604</u>	<u>1,260,696</u>	<u>494,666</u>
<b><u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u></b>				
Intergovernmental and other nonoperating	9,448	2,238	3,163	116,085
Taxes	-	-	-	39,916
Rents	-	23,994	-	-
Interfund repayments received	-	-	164,212	-
Interfund repayments paid	-	(338,959)	-	(175,644)
Transfers from other funds	4,000,000	-	-	-
Transfers to other funds	(187,150)	(160,415)	(106,943)	(167,419)
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>3,822,298</u>	<u>(473,142)</u>	<u>60,432</u>	<u>(187,062)</u>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>				
Capital grant contributions	-	-	25,007	-
Connection fees	5,017,802	4,075,007	876,534	-
Proceeds from disposal of capital assets	14,929	7,057	25,323	-
Acquisition of capital assets	(1,491,737)	(5,034,077)	(302,045)	(109,876)
Interest paid on long-term debt	-	-	-	(106,038)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>3,540,994</u>	<u>(952,013)</u>	<u>624,819</u>	<u>(215,914)</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>				
Interest and dividends	(1,006,139)	(828,186)	(501,460)	(10,420)
Net Cash Used for Investing Activities	<u>(1,006,139)</u>	<u>(828,186)</u>	<u>(501,460)</u>	<u>(10,420)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	5,725,118	1,575,263	1,444,487	81,270
Cash and Cash Equivalents - July 1, 2021	<u>21,478,917</u>	<u>20,323,966</u>	<u>12,672,286</u>	<u>392,061</u>
Cash and Cash Equivalents - June 30, 2022	<u>\$ 27,204,035</u>	<u>\$ 21,899,229</u>	<u>\$ 14,116,773</u>	<u>\$ 473,331</u>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</u></b>				
Operating Income (Loss)	\$ (4,961,741)	\$ (7,211,372)	\$ 447,071	\$ 11,268
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation expense	3,829,583	5,352,836	559,380	466,769
Pension expense	521,273	235,742	300,725	19,275
OPEB (credit) expense	(172,253)	55,671	71,838	5,251
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	176,405	2,935,543	(64,777)	17,746
Increase in leases receivable	-	(50,784)	-	(622,593)
(Increase) decrease in prepaid expenses	926	(19,832)	(24,714)	(2,405)
Increase in inventory	-	-	-	(2,074)
Increase (decrease) in accounts payable	(40,314)	2,310,707	60,722	4,557
Increase in accrued wages	7,507	6,029	14,640	975
Increase in retention payable	503	168,176	-	-
Decrease in deposits	(6,000)	-	-	(110)
Increase (decrease) in compensated absences	12,076	(4,896)	13,010	216
Increase (decrease) in unearned revenue	-	-	(12,418)	(26,802)
Decrease in postclosure liability	-	-	(104,781)	-
Increase in deferred inflows of resources leases	-	50,784	-	622,593
Net Cash Provided by (Used For) Operating Activities	<u>\$ (632,035)</u>	<u>\$ 3,828,604</u>	<u>\$ 1,260,696</u>	<u>\$ 494,666</u>

See accompanying notes to the basic financial statements.

**CITY OF LINCOLN**  
**STATEMENT OF CASH FLOWS (continued)**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<b>Business-Type Activities</b>		<b>Governmental Activities</b>
	<b>Major Funds</b>		<b>Internal Service Funds</b>
	<b>Transit</b>	<b>Total</b>	
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Cash received from customers	\$ 300	\$ 36,004,955	\$ 4,860,655
Cash paid to suppliers	(498,314)	(24,391,215)	(1,886,092)
Cash paid to employees	(39,527)	(7,199,350)	(3,337,595)
Net Cash Provided by (Used For) Operating Activities	(537,541)	4,414,390	(363,032)
<b><u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u></b>			
Intergovernmental and other nonoperating	390,809	521,743	-
Taxes	341,617	381,533	-
Rents	-	23,994	-
Interfund repayments received	-	164,212	-
Interfund repayments paid	-	(514,603)	-
Transfers from other funds	-	4,000,000	600,000
Transfers to other funds	(13,369)	(635,296)	(600,000)
Net Cash Provided by (Used for) Non-Capital Financing Activities	719,057	3,941,583	-
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>			
Capital grant contributions	-	25,007	-
Connection fees	-	9,969,343	-
Proceeds from disposal of capital assets	-	47,309	40,338
Acquisition of capital assets	-	(6,937,735)	(387,510)
Interest paid on long-term debt	-	(106,038)	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	-	2,997,886	(347,172)
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Interest and dividends	(39,831)	(2,386,036)	(74,317)
Net Cash Used for Investing Activities	(39,831)	(2,386,036)	(74,317)
Net Increase (Decrease) in Cash and Cash Equivalents	141,685	8,967,823	(784,521)
Cash and Cash Equivalents - July 1, 2021	1,066,648	55,933,878	2,684,083
Cash and Cash Equivalents - June 30, 2022	\$ 1,208,333	\$ 64,901,701	\$ 1,899,562
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</u></b>			
Operating Income (Loss)	\$ (577,606)	\$ (12,292,380)	\$ (692,395)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation expense	25,493	10,234,061	88,189
Pension expense	2,077	1,079,092	-
OPEB (credit) expense	1,543	(37,950)	-
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	-	3,064,917	(16,578)
Increase in leases receivable	-	(673,377)	-
(Increase) decrease in prepaid expenses	(575)	(46,600)	-
Increase in inventory	-	(2,074)	-
Increase (decrease) in accounts payable	10,287	2,345,959	104,911
Increase in accrued wages	-	29,151	31,606
Increase in retention payable	-	168,679	-
Decrease in deposits	-	(6,110)	-
Increase (decrease) in compensated absences	940	21,346	121,235
Increase (decrease) in unearned revenue	300	(38,920)	-
Decrease in postclosure liability	-	(104,781)	-
Increase in deferred inflows of resources leases	-	673,377	-
Net Cash Provided by (Used For) Operating Activities	\$ (537,541)	\$ 4,414,390	\$ (363,032)

See accompanying notes to the basic financial statements.

**CITY OF LINCOLN**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2022**

	<b>Redevelopment Obligation Retirement Fund</b>	<b>OPEB Trust Fund</b>	<b>Custodial Funds</b>
<b><u>ASSETS</u></b>			
Cash and investments (Note 2)	\$ 1,045,263	\$ -	\$ 14,589,546
Assessments receivable	-	-	147,643
Interest receivable	387	-	3,444
Deferred costs	31,801	-	-
Restricted cash and investments (Note 2)	-	-	29,810,017
Restricted investments held in trust (Note 2):			
Mutual funds	-	9,131,445	-
Loans receivable	170,873	-	-
Capital assets, net of accumulated depreciation (Note 18)	<u>2,544,731</u>	<u>-</u>	<u>10,461</u>
<b>Total Assets</b>	<b><u>3,793,055</u></b>	<b><u>9,131,445</u></b>	<b><u>44,561,111</u></b>
<b><u>LIABILITIES</u></b>			
Accounts payable and other liabilities	-	-	255,648
Interest payable	62,359	-	-
Due to property owners	-	-	-
Advances from the City (Note 18)	3,186,100	-	-
Long-term liabilities (Note 18)	<u>5,146,825</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities</b>	<b><u>8,395,284</u></b>	<b><u>-</u></b>	<b><u>255,648</u></b>
<b><u>NET POSITION</u></b>			
Held in trust	(4,602,229)	-	-
Restricted for:			
OPEB	-	9,131,445	-
Individuals, organizations and other governments	<u>-</u>	<u>-</u>	<u>44,305,463</u>
<b>Total Net Position</b>	<b><u>\$ (4,602,229)</u></b>	<b><u>\$ 9,131,445</u></b>	<b><u>\$ 44,305,463</u></b>

See accompanying notes to the basic financial statements.

**CITY OF LINCOLN**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<b>Redevelopment Obligation Retirement Fund</b>	<b>OPEB Trust Fund</b>	<b>Custodial Funds</b>
<b><u>ADDITIONS</u></b>			
Property taxes and assessments	\$ 970,501	\$ -	\$ 12,604,465
Contributions from employer	-	1,699,593	-
Investment income (loss):			
Interest income	21,603	-	149,856
Net increase (decrease) in fair value	<u>(61,094)</u>	<u>(2,151,415)</u>	<u>62,711</u>
Net investment income (loss).	<u>(39,491)</u>	<u>(2,151,415)</u>	<u>212,567</u>
<b>Total Additions</b>	<u>931,010</u>	<u>(451,822)</u>	<u>12,817,032</u>
<b><u>DEDUCTIONS</u></b>			
Professional services	60,000	-	496,444
Administrative expense	-	30,750	-
Distribution to City	-	-	4,780,000
Payments to developers	-	-	346,000
Debt service:			
Principal	-	-	6,832,350
Interest	<u>207,342</u>	<u>-</u>	<u>5,221,302</u>
<b>Total Deductions</b>	<u>267,342</u>	<u>30,750</u>	<u>17,676,096</u>
Change in Fiduciary Net Position	<u>663,668</u>	<u>(482,572)</u>	<u>(4,859,064)</u>
Fiduciary Net Position - July 1, 2021	(6,919,272)	9,614,017	49,164,527
Prior period adjustment (Note 19)	<u>1,653,375</u>	<u>-</u>	<u>-</u>
Fiduciary Net Position - July 1, 2021, Restated	<u>(5,265,897)</u>	<u>9,614,017</u>	<u>49,164,527</u>
Fiduciary Net Position - June 30, 2022	<u><u>\$ (4,602,229)</u></u>	<u><u>\$ 9,131,445</u></u>	<u><u>\$ 44,305,463</u></u>

See accompanying notes to the basic financial statements.

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. The Reporting Entity**

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

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

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

Blended Component Units

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

Discretely Presented Component Units

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

Joint Agencies

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

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Presentation**

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

Government-wide Financial Statements:

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

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

Fund Financial Statements:

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

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

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

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

**Governmental Funds**

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

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

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

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

**Proprietary Funds**

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

Internal Service Funds - Internal service funds are used to account for, and finance, services and commodities furnished by a designated department of a governmental unit to other departments of the same governmental unit.

**Fiduciary Funds (not included in government-wide statements)**

The City reports the following additional fund types:

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

Pension (and Other Employee Benefit) Trust Funds - Pension (and Other Employee Benefit) Trust Funds are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other postemployment benefit plans, or other employee benefit plans.

Custodial Funds - Custodial Funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds.

**Major Funds**

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

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

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

Water Connections - 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.

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.

Low/Moderate Income Housing - The Low/Moderate Income Housing fund is a special revenue fund used to account for the housing loans established as part of the former Redevelopment Agency of the City of Lincoln. The major source of revenue for the fund is from program revenue received from the repayment of housing loans.

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

Wastewater Fund - The Wastewater 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.

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

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

Transit Fund - The Transit fund is an enterprise fund used to account for transit activities. The transit activity is operated by Placer County.

The City also reports the following additional fund types:

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

Internal Service Funds - The internal service funds account for the City's fleet maintenance and insurance programs, facility maintenance, and technology programs.

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

OPEB Trust Fund - The OPEB Trust fund is used to report resources that are held in trust for the members and beneficiaries of the City's other postemployment benefit plan.

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

**C. Measurement Focus and Basis of Accounting**

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

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and proprietary activities are presented using the economic resources measurement focus as defined in item "b" below. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds are accounted for using a "current financial resources" measurement focus. With this measurement focus, only current assets and deferred outflows of resources, and current liabilities and deferred inflows of resources generally are included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. All proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and deferred outflows of resources, and all liabilities and deferred inflows of resources (whether current or noncurrent) associated with the operation of these funds are reported. Proprietary fund equity is classified as net position.
- c. Fiduciary funds use the "economic resources" measurement focus and the accrual basis of accounting.

Basis of Accounting

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

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

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

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

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**D. Cash and Cash Equivalents**

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

**E. Investments**

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

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

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

**F. Accounts and Interest Receivable**

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Receivables are recorded in the financial statements net of any allowance for doubtful accounts, if applicable, and estimated refunds due. Management records an allowance for doubtful accounts based on historical trends and the periodic aging of receivables. The allowance for doubtful accounts as of June 30, 2022 totaled \$269,927, for business-type activities. There was no allowance for doubtful accounts as of June 30, 2022 for governmental activities. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, grants, fines, interest, and other fees. Federal and state grants are considered receivable and accrued as revenue when reimbursable costs are incurred.

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

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Inventory**

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

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

**H. Prepaid Expenses**

Payments made for services that will benefit periods beyond June 30, 2022 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.

**I. Capital Assets**

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

Government-wide Statements

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

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

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

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

Fund Financial Statements

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

**J. Property Taxes**

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

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

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

**K. Interfund Transactions**

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

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

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

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

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

**L. Unearned Revenue**

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

**M. Compensated Absences**

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

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**N. Pensions**

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

**O. Other Postemployment Benefits (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 - June 30, 2021

**P. Long-Term Liabilities**

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

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

**Q. Deferred Outflows/Inflow of Resources**

In addition to assets, the Statement of Net Position or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. It is the deferred amounts related to pension and OPEB.

In addition to liabilities, the Statement of Net Position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from intergovernmental revenues and leases that have not been received within the modified accrual period. In the government-wide financial statements the City reports deferred inflows related to leases, pension and OPEB.

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**R. Equity Classifications**

Government-wide Statements

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints 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.
- c. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

Fund Statements

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

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

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

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**S. Leases**

Lessor

The City is a lessor for noncancellable leases for land, buildings, equipment, cell tower sites, and airport property. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide, governmental fund and proprietary fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimate and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**T. Use of Estimates**

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

**U. Reclassifications**

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

**V. Implementation of Governmental Accounting Standards Board Statements**

Effective July 1, 2021, the City implemented the following accounting and financial reporting standards:

Governmental Accounting Standards Board Statement No. 87

In June 2017, GASB issued Statement No. 87, *Leases*. This Statement (1) increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract; and (2) establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Additionally, under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The City adopted this accounting guidance for its June 30, 2022 year-end. See Notes 3 and 19 for additional details.

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Governmental Accounting Standards Board Statement No. 89

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The City adopted this accounting guidance for its June 30, 2022 year-end.

Government Accounting Standards Board Statement No. 92

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The City adopted this accounting guidance for its June 30, 2022 year-end.

Government Accounting Standards Board Statement No. 93

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The primary objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). The City adopted this accounting guidance for its June 30, 2022 year-end.

Government Accounting Standards Board Statement No. 97

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a partial component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The City adopted this accounting guidance for its June 30, 2022 year-end.

**W. Future Governmental Accounting Standards Board Statements**

These statements are not effective until July 1, 2022 or later. The City has not determined the effects on the financial statements.

Government Accounting Standards Board Statement No. 91

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the City's fiscal year ending June 30, 2023.

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Government Accounting Standards Board Statement No. 94

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial assets, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The City has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement are effective for the City's fiscal year ending June 30, 2023.

Government Accounting Standards Board Statement No. 96

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments, defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding liability, provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and requires note disclosures regarding a SBITA. The City has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement are effective for the City's fiscal year ending June 30, 2023.

Government Accounting Standards Board Statement No. 99

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. This primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for guarantees. The City has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement related to leases, PPPs and SBITAs are effective for the City's fiscal year ending June 30, 2023 and the requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for the City's fiscal year ending June 30, 2024.

Government Accounting Standards Board Statement No. 100

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62*. This primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this statement are effective for the City's fiscal year ending June 30, 2024.

Government Accounting Standards Board Statement No. 101

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. This primary objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and amending certain previously required disclosures. The requirements of this statement are effective for the City's fiscal year ending June 30, 2025.

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 2: CASH AND INVESTMENTS**

Cash and investments as of June 30, 2022 are classified in the accompanying financial statements as follows:

	Cash and Investments	Restricted Cash and Investments	Total
Governmental activities	\$ 156,171,587	\$ 16,218	\$ 156,187,805
Business-type activities	<u>64,901,701</u>	<u>-</u>	<u>64,901,701</u>
<b>Total government-wide cash and investments</b>	<u>221,073,288</u>	<u>16,218</u>	<u>221,089,506</u>
Fiduciary activities	<u>15,634,809</u>	<u>38,941,462</u>	<u>54,576,271</u>
<b>Total cash and investments</b>	<u>\$ 236,708,097</u>	<u>\$ 38,957,680</u>	<u>\$ 275,665,777</u>

Cash and investments were carried at fair value as of June 30, 2022 and consisted of the following:

Cash on hand	\$ 1,806
Cash in banks	<u>32,537,833</u>
Total cash	<u>32,539,639</u>
Money market funds	30,920,895
U.S. treasury obligations	97,406,984
Government agency securities	23,005,240
Medium term corporate notes	54,042,388
Municipal issues	1,910,804
Local Agency Investment Fund (LAIF)	26,708,382
Held by OPEB trustee:	
Mutual funds	<u>9,131,445</u>
Total investments	<u>243,126,138</u>
Total cash and investments	<u>\$ 275,665,777</u>

Authorized Investments of the City

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

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 2: CASH AND INVESTMENTS (CONTINUED)**

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in one Issuer
United States Treasury bills, bonds and notes	5 years	100%	None
Federal Agency or U.S Government-sponsored obligations	5 years	100%	None
Local Agency Investment Fund (LAIF)	As permitted by law	As permitted by law	None
Local government investment pools	NA	100%	None
Money market funds	NA	20%	10%
Bankers' acceptances	180 days	40%	None
Commercial paper	270 days	25%	10%
Negotiable certificates of deposit	5 years	30%	None
Medium term corporate notes	5 years	30%	None
California local agency obligations	5 years	15%	None
Supranationals	5 years	30%	None
Asset-backed securities	5 years	20%	None

Investment Valuation

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

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

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

Following is a description of the valuation methodologies used:

*U.S. Treasuries, Government Agency Obligations, Medium Term Corporate Notes, Municipal Issues and Money Market Funds:* Fair values are based on quoted market prices for similar securities in markets that are not active, and model-based techniques for which all significant assumptions are observable in the market, resulting in a Level 2 valuation.

*Mutual funds:* Fair value is based on quoted market prices in an active market, resulting in a Level 1 valuation.

The City's position in external investment pools is in itself regarded as a type of investment and looking through to the underlying investments of the pool is not appropriate.

**CITY OF LINCOLN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 2: CASH AND INVESTMENTS (CONTINUED)**

At June 30, 2022, the City had the following recurring fair value measurements:

Investments	Fair Value Measurements Using			Fair Value
	Level 1 Inputs	Level 2 inputs	Level 3 inputs	
Money market funds	\$ -	\$ 30,920,895	\$ -	\$ 30,920,895
U.S. treasury obligations	-	97,406,984	-	97,406,984
Government agency securities	-	23,005,240	-	23,005,240
Medium term corporate notes	-	54,042,388	-	54,042,388
Municipal issues	-	1,910,804	-	1,910,804
Local Agency Investment Fund	-	-	-	26,708,382
Held by OPEB trustee:				
Mutual funds	<u>9,131,445</u>	<u>-</u>	<u>-</u>	<u>9,131,445</u>
Total Investments	<u>\$ 9,131,445</u>	<u>\$ 207,286,311</u>	<u>\$ -</u>	<u>\$ 243,126,138</u>

Investment in State Investment Pool

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

Disclosure Relating to Interest Rate Risk

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

Information about the sensitivity of the fair values of the City's investments (excluding investments held by bond trustees) to market rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity as of June 30, 2022:

Investments	Interest Rates	Remaining Maturity		Fair Value
		< 12 months	1-5 years	
Money market funds	0.010%	\$ 30,920,895	\$ -	\$ 30,920,895
U.S. treasury obligations	0.125% - 2.75%	5,030,189	92,376,795	97,406,984
Government agency securities	0.25% - 3.375%	-	23,005,240	23,005,240
Medium term corporate notes	0.42% - 3.905%	5,365,194	48,677,194	54,042,388
Municipal issues	0.56% - 2.046%	-	1,910,804	1,910,804
Local Agency Investment Fund	Variable	26,708,382	-	26,708,382
Held by OPEB trustee:				
Mutual funds	Variable	<u>9,131,445</u>	<u>-</u>	<u>9,131,445</u>
		<u>\$ 77,156,105</u>	<u>\$ 165,970,033</u>	<u>\$ 243,126,138</u>

**CITY OF LINCOLN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 2: CASH AND INVESTMENTS (CONTINUED)**

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City had no investments that were highly sensitive to interest rate fluctuations as of June 30, 2022.

Disclosures Relating to Credit Risk

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

	Total	Rating as of Fiscal Year End		
		Minimum Legal Rating	S&P	Moody's
Money market funds	\$ 30,920,895	N/A	Not rated	Not rated
U.S. Treasury obligations	93,650,648	N/A	N/A	AAA
U.S. Treasury obligations	745,958	N/A	N/R	AAA
U.S. Treasury obligations	3,010,378	N/A	N/R	AAA
Government agency securities	22,842,860	N/A	AA+	AAA
Government agency securities	162,380	N/A	N/A	N/A
Medium term corporate notes	3,356,749	A	A	A1
Medium term corporate notes	7,375,155	A	A	A2
Medium term corporate notes	3,214,556	A	A-	A1
Medium term corporate notes	4,605,746	A	A-	A2
Medium term corporate notes	7,380,178	A	A-	A3
Medium term corporate notes	1,287,322	A	A+	A1
Medium term corporate notes	2,892,810	A	A+	A2
Medium term corporate notes	229,186	A	A+	A3
Medium term corporate notes	1,445,385	A	AA	A1
Medium term corporate notes	1,404,120	A	AA	AA3
Medium term corporate notes	1,383,830	A	AA-	AA3
Medium term corporate notes	1,251,850	A	AA+	AAA
Medium term corporate notes	3,092,310	A	BBB+	A2
Medium term corporate notes	953,300	A	BBB+	A3
Medium term corporate notes	1,236,883	A	N/R	N/A
Medium term corporate notes	409,919	A	N/A	AAA
Medium term corporate notes	4,000	A	N/A	N/A
Medium term corporate notes	2,900,564	A	AAA	N/A
Medium term corporate notes	4,124,769	A	N/R	N/R
Medium term corporate notes	5,493,756	A	AAA	AAA
Municipal issues	1,194,337	A	AAA	AAA
Municipal issues	716,467	A	N/A	AAA
Local Agency Investment Fund	26,708,382	N/A	Not rated	Not rated
Held by OPEB trustee:				
Mutual funds	<u>9,131,445</u>	N/A	Not rated	Not rated
	<u>\$ 243,126,138</u>			

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 2: CASH AND INVESTMENTS (CONTINUED)**

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. The City's investment policy contains limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) at June 30, 2022, that represent 5 percent or more of total City investments are as follows:

<u>Issuers</u>	<u>Investment Type</u>	<u>Amount</u>
Federal National Mortgage Association	Government agency securities	\$ 13,835,562

Custodial Credit Risk

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

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

As of June 30, 2022, the carrying amount of the City's deposits was \$32,537,833 and bank balances were \$32,777,222. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit.

Allocation of Interest Income Among Funds

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

**NOTE 3: LEASES RECEIVABLE**

The City is reporting leases receivable of \$3,441,512 at June 30, 2022. For the year ended June 30, 2022, the City reported lease revenue of \$382,416 and interest revenue of \$9,385 related to lease payments received.

*Land -*

- On October 22, 2013, the City entered into an agreement with Auburn Ranch Ravine for the lease of land in Area 3. The lease has a term of 10 years and interest rate of 3.25%.
- On October 22, 2023, the City entered into an agreement with Auburn Ranch Ravine 2 for the lease of land in Areas 1 and 4. The lease has a term of 10 years and interest rate of 3.25%.
- On January 1, 2021, the City entered into an agreement with E-Tech Testing Services for the lease of land at Site A. The lease has a term of 3 years and interest rate of 3.25%.

**CITY OF LINCOLN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 3: LEASES RECEIVABLE (CONTINUED)**

*Buildings and Equipment -*

- On July 1, 2018, the City entered into an agreement with DB Hill for the lease of a building. The lease has a term of 5 years and interest rate of 5%.
- On December 10, 2015, the City entered into an agreement with William Jessup for the lease of McBean Park Stadium. The lease has a term of 12 years and interest rate of 3.50%.
- On August 14, 2018, the City entered into an agreement with Placer County Air Pollution Control District for the lease of a shed and equipment. The lease has a term of 10 years and interest rate of 5%.
- On January 23, 2007, the City entered into an agreement with Flightline - Rockwell for the lease of a storage container. The lease has a term of 30 years and interest rate of 8.25%.

*Cell Tower Site* - On March 12, 2019, the City entered into a lease agreement with PCS Structures Towers, LLC for the lease of land for a cell tower site. The lease has a term of 25 years and an interest rate of 5%.

*Airport Property -*

- On July 15, 1987, the City entered into an agreement with Flightline - Lincoln Air for the lease of airport property. The lease has a term of 40 years and interest rate of 8.25%.
- On September 26, 2012, the City entered into an agreement with Flightline - Kracon for the lease of airport property. The lease has a term of 25 years and interest rate of 3.25%.
- On December 4, 2012, the City entered into an agreement with Flightline - ITAPOL for the lease of airport property. The lease has a term of 25 years and interest rate of 3.25%.

The City has recorded a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease terms. As of June 30, 2022, the balance of the deferred inflow of resources was \$3,441,512.

**NOTE 4: LOANS RECEIVABLE**

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

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

Total loans receivable, including accrued interest, net of allowance as of June 30, 2022 are as follows:

	<u>Loans Receivable</u>	<u>Accrued Interest</u>	<u>Allowance</u>	<u>Total Loans Receivable, net</u>
Community development block grants	297,946	118,444	-	416,390
Home investment partnership	1,115,309	379,867	-	1,495,176
CalHOME	234,003	25,689	-	259,692
Housing Successor Agency	<u>2,358,000</u>	<u>1,351,009</u>	<u>-</u>	<u>3,709,009</u>
Totals	<u>\$ 4,005,258</u>	<u>\$ 1,875,009</u>	<u>\$ -</u>	<u>\$ 5,880,267</u>

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 5: INTERFUND AND INTRA-FUND TRANSACTIONS**

**Due to/from Other Funds**

During the course of operations, transactions occur between funds to account for goods received or services rendered. These receivables and payables are classified as due from or due to other funds. In addition, when funds overdraw their share of pooled cash, the receivables and payables are also classified as due from or due to other funds. The composition of due to/from other funds as of June 30, 2022 was as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Description</u>	<u>Amount</u>
<u>Governmental Funds</u>			
Gas Tax	Federal Grants	Overdrawn cash	\$ <u>266,602</u>
		Total Governmental Funds	\$ <u><u>266,602</u></u>

The overdrawn cash noted above in the Federal Grants fund was a result of expenditures incurred in advance of receipt of grant revenues.

**Advances to/from Other Funds**

Advances to/from other funds are non-current interfund loans and are offset by a nonspendable fund balance in applicable governmental funds to indicate they are not in spendable form. The composition of advances to/from other funds as of June 30, 2022 was as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Description</u>	<u>Maturity</u>	<u>Amount</u>
<u>Governmental Funds</u>				
General Fund	Airport	Fund deficit	June 2079	\$ 4,816,601
Water Connections	Public Facility Element	Capital project funding	June 2026	5,408,120
Oak Tree Mitigation	Public Facility Element	Capital project funding	June 2026	2,346,920
LPFA Series 2016	Airport	Capital lease refinance	October 2028	925,524
Public Facility Element	Public Facility Element	Capital project funding	June 2028	863,049
Public Facility Element	Wastewater	Conveyance	2020	63,426
Public Facility Element	Wastewater	Oversizing	2020	<u>146,190</u>
		Total Governmental Funds		\$ <u><u>14,569,830</u></u>
<u>Proprietary Funds</u>				
Solid Waste	Public Facility Element	Capital project funding	June 2028	\$ <u>854,504</u>
		Total Proprietary Funds		\$ <u><u>854,504</u></u>

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 5: INTERFUND AND INTRA-FUND TRANSACTIONS (CONTINUED)**

**Interfund Transfers to/from Other Funds**

Transfers between funds during the fiscal year ended June 30, 2022 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Description of Transfer</u>	<u>Amount</u>
<b><u>Governmental Funds</u></b>			
General Fund	LPFA Refunding Series 2016	Debt service LLAD general benefits	\$ 628,292
General Fund	Special Assessment Districts	costs	686,785
Water Connections	Water	Rate subsidy	4,000,000
Special Assessment Districts	LPFA Refunding Series 2016	Debt service	80,208
Gas Tax	LPFA Refunding Series 2016	Debt service	26,736
Street Fund	LPFA Refunding Series 2016	Debt service	26,735
Development Services	LPFA Refunding Series 2016	Debt service	80,208
<b>Total Governmental Interfund Transfers</b>			<b>\$ <u>5,528,964</u></b>
<b><u>Proprietary Funds</u></b>			
Water	LPFA Refunding Series 2016	Debt service	\$ 187,150
Wastewater	LPFA Refunding Series 2016	Debt service	160,415
Solid Waste	LPFA Refunding Series 2016	Debt service	106,943
Airport	General Fund	Debt service	140,682
Airport	LPFA Refunding Series 2016	Debt service	26,737
Transit	LPFA Refunding Series 2016	Debt service	13,369
Internal Services	Technology Fund	Citywide software	600,000
<b>Total Proprietary Interfund Transfers</b>			<b>\$ <u>1,235,296</u></b>

**Intra-fund Transfers between Funds**

The following table represents intra-fund transfers made during the year ended June 30, 2022:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Description</u>	<u>Amount</u>
Supplemental Fees	General Fund	Annual budget transfer	\$ 616,274
General Fund	Public Safety Tax	Public safety tax share	711,997
Water Capital Replacement	Water	Capital fund transfer	3,000,000
<b>Total Intra-fund Transfers</b>			<b>\$ <u>4,328,271</u></b>

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 6: CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2022, was as follows:

**Governmental Activities:**

	<u>Balance at July 1, 2021</u>	<u>Prior Period Adjustment</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance at June 30, 2022</u>
Capital assets not being depreciated						
Land	\$ 14,911,990	\$ (450,367)	\$ 8,767	\$ -	\$ -	\$ 14,470,390
Easements	242,604	-	-	-	-	242,604
Construction-in-progress	<u>9,609,764</u>	<u>-</u>	<u>9,097,470</u>	<u>-</u>	<u>(957,200)</u>	<u>17,750,034</u>
Total capital assets not being depreciated	<u>24,764,358</u>	<u>(450,367)</u>	<u>9,106,237</u>	<u>-</u>	<u>(957,200)</u>	<u>32,463,028</u>
Capital assets being depreciated						
Buildings and improvements	79,875,987	-	785,405	-	117,408	80,778,800
Machinery and equipment	9,682,256	-	584,611	(230,972)	-	10,035,895
Infrastructure	462,072,001	-	91,812	-	640,017	462,803,830
Land improvements	<u>30,054,908</u>	<u>-</u>	<u>367,849</u>	<u>-</u>	<u>199,775</u>	<u>30,622,532</u>
Total capital assets being depreciated	<u>581,685,152</u>	<u>-</u>	<u>1,829,677</u>	<u>(230,972)</u>	<u>957,200</u>	<u>584,241,057</u>
Less accumulated depreciation						
Buildings and improvements	(23,970,409)	-	(2,107,509)	-	-	(26,077,918)
Machinery and equipment	(6,721,501)	567,829	(792,493)	172,167	-	(6,773,998)
Infrastructure	(212,018,964)	-	(11,846,545)	-	-	(223,865,509)
Land improvements	<u>(11,134,943)</u>	<u>-</u>	<u>(1,329,559)</u>	<u>-</u>	<u>-</u>	<u>(12,464,502)</u>
Total accumulated depreciation	<u>(253,845,817)</u>	<u>567,829</u>	<u>(16,076,106)</u>	<u>172,167</u>	<u>-</u>	<u>(269,181,927)</u>
Total capital assets being depreciated, net	<u>327,839,335</u>	<u>567,829</u>	<u>(14,246,429)</u>	<u>(58,805)</u>	<u>957,200</u>	<u>315,059,130</u>
<b>Total Capital Assets, net</b>	<u>\$ 352,603,693</u>	<u>\$ 117,462</u>	<u>\$ (5,140,192)</u>	<u>\$ (58,805)</u>	<u>\$ -</u>	<u>\$ 347,522,158</u>

Depreciation expense was charged to governmental functions as follows:

**Governmental Activities:**

General government	\$ 703,193
Public safety	718,096
Public works and facilities	14,036,940
Culture and recreation	55,859
Education	473,829
Internal service funds	<u>88,189</u>

Total governmental activities depreciation expense \$ 16,076,106

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 6: CAPITAL ASSETS (CONTINUED)**

**Business-type Activities:**

	<u>Balance at July 1, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance at June 30, 2022</u>
Capital assets not being depreciated					
Land	\$ 1,549,390	\$ -	\$ -	\$ -	\$ 1,549,390
Easements	42,250	-	-	-	42,250
Construction-in-progress	<u>1,481,776</u>	<u>6,656,697</u>	<u>(3,936)</u>	<u>(439,447)</u>	<u>7,695,090</u>
Total capital assets not being depreciated	<u>3,073,416</u>	<u>6,656,697</u>	<u>(3,936)</u>	<u>(439,447)</u>	<u>9,286,730</u>
Capital assets being depreciated					
Buildings and improvements	26,565,533	-	-	-	26,565,533
Machinery and equipment	14,347,414	264,808	(367,734)	-	14,244,488
Infrastructure	460,777,756	16,230	-	439,447	461,233,433
Land improvements	<u>1,154,850</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,154,850</u>
Total capital assets being depreciated	<u>502,845,553</u>	<u>281,038</u>	<u>(367,734)</u>	<u>439,447</u>	<u>503,198,304</u>
Less accumulated depreciation					
Buildings and improvements	(14,290,613)	(535,058)	-	-	(14,825,671)
Machinery and equipment	(6,526,083)	(1,181,285)	297,446	-	(7,409,922)
Infrastructure	(134,720,234)	(8,459,109)	-	-	(143,179,343)
Land improvements	<u>(564,016)</u>	<u>(58,609)</u>	<u>-</u>	<u>-</u>	<u>(622,625)</u>
Total accumulated depreciation	<u>(156,100,946)</u>	<u>(10,234,061)</u>	<u>297,446</u>	<u>-</u>	<u>(166,037,561)</u>
Total capital assets being depreciated, net	<u>346,744,607</u>	<u>(9,953,023)</u>	<u>(70,288)</u>	<u>439,447</u>	<u>337,160,743</u>
<b>Total Capital Assets, net</b>	<u>\$ 349,818,023</u>	<u>\$ (3,296,326)</u>	<u>\$ (74,224)</u>	<u>\$ -</u>	<u>\$ 346,447,473</u>

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

**Business-type Activities:**

Water	\$ 3,829,583
Wastewater	5,352,836
Solid Waste	559,380
Airport	466,769
Transit	<u>25,493</u>
Total business-type activities depreciation expense	<u>\$ 10,234,061</u>

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 7: UNEARNED REVENUE**

At June 30, 2022, components of unearned revenue were as follows:

	Amount
<u>Governmental Funds</u>	
General Fund	
ARPA advance	\$ 4,691,703
California high speed broadband grant advance	63,791
Walmart drone grant advance	3,708
Total Governmental Funds	\$ 4,759,202
<u>Proprietary Funds</u>	
Transit	
State grant advances	85,582
Total Proprietary Funds	\$ 85,582

**NOTE 8: LONG-TERM LIABILITIES**

**A. Governmental Activities**

Governmental activities long-term debt issued and outstanding at June 30, 2022 was comprised of the following:

Type of Indebtedness	Maturity	Interest Rates	Authorized and Issued	Outstanding June 30, 2022
LPFA Refunding Bonds Series 2016A	2037	5.69-6.12%	\$ 18,296,066	\$ 13,110,000
LPFA Refunding Bonds Series 2016B	2022	2.44%	10,710,450	-
Bond issuance premiums (discounts)				
Series 2016A net premium				868,796
Financed purchases			1,946,900	1,164,794
Compensated absences				2,832,739
Total Governmental Activities				\$ 17,976,329

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 8: LONG-TERM LIABILITES (CONTINUED)**

The following is a summary of changes in the City's governmental long-term liabilities for the fiscal year ended June 30, 2022:

	<u>Balance at July 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2022</u>	<u>Current Portion</u>
<b>Governmental Activities:</b>					
Bonds and leases payable:					
LPFA Refunding Bonds Series 2016A	\$ 13,555,000	\$ -	\$ (445,000)	\$ 13,110,000	\$ 1,000,000
LPFA Refunding Bonds Series 2016B	525,000	-	(525,000)	-	-
Premium (discount) on bonds, net	928,802	-	(60,006)	868,796	60,006
Financed purchases	<u>1,192,660</u>	<u>220,000</u>	<u>(247,866)</u>	<u>1,164,794</u>	<u>252,365</u>
 Total bonds and financed purchases payable	 <u>16,201,462</u>	 <u>220,000</u>	 <u>(1,277,872)</u>	 <u>15,143,590</u>	 <u>1,312,371</u>
Other liabilities:					
Compensated absences	<u>2,573,719</u>	<u>1,920,536</u>	<u>(1,661,516)</u>	<u>2,832,739</u>	<u>2,266,191</u>
 <b>Total Governmental Activities</b>	 <b><u>\$ 18,775,181</u></b>	 <b><u>\$ 2,140,536</u></b>	 <b><u>\$ (2,939,388)</u></b>	 <b><u>\$ 17,976,329</u></b>	 <b><u>\$ 3,578,562</u></b>

Long-term liabilities including compensated absences, net pension liability and net OPEB liability are generally liquidated by the fund incurring the liability.

A description of the long-term liabilities related to governmental activities at June 30, 2022 follows:

LPFA Refunding Bonds Series 2016 A&B

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

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

For the Year Ending June 30,	2016A	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 1,000,000	\$ 473,038
2024	1,045,000	432,138
2025	1,085,000	389,538
2026	1,125,000	345,338
2027	1,175,000	299,338
2028 - 2032	4,180,000	893,990
2033 - 2037	<u>3,500,000</u>	<u>282,669</u>
Total	<u>\$ 13,110,000</u>	<u>\$ 3,116,049</u>

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 8: LONG-TERM LIABILITES (CONTINUED)**

Premium/Discount on Bonds

Net capitalized premiums (discount) on bonds related to the above issuances have been recorded in the amount of \$868,796 and netted with the balance of the bonds as presented on the government-wide financial statements. The balance is amortized using the straight line method over the bond term. Net accretion for the year ended June 30, 2022 totaled \$60,006.

Financed Purchases

In September 2019, the City entered into a financed purchase agreement with KS State Bank in the initial amount of \$132,208 for the purchase of police vehicles. Principal and interest payments of \$28,831 are due annually until October 2023. Interest on the financed purchase agreement is 4.348%. At June 30, 2022, equipment, net of accumulated depreciation under the financed purchase agreement totaled \$79,325.

In February 2019, the City entered into a financed purchase agreement with CSI Leasing in the initial amount of \$152,699 for the purchase of audio visual equipment. Principal and interest payments of \$2,993 are due monthly until January 2024. Interest on the financed purchase agreement is 6.57%. At June 30, 2022, equipment, net of accumulated depreciation under the financed purchase agreement totaled \$61,078.

In January 2019, the City entered into a financed purchase agreement with Lease Servicing Center, Inc. dba National Cooperative Leasing in the initial amount of \$104,599 for the purchase three police vehicles. Principal and interest payments of \$2,000 are due monthly until January 2024. Interest on the financed purchase agreement is 5.54%. At June 30, 2022, equipment, net of accumulated depreciation under the financed purchase agreement totaled \$41,625.

In July 2018, the City entered into a financed purchase agreement with US Bancorp Government Leasing and Finance, Inc. in the initial amount of \$1,337,394 for the purchase of fire trucks. Principal and interest payments of \$157,586 are due annually until February 2028. Interest on the financed purchase agreement is 3.43%. At June 30, 2022, equipment, net of accumulated depreciation under the financed purchase agreement totaled \$54,125.

In September 2021, the City entered into a financed purchase agreement with KS State Bank. in the initial amount of \$220,000 for the purchase of police vehicles. Principal and interest payments of \$47,242 are due annually until January 2026. Interest on the financed purchase agreement is 3.28%. At June 30, 2022, equipment, net of accumulated depreciation under the financed purchase agreement totaled \$220,000.

Future debt service payments on the agreements are as follows:

<u>For the Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 252,365	\$ 41,091
2024	242,427	30,824
2025	182,018	22,809
2026	188,206	16,622
2027	147,362	10,225
2028	<u>152,416</u>	<u>5,170</u>
Total	<u>\$ 1,164,794</u>	<u>\$ 126,741</u>

Compensated Absences

Compensated absences for governmental activities are generally liquidated by the fund where the accrued liability occurred.

**CITY OF LINCOLN**  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2022

**NOTE 8: LONG-TERM LIABILITIES (CONTINUED)**

**Total Governmental Activities Long-Term Liabilities Future Debt Service**

<u>For the Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 1,252,365	\$ 514,129
2024	1,287,427	462,962
2025	1,267,018	412,347
2026	1,313,206	361,960
2027	1,322,362	309,563
2028 - 2032	4,332,416	899,160
2033 - 2037	<u>3,500,000</u>	<u>282,669</u>
Total	<u>\$ 14,274,794</u>	<u>\$ 3,242,790</u>

**B. Business-type Activities**

Business-type activities long-term debt issued and outstanding at June 30, 2022 was comprised of the following:

<u>Type of Indebtedness</u>	<u>Outstanding June 30, 2022</u>
Compensated absences	\$ 564,609
Postclosure	<u>200,633</u>
Total Business-type Activities	<u>\$ 765,242</u>

The following is a summary of changes in the City's business-type long-term liabilities for the fiscal year ended June 30, 2022:

	<u>Balance at July 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2022</u>	<u>Current Portion</u>
<b>Business-Type Activities:</b>					
Other liabilities:					
Compensated absences	\$ 543,263	\$ 321,223	\$ (299,877)	\$ 564,609	\$ 451,688
Postclosure	<u>305,414</u>	<u>-</u>	<u>(104,781)</u>	<u>200,633</u>	<u>98,302</u>
<b>Total Business-Type Activities</b>	<u>\$ 848,677</u>	<u>\$ 321,223</u>	<u>\$ (404,658)</u>	<u>\$ 765,242</u>	<u>\$ 549,990</u>

Postclosure

The City of Lincoln has postclosure responsibility for one closed 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 \$200,633 as of June 30, 2022, of which \$98,302 is reported as a current liability. 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, 2022. However, the actual costs may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

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

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 9: 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 Custodial funds. The debt will be paid from and is secured solely by the revenues of these special assessment districts and does not constitute an indebtedness of the City. At June 30, 2022, 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, 2022
Special Tax Bonds, Series 1998 Lincoln Airpark 98-1	Lincoln Airpark	\$ 3,380,000	\$ 475,000
Refunding Bond, Series 2011A Twelve Bridges Series 2004	Twelve Bridges	28,305,000	9,410,000
Refunding Bond, Series 2011B Twelve Bridges Series 2004	Twelve Bridges	13,495,000	4,774,000
Special Tax Refunding Bonds 2018 CFD Lincoln Crossing Project Series 2018	Lincoln Crossing	64,470,000	57,220,000
Special Tax Refunding Bonds, Series 2021 Lakeside Series 2021 Refunding	Lakeside	4,510,000	4,305,000
Special Tax Revenue Bonds, Series 2013 CFD Sorrento Series 2013	Sorrento Project	5,165,000	1,270,000
Special Tax Revenue Bonds, Series 2014 CFD Sorrento Series 2014	Sorrento Project	5,680,000	5,595,000
Special Tax Revenue Bonds, Series 2017 CFD Lakeside Series 2006-1	Lakeside	6,235,000	5,455,000
Special Tax Revenue Bonds, Series 2016 CFD Sorrento Series 2005-1	Sorrento Project	8,860,000	8,425,000
Special Tax Revenue Bonds, Series 2017 CFD Foskett Ranch 2017-1	Foskett Ranch	2,975,000	<u>2,420,000</u>
			<u>\$ 99,349,000</u>

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 10: FUND BALANCE**

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

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

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

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

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

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

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

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

**CITY OF LINCOLN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 10: FUND BALANCE (CONTINUED)**

The fund balances for all major and nonmajor governmental funds as of June 30, 2022, were distributed as follows:

	General Fund	Public Facility Element (PFE)	Water Connections	Develop- ment Services	Low/ Moderate Income Housing	Non-Major Govern- mental Funds	Total Governmental Funds
<b>Nonspendable</b>							
Prepaid items	\$ 228,593	\$ 7,620	\$ -	\$ 30,479	\$ -	\$ 60,958	\$ 327,650
Advances to other funds	4,816,601	-	-	-	-	-	4,816,601
Endowments - principal	-	-	-	-	-	356,659	356,659
<b>Total Nonspendable</b>	<u>5,045,194</u>	<u>7,620</u>	<u>-</u>	<u>30,479</u>	<u>-</u>	<u>417,617</u>	<u>5,500,910</u>
<b>Restricted</b>							
Public facility improvements	-	16,148,836	-	-	-	-	16,148,836
Water capacity expansion	-	-	50,526,295	-	-	-	50,526,295
Public improvements and maintenance	-	-	-	-	-	11,229,721	11,229,721
Parks and recreation	-	-	-	-	-	1,890,137	1,890,137
Streets and roads	-	-	-	-	-	6,976,125	6,976,125
Grants	-	-	-	-	-	13,510	13,510
Debt service	-	-	-	-	-	3,051,485	3,051,485
Loan programs	-	-	-	-	-	2,438,857	2,438,857
Capital projects	-	-	-	-	-	10,737,718	10,737,718
Housing	-	-	-	-	1,638,252	-	1,638,252
Oak tree replacement	-	-	-	-	-	5,663,154	5,663,154
Mandated training fee	-	-	-	90,270	-	-	90,270
Endowments - open space preservation	-	-	-	-	-	179,397	179,397
<b>Total Restricted</b>	<u>-</u>	<u>16,148,836</u>	<u>50,526,295</u>	<u>90,270</u>	<u>1,638,252</u>	<u>42,180,104</u>	<u>110,583,757</u>
<b>Committed</b>							
Youth programs	79,178	-	-	-	-	-	79,178
OPEB	114,818	-	-	-	-	-	114,818
Operating reserve	6,006,794	-	-	-	-	-	6,006,794
Capital replacement	704,484	-	-	-	-	-	704,484
<b>Total Committed</b>	<u>6,905,274</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,905,274</u>
<b>Assigned</b>							
PERS UAL	678,711	-	-	-	-	-	678,711
Fees for future improvements	-	-	-	13,548,584	-	-	13,548,584
<b>Total Assigned</b>	<u>678,711</u>	<u>-</u>	<u>-</u>	<u>13,548,584</u>	<u>-</u>	<u>-</u>	<u>14,227,295</u>
<b>Unassigned</b>							
	<u>15,397,663</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(288,181)</u>	<u>15,109,482</u>
<b>Total Fund Balance</b>	<u>\$ 28,026,842</u>	<u>\$ 16,156,456</u>	<u>\$ 50,526,295</u>	<u>\$13,669,333</u>	<u>\$ 1,638,252</u>	<u>\$42,309,540</u>	<u>\$152,326,718</u>

**CITY OF LINCOLN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 11: DEFICIT FUND BALANCE / UNRESTRICTED NET POSITION**

**Governmental Funds**

As of June 30, 2022, the following governmental fund had a fund balance deficit:

Governmental Fund	Amount
Federal Grants	\$ 288,181

The deficit in the Federal Grants fund of \$288,181 was a result of expenditures incurred in advance of receipt of revenue and will be eliminated through future revenues.

**Proprietary Funds**

As of June 30, 2022, the following proprietary fund had a negative unrestricted net position:

Proprietary Fund	Amount
Airport	\$ 5,811,513

The Airport fund had a negative unrestricted net position of \$5,811,513. This fund does not have an immediate revenue source to cover this negative amount. The unrestricted net position deficit is due to airport revenue generating activities such as fuel sales, tie downs, and hanger rentals which have not kept up with operating expenses and capital improvement costs.

**NOTE 12: DEFINED BENEFIT PENSION PLAN**

**A. General Information about the Pensions Plan**

Plan Description

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

Benefits Provided

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

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 12: DEFINED BENEFIT PENSION PLAN (CONTINUED)**

The rate plan's provisions and benefits in effect at June 30, 2022, are summarized as follows:

	<b>Miscellaneous</b>		
	Prior to February 13, 2011	Between February 13, 2011 and January 1, 2013	On or After January 1, 2013
Hire Date	Tier I	Tier II	PEPRA
Benefit Formula	2.7% @ 55	2.0% @ 60	2.0% @ 62
Benefit Vesting Schedule	5 years service	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life	monthly for life
Retirement Age	50 - 55	50 - 60	52 - 62
Monthly Benefits, as a % of Eligible Compensation	2.000 - 2.700%	1.092 - 2.418%	1.000 - 2.500%
Required Employee Contribution Rates	8.00%	7.00%	6.75%
Required Employer Contribution Rates*	47.94%	9.52%	7.92%

	<b>Safety</b>		
	Prior to January 1, 2013	On or After January 1, 2013	On or After January 1, 2013
Hire Date	Tier I	PEPRA Fire	PEPRA Police
Benefit Formula	3.0% @ 50	2.7% @ 57	2.7% @ 57
Final compensation	Three-year average	Three-year average	Three-year average
Benefit Vesting Schedule	5 years service	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life	monthly for life
Retirement Age	50	50 - 57	50 - 57
Monthly Benefits, as a % of Eligible Compensation	3.0%	2.0% - 2.7%	2.0% - 2.7%
Required Employee Contribution Rates	9.00%	13.00%	13.00%
Required Employer Contribution Rates*	37.36%	15.04%	13.91%

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

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The City's contributions to the Plan for the year ending June 30, 2022 were \$3,597,502.

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

As of June 30, 2022, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$13,315,051. \$10,093,488 of the liability is reported in governmental activities and \$3,221,563 of the liability is reported in business-type activities.

**CITY OF LINCOLN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 12: DEFINED BENEFIT PENSION PLAN (CONTINUED)**

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2021, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2020 and 2021 was as follows:

Proportion - June 30, 2020	0.22617%
Proportion - June 30, 2021	0.24620%
Change - Increase (Decrease)	0.02003%

For the year ended June 30, 2022, the City recognized pension expense of \$2,892,789. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to the measurement date	\$ 3,597,502	\$ -
Differences between actual and expected experience	1,730,550	-
Differences between projected and actual investment earnings	-	10,500,152
Differences between employer's contributions and proportionate share of contributions	-	1,037,975
Change in employer's proportion	<u>1,040,240</u>	<u>235,214</u>
Total	<u>\$ 6,368,292</u>	<u>\$ 11,773,341</u>

\$3,597,502 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>For the Fiscal Year Ending June 30,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2023	\$ (1,809,082)
2024	(1,975,539)
2025	(2,319,028)
2026	(2,898,902)

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 12: DEFINED BENEFIT PENSION PLAN (CONTINUED)**

Actuarial Assumptions

The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.15% net of pension plan investment expenses; includes inflation
Mortality (1)	Derived using CalPERS membership data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until purchasing power protection allowance floor on purchasing power applies

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90 percent of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) available on CalPERS website.

All other actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Changes in Assumptions

For the measurement periods June 30, 2021, 2020 and 2019, there were no changes in assumptions. For the measurement period June 30, 2018, demographic assumptions and inflation rate were changed in accordance with the CalPERS Experience Study and Review of Actuarial Assumptions December 2017.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term Expected Rate of Return

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

**CITY OF LINCOLN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 12: DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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

The table below reflects long-term expected real rates of return by asset class.

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1-10 (a)</u>	<u>Real Return Years 11+ (b)</u>
Public Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	(0.92%)

(a) An expected inflation of 2.0% used for this period

(b) An expected inflation of 2.92% used for this period

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

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

	<u>Discount Rate -1%</u> <u>(6.15%)</u>	<u>Current Discount Rate</u> <u>(7.15%)</u>	<u>Discount Rate +1%</u> <u>(8.15%)</u>
Net Pension Liability (Asset)	\$ 27,355,606	\$ 13,315,051	\$ 1,741,005

Pension Plan Fiduciary Net Position

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

**NOTE 13: OTHER POST EMPLOYMENT BENEFITS**

Plan Description

*Plan administration:* 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.

**CITY OF LINCOLN**  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2022

**NOTE 13: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

*Benefits provided:* Employees become eligible to retire and receive City-paid healthcare benefits upon attainment of age 50 and 5 years of service. For retirees hired prior to January 1, 1998, the City pays the full premium of the retiree, spouse, and eligible dependents. Supplemental contributions are paid from a City-funded Retirement Medical Account to the extent necessary to achieve compliance with PEMHCA's equal contribution method with respect to these retirees. For all others, the City pays 50% of the applicable "State Formula" dollar amount for retirees with 10 years of service, plus an additional 5% per year of service, to a maximum of 100% after 20 years. Benefits are paid for the lifetime of the retiree, spouse or surviving spouse, and dependents up to the age of 26. The 2020 State Formula monthly dollar amounts are \$767 single, \$1,461 two-party, and \$1,868 family, and for 2021 the corresponding amounts are \$816, \$1,548, and \$1,986. In addition, the City pays a 0.33%-of-premium administrative fee to PEMHCA for each retiree.

The City reports the financial activity of the other post-employment benefits (OPEB) in the fiduciary OPEB Trust Fund, and no separate financial report is prepared.

Employees Covered

As of the June 30, 2021 measurement period, membership consisted of the following:

Active plan members	160
Inactive plan members or beneficiaries currently receiving benefit payments	71
Inactive plan members entitled to, but not yet receiving benefits	<u>16</u>
Total	<u><u>247</u></u>

Contributions

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. Total contributions for the year ended June 30, 2022 were \$2,829,392

Net OPEB Liability

The City's net OPEB liability ("NOL") was measured as of June 30, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021. The total OPEB liability was determined using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Funding Method	Entry Age Normal Cost, level percent of pay
Long Term Return on Assets	6.15%, net of plan investment expenses and including inflation
Discount Rate	5.85%
Participants Valued	Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation.
Assumed Wage Inflation	3.00% per annum
Salary Increases	3.00% per annum
General Inflation Rate	2.50% per annum
Investment Rate of Return	5.80%, net of OPEB plan investment expense
Healthcare Cost Trend Rate	5.4% in 2021, grading down to 4% by 2076

Mortality rates were the published CalPERS rates, adjusted to back out 15 years of Scale MP 2016 to central year 2015 and then projected based on MacLeod Watts Scale 2022 applied generationally from 2015.

Demographic actuarial assumptions used in the June 30, 2021 valuation were based on the 2017 experience study of CalPERS using data from 1997 to 2015.

**CITY OF LINCOLN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 13: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

Changes in Assumptions

In the June 30, 2021 valuation, the long-term return on assets was adjusted to 6.15% and the discount rate was adjusted to 5.85%. In the June 30, 2019 valuation, there were no changes in assumptions.

Expected Long-term Return on Trust Assets

The expected long-term return on trust assets was derived from information provided by the City's Trust Asset Manager summarized in the following table:

Asset Class/Investment	Geometric Return	Volatility	Correlation Matrix			
			Domestic Equity	Fixed Income	International Equity	Real Assets
Domestic Equity	7.90 %	14.20 %	1.00	0.21	0.60	0.67
Fixed Income	3.40 %	4.60 %	0.21	1.00	0.13	0.20
International Equity	6.80 %	14.80 %	0.60	0.13	1.00	0.55
Real Assets	5.40 %	10.10 %	0.67	0.27	0.55	1.00

The given geometric returns were increased upward 75 bps to adjust the inflation assumption used to develop the projected returns from 1.75% to the 2.5% inflation assumption. 50 bps was then subtracted to account for assumed trust investment fees. The target allocation and estimates of geometric returns for each major asset class and the portfolio are summarized in the table below:

Asset Class/Investment	Target Allocation	Net Geometric Return
Domestic Equity	31.6%	8.15%
Fixed Income	39.0%	3.65%
International Equity	21.5%	7.05%
Real Assets	7.9%	5.65%

Discount Rate

GASB 75 requires a discount rate that reflects the following:

- a. The long-term expected rate of return on OPEB plan investments - to the extent that the OPEB plan's fiduciary net position (if any) is projected to be sufficient to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return;
- b. A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher - to the extent that the conditions in (a) are not met.

To determine a resulting single (blended) rate, the amount of the plan's projected fiduciary net position (if any) and the amount of projected benefit payments is compared in each period of projected benefit payments. The discount rate used to measure the City's total OPEB liability is based on these requirements and the following information:

Reporting Date	Measurement Date	Long-Term Expected Return of Plan Investments (if any)	Discount Rate
June 30, 2022	June 30, 2021	6.15%	5.85%

**CITY OF LINCOLN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 13: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

<u>Changes in the Net OPEB Liability</u>	<u>Total OPEB Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net OPEB Liability/(Asset) (c) = (a) - (b)</u>
Balance June 30, 2020 (measurement date)	\$ 33,068,098	\$ 6,147,272	\$ 26,920,826
Service cost	1,351,867	-	1,351,867
Interest cost	1,965,766	-	1,965,766
Employer contributions	-	2,838,692	(2,838,692)
Net investment income	-	1,704,885	(1,704,885)
Plan experience	(2,850,248)	-	(2,850,248)
Changes of assumptions	(2,288,095)	-	(2,288,095)
Benefit payments	(1,054,899)	(1,054,899)	-
Administrative expense	-	(21,933)	21,933
Net change during 2020-21	<u>(2,875,609)</u>	<u>3,466,745</u>	<u>(6,342,354)</u>
Balance at June 30, 2021 (measurement date)	<u>\$ 30,192,489</u>	<u>\$ 9,614,017</u>	<u>\$ 20,578,472</u>
Plan fiduciary net position as a percentage of the total OPEB liability			31.84 %

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

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

	<u>1% Decrease (5.15%)</u>	<u>Current Discount Rate (6.15%)</u>	<u>1% Increase (7.15%)</u>
Net OPEB Liability (Asset)	\$ <u>24,723,515</u>	\$ <u>20,578,472</u>	\$ <u>17,160,592</u>

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the City, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rate:

	<u>1% Decrease (4.40%)</u>	<u>Current Healthcare Cost Trend Rate (5.40%)</u>	<u>1% Increase (6.40%)</u>
Net OPEB Liability (Asset)	\$ <u>16,705,627</u>	\$ <u>20,578,472</u>	\$ <u>25,366,365</u>

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 13: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2021, the City recognized OPEB expense of \$3,613,948. As of fiscal year ended June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 2,829,392	\$ -
Changes of assumptions	5,162,731	1,982,607
Differences between expected and actual experience	1,933,660	2,469,707
Net difference between projected and actual return on investments	-	927,557
<b>Total</b>	<b>\$ 9,925,783</b>	<b>\$ 5,379,871</b>

\$2,829,392 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the subsequent fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as follows:

For the Fiscal Year Ending June 30,	Recognized Net Deferred Outflows (Inflows) of Resources
2023	\$ 671,816
2024	664,830
2025	657,603
2026	628,002
2027	116,450
Thereafter	(1,022,181)

**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, 2022, the nonspendable amount was \$356,659 and the spendable amount was \$179,397.

**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 disasters.

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 of 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.

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 15: RISK MANAGEMENT (CONTINUED)**

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.

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

The City's investment in the NCCSIF of \$761,979 is recorded in the funds as prepaid insurance. The net change is shown as an income or expenditure/expense item in the funds.

**CITY OF LINCOLN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 16: EXCESS EXPENDITURES AND TRANSFERS OVER APPROPRIATIONS**

The following funds incurred expenditures and transfers in excess of appropriations in the following amounts for the year ended June 30, 2022:

Fund	Excess Expenditures and Transfers
Public Facility Element (PFE)	\$ 578,466
Park In-Lieu	531
Parks and Recreation Tax	244
Special Assessment Districts	72,205
Police Grants	20,542
Federal Grants	199

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

**NOTE 17: CONTINGENCIES AND COMMITMENTS**

Grant Awards

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

Litigation

The City is involved in several pending lawsuits of a nature common to many similar jurisdictions that are being covered by insurance or third party indemnity obligations. City management estimates that potential claims against the City for any lawsuits not covered by insurance will not have a material adverse effect on the financial statements of the City.

Contracts

At June 30, 2022, the City had construction contracts outstanding of approximately \$947,363 related to various capital projects.

Public Health Emergency

The World Health Organization declared the worldwide coronavirus (COVID-19) outbreak a public health emergency on January 30, 2020 and officially declared it as a pandemic as of March 11, 2020. Management has performed an evaluation of certain financial statement line items such as investments, accounts receivable, accounts payable, and accrued expenses to determine whether valuation or impairment adjustments should be made. Management has determined that the amounts reported on the financial statements are properly valued as of June 30, 2022. However, since the duration and full effects of the COVID-19 outbreak are yet unknown there could be future negative impacts to the financial condition of the City.

Contingent Developer Liabilities

**JMC Pay-As-You-Go CFD No. 2006-1 Lakeside Improvement Area 1**

In 2006, the City of Lincoln City Council approved the formation of Community Facilities District (CFD) No. 2006-1 Lakeside pursuant to the Mello Roos Improvement District Act of 1982, for the purpose of incurring bonded indebtedness to fund public improvements on land contained there within. An improvement area within the CFD was established as "Area 1".

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 17: CONTINGENCIES AND COMMITMENTS (CONTINUED)**

In 2008 the City entered into an Acquisition, Funding, and Disclosure Agreement with John Muir Construction, Inc. (JMC) to construct residential development, including infrastructure and improvements on property located within Area 1 of the CFD. The infrastructure and public improvements to be constructed by JMC were anticipated to exceed the funding generated by the sale of Bonds, net formation fees and costs, and to provide additional financing thereof, the City agreed to a "Pay-As-You-Go" clause which details the agreement between the parties for the City to annually reimburse the developer for any unfunded and approved costs with any excess Special Taxes on hand within the district. The City further agreed to continue annual tax levies within the district until all such unfunded costs of JMC were fully reimbursed.

Within the Area 1 Improvement District, a total of \$3,261,095.09 in costs were approved by the City for reimbursement to JMC for the construction of critical improvements and fees paid. As of June 30, 2022, the remaining balance due to JMC was \$2,975,516. City management considers the amount owed to be contingent on certain future events and therefore has not recorded a liability on the statement of fiduciary net position.

**JMC Pay-As-You-Go CFD No. 2006-1 Lakeside Improvement Area 2**

In 2006 the City of Lincoln City Council approved the formation of Community Facilities District (CFD) No. 2006-1 Lakeside pursuant to the Mello Roos Improvement District Act of 1982, for the purpose of incurring bonded indebtedness to fund public improvements on land contained there within. An improvement area within the CFD was established as "Area 2".

In 2008 the City entered into an Acquisition, Funding, and Disclosure Agreement with John Muir Construction, Inc. (JMC) to construct residential development, including infrastructure and improvements on property located within Area 2 of the CFD. The infrastructure and public improvements to be constructed by JMC were anticipated to exceed the funding generated by the sale of Bonds, net formation fees and costs, and to provide additional financing thereof, the City agreed to a "Pay-As-You-Go" clause which details the agreement between the parties for the City to annually reimburse the developer for any unfunded and approved costs with any excess Special Taxes on hand within the district. The City further agreed to continue annual tax levies within the district until all such unfunded costs of JMC were fully reimbursed.

Within the Area 2 Improvement District, a total of \$2,293,028.30 in costs were approved by the City for reimbursement to JMC for the construction of critical improvements and fees paid. As of June 30, 2022, the remaining balance due to JMC was \$1,500,364. City management considers the amount owed to be contingent on certain future events and therefore has not recorded a liability on the statement of fiduciary net position.

**Del Webb/Pulte Critical Facilities Fees**

In 1998 the City entered into a developer agreement with Del Webb to clarify the terms of development between the developer and the City for the Sun City Lincoln Hills, active adult development project. Within the agreement, the City identified certain critical public facilities to be constructed as part of the development project that would also benefit users outside of the identified project area. Due to the extended benefit, if constructed by Del Webb these critical facilities would, as agreed by both parties, entitle the developer to Public Facility Element (PFE) fee credits, equal to the cost of construction of the improvements, which was later determined to be \$8,092,551.

The City's agreement with Del Webb allowed the developer to apply fee credits to building permits and also to receive semi-annual reimbursements based on a formulaic calculation of permit revenue received periodically by the City.

In 2012, the Del Webb developer agreement was terminated and replaced by an agreement with Pulte Home Corporation. At that time, the balance due to Pulte for the remaining PFE credits was \$2,692,290 and an additional \$270,457.50 was due for wastewater interceptor oversizing. As of June 30, 2022, the balance due to the developer was \$1,422,125 for PFE fees and \$0 for wastewater oversizing. City management considers the amount owed to be contingent on certain future events and therefore has not recorded a liability on the government-wide statement of net position.

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

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

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

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the Successor Agency Trust under the requirements of the Bill. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City. Amounts owed to the City are included in Advances to Successor Agency and consisted of \$3,186,100 due to the Water Connections fund.

Capital assets activity for the year ended June 30, 2022, was as follows:

	<u>Balance July 1, 2021</u>	<u>Adjustments</u>	<u>Retirements</u>	<u>Balance June 30, 2022</u>
Capital assets, not being depreciated				
Land	\$ 891,356	\$ 1,653,375	\$ -	\$ 2,544,731
Total capital assets, not being depreciated	<u>891,356</u>	<u>1,653,375</u>	<u>-</u>	<u>2,544,731</u>
Capital assets, net	<u>\$ 891,356</u>	<u>\$ 1,653,375</u>	<u>\$ -</u>	<u>\$ 2,544,731</u>

The following is a summary of changes in long-term liabilities for the year ended June 30, 2022:

	<u>Balance at July 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2022</u>	<u>Current Portion</u>
Tax Allocation Refunding					
Series 2016A	\$ 5,625,000	\$ -	\$ (745,000)	\$ 4,880,000	\$ 775,000
Premium (discount) on bonds, net	<u>290,027</u>	<u>-</u>	<u>(23,202)</u>	<u>266,825</u>	<u>23,202</u>
<b>Total Long-Term Liabilities</b>	<u>\$ 5,915,027</u>	<u>\$ -</u>	<u>\$ (768,202)</u>	<u>\$ 5,146,825</u>	<u>\$ 798,202</u>

A description of the long-term liabilities related to the Successor Agency at June 30, 2022 follows:

Tax Allocation Refunding Bonds Series 2016 A&B

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

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

**CITY OF LINCOLN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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

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

For the Year Ending June 30,	2016A	
	Principal	Interest
2023	\$ 775,000	\$ 194,306
2024	805,000	158,681
2025	845,000	117,431
2026	885,000	74,181
2027	715,000	41,331
2028 - 2032	590,000	104,810
2033 - 2034	<u>265,000</u>	<u>10,285</u>
Total	<u>\$ 4,880,000</u>	<u>\$ 701,025</u>

**NOTE 19: PRIOR PERIOD ADJUSTMENT AND CHANGE IN ACCOUNTING PRINCIPLE**

Change in Accounting Principle

For June 30, 2022, the City implemented GASB Statement No. 87, *Leases*. These changes were incorporated in the financial statements, but had no effect on the beginning net position of the governmental activities or the beginning fund balance of the General Fund, since the deferred inflows equal the amount of the lease receivable.

Prior Period Adjustments

In 2022, the City determined the following items had been incorrectly recorded in a prior year:

1. Land belonging to the Successor Agency had been incorrectly recorded as land in the governmental activities statement of net position;
2. Two parcels of land belonging to the Successor Agency had not been recorded in the Successor Agency financial statements;
3. Governmental activities depreciable assets were incorrectly depreciated;
4. Grant revenues were incorrectly recorded.

Governmental activities prior period adjustment was recorded by the City, effectively increasing net position as of July 1, 2022 by \$117,462. The net increase resulted from the following:

Correction of capital assets - land	\$ (450,367)
Correction of capital assets - depreciation	<u>567,829</u>
Total governmental activities prior period restatement	<u>\$ 117,462</u>

**CITY OF LINCOLN**  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2022

**NOTE : PRIOR PERIOD ADJUSTMENT (CONTINUED)**

Governmental funds prior period adjustment was recorded by the City, effectively increasing fund balance in the Development Services fund as of June 30, 2022 by \$11,081 and decreasing fund balance in the Other Governmental Funds as of June 30, 2022 by \$11,081. The net increase resulted from the following:

Development Services	\$	11,081
Street Fund		193,327
State Grants		<u>(204,408)</u>
Total governmental funds prior period restatement	\$	<u><u>-</u></u>

Fiduciary funds prior period adjustment was recorded by the City, effectively increasing net position as of June 30, 2022 by \$1,653,375 due to the addition of the land.

**NOTE 20: SUBSEQUENT EVENTS**

Wastewater JPA Formation with Placer County

On November 8, 2022, the City Council approved the Lincoln-SMD1 Wastewater Authority Joint Power Agreement. The Placer County Board of Supervisors will consider approval of this agreement on November 9, 2022. Should the Placer County Board of Supervisors approve the agreement, a new Joint Powers Authority will be formed that will require the City to transfer all assets and resources related to wastewater collection within 90 days of formation. The JPA will provide wastewater treatment services for the City of Lincoln and sections of Placer County. The City will retain wastewater collection activities, assets and resources.

Bond Issuance

On October 8, 2019, the City Council adopted Resolution 2019-230 (Resolution of Formation) for Community Facility District (CFD) 2019-1 Independence at Lincoln and Resolution 2019-231 which deemed it necessary to incur bonded indebtedness within the newly formed District. These actions permitted 2 bond issuances of up to \$15,000,000, with total bonds issued not to exceed \$30,000,000 to finance facilities and incidental expenses. The City is in the process of the first bond issuance for CFD 2019-1 Independence at Lincoln \$13,000,000 with proposed date of December 8, 2022.

Management has evaluated subsequent events through December 22, 2022 the date on which the financial statements were available for issuance. Management has determined no other subsequent events requiring disclosure have occurred.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**CITY OF LINCOLN**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**Prepared for the City's Miscellaneous and Safety Plan, a Cost Sharing Defined Benefit Pension Plan**  
**As of June 30, 2022**  
**Last 10 Years \***

	Measurement Period			
	2021	2020	2019	2018
Proportion of the net pension liability	0.24620 %	0.22617 %	0.22051 %	0.21781 %
Proportionate share of the net pension liability	\$13,315,051	\$24,608,405	\$22,596,016	\$20,988,366
Covered payroll	\$13,343,483	\$13,246,028	\$12,523,804	\$12,408,728
Proportionate share of the net pension liability as a percentage of covered payroll	99.79 %	185.78 %	180.42 %	169.14 %
Plan fiduciary net position as a percentage of the total pension liability	88.30 %	75.10 %	75.30 %	73.69 %

**Notes to Schedule:**

Changes in assumptions. In 2021, 2020 and 2019, there were no changes in assumptions. In 2018, assumptions for individual salary increases and overall payroll growth are reduced from 3.00 percent to 2.75 percent. In 2017, the discount rate was lowered from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

\* Schedule is intended to show information for ten years. Fiscal year 2015 was the first year of implementation, therefore only eight years are shown. Additional years' information will be displayed as it becomes available.

**CITY OF LINCOLN**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (CONTINUED)**  
**Prepared for the City's Miscellaneous and Safety Plan, a Cost Sharing Defined Benefit Pension Plan**  
**As of June 30, 2022**  
**Last 10 Years \***

	Measurement Period			
	2017	2016	2015	2014
Proportion of the net pension liability	0.21651 %	0.21666 %	0.22580 %	0.22100 %
Proportionate share of the net pension liability	\$21,472,079	\$18,748,220	\$15,498,852	\$13,410,759
Covered payroll	\$11,448,542	\$11,091,872	\$ 9,853,264	\$ 9,416,587
Proportionate share of the net pension liability as a percentage of covered payroll	187.55 %	169.03 %	157.30 %	142.42 %
Plan fiduciary net position as a percentage of the total pension liability	73.29 %	74.06 %	78.40 %	79.82 %

**CITY OF LINCOLN**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PENSION CONTRIBUTIONS**  
**Prepared for the City's Miscellaneous and Safety Plan, a Cost Sharing Defined Benefit Pension Plan**  
**As of June 30, 2022**  
**Last 10 Years \***

	Fiscal Year-End			
	2022	2021	2020	2019
Contractually required contribution (actuarially determined)	\$ 3,597,502	\$ 3,286,549	\$ 2,951,400	\$ 2,357,589
Contributions in relation to the actuarially determined contributions	<u>3,597,502</u>	<u>3,286,549</u>	<u>2,951,400</u>	<u>2,357,589</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$14,436,812	\$13,343,483	\$13,246,028	\$12,523,804
Contributions as a percentage of covered payroll	24.92 %	24.63 %	22.28 %	18.82 %

\* Schedule is intended to show information for ten years. Fiscal year 2015 was the first year of implementation, therefore only eight years are shown. Additional years' information will be displayed as it becomes available.

**CITY OF LINCOLN**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PENSION CONTRIBUTIONS (CONTINUED)**  
**Prepared for the City's Miscellaneous and Safety Plan, a Cost Sharing Defined Benefit Pension Plan**  
**As of June 30, 2022**  
**Last 10 Years \***

	Fiscal Year-End			
	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 2,387,695	\$ 2,413,504	\$ 2,325,521	\$ 2,175,731
Contributions in relation to the actuarially determined contributions	<u>2,387,695</u>	<u>2,413,504</u>	<u>2,325,521</u>	<u>2,175,731</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$12,408,728	\$11,448,542	\$11,091,872	\$ 9,853,264
Contributions as a percentage of covered payroll	19.24 %	21.08 %	20.97 %	22.08 %

**CITY OF LINCOLN**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE CITY'S NET OPEB LIABILITY AND RELATED RATIOS**  
**For the Measurement Periods Ended June 30**  
**Last 10 Years\***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total OPEB liability</b>					
Service cost	\$ 1,351,867	\$ 1,312,491	\$ 458,435	\$ 458,434	\$ 428,445
Interest	1,965,766	1,838,522	1,268,915	1,170,689	1,108,069
Actual vs. expected experience	(2,850,248)	-	3,219,910	-	-
Changes in assumptions	(2,288,095)	-	8,596,918	-	-
Benefit payments	<u>(1,054,899)</u>	<u>(938,156)</u>	<u>(715,734)</u>	<u>(642,049)</u>	<u>(641,837)</u>
Net change in total OPEB liability	(2,875,609)	2,212,857	12,828,444	987,074	894,677
Total OPEB liability, beginning	<u>33,068,098</u>	<u>30,855,241</u>	<u>18,026,797</u>	<u>17,039,723</u>	<u>16,145,046</u>
Total OPEB liability, ending (a)	<u>\$ 30,192,489</u>	<u>\$ 33,068,098</u>	<u>\$ 30,855,241</u>	<u>\$ 18,026,797</u>	<u>\$ 17,039,723</u>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 2,838,692	\$ 1,918,161	\$ 1,680,769	\$ 1,387,317	\$ 641,837
Net investment income	1,704,885	170,678	263,013	232,736	265,305
Benefit payments	(1,054,899)	(938,156)	(715,734)	(642,049)	(641,837)
Administrative expenses	<u>(21,933)</u>	<u>(15,990)</u>	<u>(13,083)</u>	<u>(32,510)</u>	<u>(31,048)</u>
Net change in plan fiduciary net position	3,466,745	1,134,693	1,214,965	945,494	234,257
Plan fiduciary net position, beginning	<u>6,147,272</u>	<u>5,012,579</u>	<u>3,797,614</u>	<u>2,852,120</u>	<u>2,617,863</u>
Plan fiduciary net position, ending (b)	<u>\$ 9,614,017</u>	<u>\$ 6,147,272</u>	<u>\$ 5,012,579</u>	<u>\$ 3,797,614</u>	<u>\$ 2,852,120</u>
Net OPEB liability, ending (a) - (b)	<u>\$ 20,578,472</u>	<u>\$ 26,920,826</u>	<u>\$ 25,842,662</u>	<u>\$ 14,229,183</u>	<u>\$ 14,187,603</u>
Plan fiduciary net position as a percentage of the total OPEB liability	31.84 %	18.59 %	16.25 %	21.07 %	16.74 %
Covered-employee payroll	\$ 15,553,955	\$ 15,063,799	\$ 14,551,020	\$ 14,446,929	\$ 13,889,533
Net OPEB liability as a percentage of covered-employee payroll	132.30 %	178.71 %	177.60 %	98.49 %	102.15 %

**Notes to Schedule:**

Changes of assumptions: In the June 30, 2021 valuation, the long-term return on assets was adjusted to 6.15% and the discount rate was adjusted to 5.85%. The discount rate was changed from 7.00 percent to 5.80 percent for the measurement period ended June 30, 2019.

\* Schedule is intended to show information for ten years. Fiscal year 2018 was the first year of implementation, therefore only five years are shown. Additional years' information will be displayed as it becomes available.

**CITY OF LINCOLN  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF OPEB CONTRIBUTIONS  
For the Fiscal Year Ended June 30  
Last 10 Years\***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially Determined Contribution (ADC)	\$ 2,973,969	\$ 2,887,227	\$ 1,918,161	\$ 1,291,605	\$ 1,222,832
Contributions in relation to the ADC	<u>(2,829,392)</u>	<u>(2,838,692)</u>	<u>(1,918,161)</u>	<u>(1,680,769)</u>	<u>(1,461,479)</u>
Contribution deficiency (excess)	<u>\$ 144,577</u>	<u>\$ 48,535</u>	<u>\$ -</u>	<u>\$ (389,164)</u>	<u>\$ (238,647)</u>
Covered-employee payroll	17,459,086	15,553,955	15,063,799	14,551,020	14,446,929
Contributions as a percentage of covered-employee payroll	16.21%	18.25%	12.73%	11.55%	10.12%

\* Schedule is intended to show information for ten years. Fiscal year 2018 was the first year of implementation, therefore only five years are shown. Additional years' information will be displayed as it becomes available.

**CITY OF LINCOLN**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>2021 - 2022</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Actual Amounts</b>	
<b>REVENUES</b>				
Taxes and assessments	\$ 18,175,404	\$ 18,985,404	\$ 20,887,944	\$ 1,902,540
Licenses and permits	1,290,300	1,520,300	2,034,864	514,564
Intergovernmental	456,000	538,290	1,673,562	1,135,272
Fines and forfeitures	43,000	43,000	50,196	7,196
Use of money and property	233,000	233,000	(530,273)	(763,273)
Charges for services	1,774,271	2,614,840	3,376,123	761,283
Other revenues	<u>225,000</u>	<u>257,500</u>	<u>678,046</u>	<u>420,546</u>
Total Revenues	<u>22,196,975</u>	<u>24,192,334</u>	<u>28,170,462</u>	<u>3,978,128</u>
<b>EXPENDITURES</b>				
Current:				
General Government				
Administration allocation	2,567,514	2,656,814	3,326,571	(669,757)
City council	182,600	290,600	1,490,406	(1,199,806)
City treasurer	8,704	8,704	8,485	219
City attorney	246,150	255,691	293,570	(37,879)
City manager administration	35,000	24,000	6,422	17,578
Human resources	57,760	75,760	37,343	38,417
Economic development	99,051	48,526	44,929	3,597
Administrative services	-	-	3,800	(3,800)
IT	27,100	33,150	5,027	28,123
Finance	<u>528,135</u>	<u>528,135</u>	<u>568,347</u>	<u>(40,212)</u>
<b>Total General Government</b>	<u>3,752,014</u>	<u>3,921,380</u>	<u>5,784,900</u>	<u>(1,863,520)</u>
Public Safety				
Fire operations	5,808,672	5,869,672	5,716,191	153,481
Police operations	<u>7,599,396</u>	<u>7,682,677</u>	<u>7,199,846</u>	<u>482,831</u>
<b>Total Public Safety</b>	<u>13,408,068</u>	<u>13,552,349</u>	<u>12,916,037</u>	<u>636,312</u>
Public Works and Facilities				
Streets	-	-	5,366	(5,366)
Parks	271,869	278,356	240,594	37,762
Facilities Maintenance	809,811	824,811	595,253	229,558
Fleet Maintenance	<u>458,478</u>	<u>508,101</u>	<u>360,573</u>	<u>147,528</u>
<b>Total Public Works</b>	<u>1,540,158</u>	<u>1,611,268</u>	<u>1,201,786</u>	<u>409,482</u>
Culture and Recreation				
Recreation and administration	324,035	294,195	284,697	9,498
Adult sports	91,344	91,344	70,859	20,485
Youth sports	224,052	224,052	123,826	100,226
Community classes/facility rental	291,105	291,105	186,254	104,851
Special events	71,620	71,620	56,699	14,921
Contract classes	113,377	113,377	77,437	35,940
Aquatic programs	<u>153,976</u>	<u>153,976</u>	<u>122,292</u>	<u>31,684</u>
<b>Total Culture and Recreation</b>	<u>1,269,509</u>	<u>1,239,669</u>	<u>922,064</u>	<u>317,605</u>

**CITY OF LINCOLN**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>2021 - 2022</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b><u>Budgeted Amounts</u></b>			
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Actual Amounts</u></b>	
Urban Development and Housing				
Development services administration	134,046	135,542	138,038	(2,496)
Planning	131,100	135,369	103,368	32,001
Engineering	93,139	97,076	119,946	(22,870)
Building	<u>191,531</u>	<u>226,491</u>	<u>217,345</u>	<u>9,146</u>
<b>Total Urban Development and Housing</b>	<b><u>549,816</u></b>	<b><u>594,478</u></b>	<b><u>578,697</u></b>	<b><u>15,781</u></b>
Education				
Twelve Bridges library	<u>692,728</u>	<u>704,478</u>	<u>752,926</u>	<u>(48,448)</u>
<b>Total Education</b>	<b><u>692,728</u></b>	<b><u>704,478</u></b>	<b><u>752,926</u></b>	<b><u>(48,448)</u></b>
Capital Outlay				
Police operations	184,500	171,481	391,481	(220,000)
Facilities maintenance	237,500	117,742	117,742	-
Parks	<u>-</u>	<u>394,015</u>	<u>394,015</u>	<u>-</u>
<b>Total Capital Outlay</b>	<b><u>422,000</u></b>	<b><u>683,238</u></b>	<b><u>903,238</u></b>	<b><u>(220,000)</u></b>
Debt Service:				
Principal	261,313	308,719	247,867	60,852
Interest	<u>-</u>	<u>-</u>	<u>48,513</u>	<u>(48,513)</u>
<b>Total Debt Service</b>	<b><u>261,313</u></b>	<b><u>308,719</u></b>	<b><u>296,380</u></b>	<b><u>12,339</u></b>
Total Expenditures	<u>21,895,606</u>	<u>22,615,579</u>	<u>23,356,028</u>	<u>(740,449)</u>
Excess (deficiency) of revenues over expenditures	<u>301,369</u>	<u>1,576,755</u>	<u>4,814,434</u>	<u>3,237,679</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Proceeds from capital lease	-	-	220,000	220,000
Transfers in	140,700	140,700	140,682	(18)
Transfers out	<u>(1,046,713)</u>	<u>(1,104,719)</u>	<u>(1,315,077)</u>	<u>(210,358)</u>
Total Other Financing Sources (Uses)	<b><u>(906,013)</u></b>	<b><u>(964,019)</u></b>	<b><u>(954,395)</u></b>	<b><u>9,624</u></b>
Net change in fund balance	<b><u>\$ (604,644)</u></b>	<b><u>\$ 612,736</u></b>	3,860,039	<b><u>\$ 3,247,303</u></b>
Fund balance - July 1, 2021			<u>24,166,803</u>	
Fund balance - June 30, 2022			<b><u>\$ 28,026,842</u></b>	

**CITY OF LINCOLN**  
**PUBLIC FACILITY ELEMENT (PFE) - MAJOR SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>2021 - 2022</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Actual Amounts</b>	
<b><u>REVENUES</u></b>				
Use of money and property	\$ 87,000	\$ 87,000	\$ (696,407)	\$ (783,407)
Charges for services	4,124,459	8,449,459	10,791,194	2,341,735
Other revenues	<u>360,000</u>	<u>65,000</u>	<u>335,633</u>	<u>270,633</u>
Total Revenues	<u>4,571,459</u>	<u>8,601,459</u>	<u>10,430,420</u>	<u>1,828,961</u>
<b><u>EXPENDITURES</u></b>				
Current:				
General government	11,420	14,240	70,333	(56,093)
Public works and facilities	10,734	10,734	331,523	(320,789)
Education	80,000	80,000	67,523	12,477
Capital outlay	570,000	6,874,827	7,083,296	(208,469)
Debt service:				
Interest and fiscal charges	<u>20,248</u>	<u>20,248</u>	<u>25,840</u>	<u>(5,592)</u>
Total Expenditures	<u>692,402</u>	<u>7,000,049</u>	<u>7,578,515</u>	<u>(578,466)</u>
Net change in fund balance	<u>\$ 3,879,057</u>	<u>\$ 1,601,410</u>	2,851,905	<u>\$ 1,250,495</u>
Fund balance - July 1, 2021			<u>13,304,551</u>	
Fund balance - June 30, 2022			<u>\$ 16,156,456</u>	

**CITY OF LINCOLN**  
**WATER CONNECTIONS - MAJOR SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>2021 - 2022</b>		<b>Actual</b>	<b>Variance</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>with Final</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
Use of money and property	\$ 150,000	\$ 150,000	\$ (1,439,958)	\$ (1,589,958)
Charges for services	<u>4,625,245</u>	<u>7,625,245</u>	<u>10,034,499</u>	<u>2,409,254</u>
Total Revenues	<u>4,775,245</u>	<u>7,775,245</u>	<u>8,594,541</u>	<u>819,296</u>
<b>EXPENDITURES</b>				
Current:				
Public works and facilities	20,971	20,971	15,300	5,671
Capital outlay	<u>-</u>	<u>217,939</u>	<u>-</u>	<u>217,939</u>
Total Expenditures	<u>20,971</u>	<u>238,910</u>	<u>15,300</u>	<u>223,610</u>
Excess of revenues over expenditures	<u>4,754,274</u>	<u>7,536,335</u>	<u>8,579,241</u>	<u>1,042,906</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(4,000,000)</u>	<u>(4,000,000)</u>	<u>(4,000,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(4,000,000)</u>	<u>(4,000,000)</u>	<u>(4,000,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ 754,274</u>	<u>\$ 3,536,335</u>	4,579,241	<u>\$ 1,042,906</u>
Fund balance - July 1, 2021			<u>45,947,054</u>	
Fund balance - June 30, 2022			<u>\$ 50,526,295</u>	

**CITY OF LINCOLN**  
DEVELOPMENT SERVICES - MAJOR SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<b>2021 - 2022</b>		<b>Actual</b>	<b>Variance</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>with Final</b>
				<b>Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
License and permits	\$ 2,004,000	\$ 4,044,000	\$ 5,485,626	\$ 1,441,626
Intergovernmental	-	158,400	55,229	(103,171)
Use of money and property	5,000	5,000	(617,307)	(622,307)
Charges for services	1,486,000	2,296,000	2,722,191	426,191
Other revenues	<u>24,000</u>	<u>24,000</u>	<u>24,789</u>	<u>789</u>
Total Revenues	<u>3,519,000</u>	<u>6,527,400</u>	<u>7,670,528</u>	<u>1,143,128</u>
<b>EXPENDITURES</b>				
Current:				
Public works and facilities	<u>2,884,496</u>	<u>3,719,006</u>	<u>2,990,464</u>	<u>728,542</u>
Total Expenditures	<u>2,884,496</u>	<u>3,719,006</u>	<u>2,990,464</u>	<u>728,542</u>
Excess (deficiency) of revenues over expenditures	<u>634,504</u>	<u>2,808,394</u>	<u>4,680,064</u>	<u>1,871,670</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(194,656)</u>	<u>(80,656)</u>	<u>(80,208)</u>	<u>448</u>
Total Other Financing Sources (Uses)	<u>(194,656)</u>	<u>(80,656)</u>	<u>(80,208)</u>	<u>448</u>
Net change in fund balance	<u>\$ 439,848</u>	<u>\$ 2,727,738</u>	<u>4,599,856</u>	<u>\$ 1,872,118</u>
Fund balance - July 1, 2021			9,058,396	
Prior period adjustment			<u>11,081</u>	
Fund balance - July 1, 2021, restated			<u>9,069,477</u>	
Fund balance - June 30, 2022			<u>\$ 13,669,333</u>	

**CITY OF LINCOLN**  
 LOW/MODERATE INCOME HOUSING - NONMAJOR SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>2021 - 2022</u> <u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Use of money and property	\$ <u>10,000</u>	\$ <u>10,000</u>	\$ <u>(61,491)</u>	\$ <u>(71,491)</u>
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>(61,491)</u>	<u>(71,491)</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Public works and facilities	<u>1,065</u>	<u>1,065</u>	<u>695</u>	<u>370</u>
Total Expenditures	<u>1,065</u>	<u>1,065</u>	<u>695</u>	<u>370</u>
Net change in fund balance	\$ <u>8,935</u>	\$ <u>8,935</u>	(62,186)	\$ <u>(71,121)</u>
Fund balance - July 1, 2021			<u>1,700,438</u>	
Fund balance - June 30, 2022			<u>\$ 1,638,252</u>	

**CITY OF LINCOLN  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY ACCOUNTING AND CONTROL  
FOR THE YEAR ENDED JUNE 30, 2022**

**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 State Grants and ARPA nonmajor special revenue funds, or the debt service and capital project funds. The following procedures are performed by the City in establishing the budgetary data reflected in the financial statements:

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

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

- (2) Council approval is required for transfers between funds, or for an increase in total appropriations. Therefore, the level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis (General Government, Public Safety, etc.).
- (3) Formal budgetary integration is employed as a management control device during the year for the General fund and special revenue funds. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant adjustments.
- (4) All unused appropriations for budgeted amounts lapse at the end of the year.
- (5) Individual fund budgetary comparisons are not presented at the detail budget unit level due to their excessive length. A separate document presenting this information is available. The City does not use encumbrance accounting under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

**NOTE 2: EXPENDITURES IN EXCESS OF APPROPRIATIONS**

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

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess of Expenditures Over Appropriations</u>
Administration allocation	\$ 2,656,814	\$ 3,326,571	\$ 669,757
City council	290,600	1,490,406	1,199,806
City attorney	255,691	293,570	37,879
Administrative services	-	3,800	3,800
Finance	528,135	568,347	40,212
Streets	-	5,366	5,366
Development services administration	135,542	138,038	2,496
Engineering	97,076	119,946	22,870
Twelve Bridges library	704,478	752,926	48,448
Capital outlay - police operations	171,481	391,481	220,000
Debt service - interest	-	48,513	48,513

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**COMBINING FINANCIAL SCHEDULES AND OTHER SUPPLEMENTARY INFORMATION**

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## NON-MAJOR GOVERNMENTAL FUNDS

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

### **SPECIAL REVENUE FUNDS**

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

#### Park In-Lieu

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

#### Gas Tax

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

#### Street Fund

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

#### Parks and Recreation Tax

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

#### Special Assessment Districts

Accounts for resources received to provide improvements and maintenance to public property within a district.

#### State Grants

Accounts for state grants received and used for capital projects.

#### Police Grants

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

#### ARPA

Accounts for revenues and expenditures of the American Rescue Plan Act (ARPA) grant.

#### 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).

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## NON-MAJOR GOVERNMENTAL FUNDS

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### **SPECIAL REVENUE FUNDS (CONTINUED)**

#### HOME Investment Partnership Program

Accounts for HOME Investment Partnership grants received for community services.

#### Cal Home Grants

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

#### Oak Tree Mitigation

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

#### Federal Grants

Accounts for Federal grant revenues and project expenditures.

### **CAPITAL PROJECT FUNDS**

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

#### 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.

#### Lincoln Crossing

Accounts for monies provided and used for Lincoln Crossing improvements.

### **DEBT SERVICE FUNDS**

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

#### Lincoln Public Financing Authority Series 2016

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

### **PERMANENT FUNDS**

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

#### Stormwater Retention Maintenance

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

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**NON-MAJOR GOVERNMENTAL FUNDS**

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**PERMANENT FUNDS (CONTINUED)**

Suncal Open Space Endowment

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

Brookview Open Space Maintenance Trust

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

Sterling Point Endowment

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

WWTRF Tertiary Storage Basin Maintenance

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

Lincoln Aircenter

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

**CITY OF LINCOLN**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEETS**  
**JUNE 30, 2022**

<b>Special Revenue Funds</b>
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	Park In-Lieu	Gas Tax	Street Fund	Parks and Recreation Tax	Special Assessment Districts
<b>ASSETS</b>					
Cash and investments	\$ 983,969	\$ 2,457,370	\$ 4,222,346	\$ 906,298	\$ 11,854,041
Accounts receivable	-	214,174	87,537	-	(3,190)
Interest receivable	232	652	951	214	2,631
Taxes receivable	-	-	-	-	197,129
Intergovernmental receivable	-	-	-	-	-
Lease receivable	-	-	-	-	46,353
Due from other funds	-	266,602	-	-	-
Prepaid items	-	-	22,859	-	38,099
Advances to other funds	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-
Loans receivable, net	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 984,201</b>	<b>\$ 2,938,798</b>	<b>\$ 4,333,693</b>	<b>\$ 906,512</b>	<b>\$ 12,135,063</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)</b>					
<b>LIABILITIES:</b>					
Accounts payable	\$ -	\$ 5,720	\$ 221,108	\$ -	\$ 719,719
Accrued payroll and benefits	-	29,087	14,588	-	22,490
Accrued liabilities	576	22	2,228	-	1,650
Retention payable	-	754	-	-	-
Deposits and other payables	-	-	-	-	77,031
Due to other funds	-	-	-	-	-
<b>Total Liabilities</b>	<b>576</b>	<b>35,583</b>	<b>237,924</b>	<b>-</b>	<b>820,890</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable revenues	-	-	-	-	-
Leases	-	-	-	-	46,353
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46,353</b>
<b>FUND BALANCES (DEFICITS):</b>					
Nonspendable	-	-	22,859	-	38,099
Restricted	983,625	2,903,215	4,072,910	906,512	11,229,721
Unassigned	-	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>983,625</b>	<b>2,903,215</b>	<b>4,095,769</b>	<b>906,512</b>	<b>11,267,820</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<b>\$ 984,201</b>	<b>\$ 2,938,798</b>	<b>\$ 4,333,693</b>	<b>\$ 906,512</b>	<b>\$ 12,135,063</b>

**CITY OF LINCOLN**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEETS (continued)**  
**JUNE 30, 2022**

	<b>Special Revenue Funds</b>				
	<u>State Grants</u>	<u>Police Grants</u>	<u>ARPA</u>	<u>Revitalization and Rehabilitation Loans</u>	<u>Community Development Block Grant (CDBG)</u>
<b><u>ASSETS</u></b>					
Cash and investments	\$ -	\$ 13,505	\$ -	\$ 873,043	\$ 61,200
Accounts receivable	-	-	-	-	-
Interest receivable	-	5	-	206	-
Taxes receivable	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-
Lease receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
Prepaid items	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-
Loans receivable, net	-	-	-	-	416,390
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 13,510</b>	<b>\$ -</b>	<b>\$ 873,249</b>	<b>\$ 477,590</b>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)</u></b>					
<b>LIABILITIES:</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 410
Accrued payroll and benefits	-	-	-	-	-
Accrued liabilities	-	-	-	-	-
Retention payable	-	-	-	-	-
Deposits and other payables	-	-	-	-	-
Due to other funds	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>410</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable revenues	-	-	-	-	416,390
Leases	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>416,390</b>
<b>FUND BALANCES (DEFICITS):</b>					
Nonspendable	-	-	-	-	-
Restricted	-	13,510	-	873,249	60,790
Unassigned	-	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>-</b>	<b>13,510</b>	<b>-</b>	<b>873,249</b>	<b>60,790</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<b>\$ -</b>	<b>\$ 13,510</b>	<b>\$ -</b>	<b>\$ 873,249</b>	<b>\$ 477,590</b>

**CITY OF LINCOLN**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEETS (continued)**  
**JUNE 30, 2022**

	<b>Special Revenue Funds</b>				<b>Capital Project Funds</b>
	HOME Investment Partnership Program	Cal Home Grants	Oak Tree Mitigation	Federal Grants	Capital Projects
<b>ASSETS</b>					
Cash and investments	\$ 466,968	\$ 1,038,641	\$ 3,344,481	\$ -	\$ 1,350,697
Accounts receivable	-	-	-	-	-
Interest receivable	-	-	763	-	318
Taxes receivable	-	-	-	-	-
Intergovernmental receivable	-	-	-	259,183	-
Lease receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
Prepaid items	-	-	-	-	-
Advances to other funds	-	-	2,346,920	-	-
Restricted cash and investments	-	-	-	-	-
Loans receivable, net	1,495,176	259,692	-	-	-
<b>Total Assets</b>	<b>\$ 1,962,144</b>	<b>\$ 1,298,333</b>	<b>\$ 5,692,164</b>	<b>\$ 259,183</b>	<b>\$ 1,351,015</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)</b>					
<b>LIABILITIES:</b>					
Accounts payable	\$ 410	\$ 381	\$ 29,010	\$ 114,779	\$ 121,770
Accrued payroll and benefits	-	-	-	-	-
Accrued liabilities	-	-	-	-	4,370
Retention payable	-	-	-	5,983	-
Deposits and other payables	-	-	-	-	-
Due to other funds	-	-	-	266,602	-
<b>Total Liabilities</b>	<b>410</b>	<b>381</b>	<b>29,010</b>	<b>387,364</b>	<b>126,140</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable revenues	1,495,176	259,692	-	160,000	-
Leases	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>1,495,176</b>	<b>259,692</b>	<b>-</b>	<b>160,000</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS):</b>					
Nonspendable	-	-	-	-	-
Restricted	466,558	1,038,260	5,663,154	-	1,224,875
Unassigned	-	-	-	(288,181)	-
<b>Total Fund Balances (Deficits)</b>	<b>466,558</b>	<b>1,038,260</b>	<b>5,663,154</b>	<b>(288,181)</b>	<b>1,224,875</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<b>\$ 1,962,144</b>	<b>\$ 1,298,333</b>	<b>\$ 5,692,164</b>	<b>\$ 259,183</b>	<b>\$ 1,351,015</b>

**CITY OF LINCOLN**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEETS (continued)**  
**JUNE 30, 2022**

	<b>Capital Project Funds</b>		<b>Debt Service Funds</b>	<b>Permanent Funds</b>	
	<u>Twelve Bridges Capital Project</u>	<u>Lincoln Crossing</u>	<u>Lincoln Public Financing Authority Series 2016</u>	<u>Stormwater Retention Maintenance</u>	<u>Suncal Open Space Endowment</u>
<b>ASSETS</b>					
Cash and investments	\$ 4,660,541	\$ 4,886,243	\$ 2,125,458	\$ 35,297	\$ 264,541
Accounts receivable	-	-	-	-	-
Interest receivable	1,100	1,153	501	8	62
Taxes receivable	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-
Lease receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
Prepaid items	-	-	-	-	-
Advances to other funds	-	-	925,524	-	-
Restricted cash and investments	-	-	2	-	-
Loans receivable, net	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 4,661,641</b>	<b>\$ 4,887,396</b>	<b>\$ 3,051,485</b>	<b>\$ 35,305</b>	<b>\$ 264,603</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)</b>					
<b>LIABILITIES:</b>					
Accounts payable	\$ -	\$ 36,194	\$ -	\$ -	\$ -
Accrued payroll and benefits	-	-	-	-	-
Accrued liabilities	-	-	-	-	-
Retention payable	-	-	-	-	-
Deposits and other payables	-	-	-	-	-
Due to other funds	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>36,194</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable revenues	-	-	-	-	-
Leases	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS):</b>					
Nonspendable	-	-	-	25,439	221,220
Restricted	4,661,641	4,851,202	3,051,485	9,866	43,383
Unassigned	-	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>4,661,641</b>	<b>4,851,202</b>	<b>3,051,485</b>	<b>35,305</b>	<b>264,603</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<b>\$ 4,661,641</b>	<b>\$ 4,887,396</b>	<b>\$ 3,051,485</b>	<b>\$ 35,305</b>	<b>\$ 264,603</b>

**CITY OF LINCOLN**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEETS (continued)**  
**JUNE 30, 2022**

	<b>Permanent Funds</b>				<b>Total Non-major Governmental Funds</b>
	Brookview Open Space Maintenance Trust	Sterling Point Endowment	WWTRF Tertiary Storage Basin Maintenance	Lincoln Aircenter	
<b>ASSETS</b>					
Cash and investments	\$ 5	\$ 64,992	\$ 65,691	\$ 89,192	\$ 39,764,519
Accounts receivable	-	-	-	-	298,521
Interest receivable	-	15	16	21	8,848
Taxes receivable	-	-	-	-	197,129
Intergovernmental receivable	-	-	-	-	259,183
Lease receivable	-	-	-	-	46,353
Due from other funds	-	-	-	-	266,602
Prepaid items	-	-	-	-	60,958
Advances to other funds	-	-	-	-	3,272,444
Restricted cash and investments	16,216	-	-	-	16,218
Loans receivable, net	-	-	-	-	2,171,258
<b>Total Assets</b>	<b>\$ 16,221</b>	<b>\$ 65,007</b>	<b>\$ 65,707</b>	<b>\$ 89,213</b>	<b>\$ 46,362,033</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)</b>					
<b>LIABILITIES:</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 1,249,501
Accrued payroll and benefits	-	-	-	-	66,165
Accrued liabilities	-	-	-	-	8,846
Retention payable	-	-	-	-	6,737
Deposits and other payables	-	-	-	-	77,031
Due to other funds	-	-	-	-	266,602
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,674,882</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable revenues	-	-	-	-	2,331,258
Leases	-	-	-	-	46,353
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,377,611</b>
<b>FUND BALANCES (DEFICITS):</b>					
Nonspendable	5,000	50,000	50,000	5,000	417,617
Restricted	11,221	15,007	15,707	84,213	42,180,104
Unassigned	-	-	-	-	(288,181)
<b>Total Fund Balances (Deficits)</b>	<b>16,221</b>	<b>65,007</b>	<b>65,707</b>	<b>89,213</b>	<b>42,309,540</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<b>\$ 16,221</b>	<b>\$ 65,007</b>	<b>\$ 65,707</b>	<b>\$ 89,213</b>	<b>\$ 46,362,033</b>

**CITY OF LINCOLN**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**Special Revenue Funds**

	<u>Park In-Lieu</u>	<u>Gas Tax</u>	<u>Street Fund</u>	<u>Parks and Recreation Tax</u>	<u>Special Assessment Districts</u>
<b><u>REVENUES</u></b>					
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ 5,267,314
Intergovernmental	-	2,180,401	4,601,288	-	-
Use of money and property	(36,710)	(89,260)	(69,736)	(31,348)	(220,913)
Charges for services	13,824	77,348	-	294,470	51,208
Other revenue	-	-	38,065	-	300,929
Total Revenues	<u>(22,886)</u>	<u>2,168,489</u>	<u>4,569,617</u>	<u>263,122</u>	<u>5,398,538</u>
<b><u>EXPENDITURES</u></b>					
Current:					
General government	-	-	-	-	122,255
Public safety	-	-	-	-	31,112
Public works and facilities	413	960,701	1,811,227	1,798	4,041,309
Cultural and recreation	773	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-
Capital outlay	-	744,285	380,859	56,087	243,318
Debt service:					
Principal	-	-	-	-	-
Interest (accretion) and other charges	-	-	-	-	-
Total Expenditures	<u>1,186</u>	<u>1,704,986</u>	<u>2,192,086</u>	<u>57,885</u>	<u>4,437,994</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(24,072)</u>	<u>463,503</u>	<u>2,377,531</u>	<u>205,237</u>	<u>960,544</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Transfers in	-	-	-	-	686,785
Transfers out	-	(26,736)	(26,735)	-	(80,208)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(26,736)</u>	<u>(26,735)</u>	<u>-</u>	<u>606,577</u>
Net change in fund balances	<u>(24,072)</u>	<u>436,767</u>	<u>2,350,796</u>	<u>205,237</u>	<u>1,567,121</u>
Fund balances (deficits) - July 1, 2021	1,007,697	2,466,448	1,551,646	701,275	9,700,699
Prior period adjustment (Note 19)	-	-	193,327	-	-
Fund balances (deficits) - July 1, 2021, restated	<u>1,007,697</u>	<u>2,466,448</u>	<u>1,744,973</u>	<u>701,275</u>	<u>9,700,699</u>
Fund balances (deficits) - June 30, 2022	<u>\$ 983,625</u>	<u>\$ 2,903,215</u>	<u>\$ 4,095,769</u>	<u>\$ 906,512</u>	<u>\$ 11,267,820</u>

**CITY OF LINCOLN**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<b>Special Revenue Funds</b>				
	<u>State Grants</u>	<u>Police Grants</u>	<u>ARPA</u>	<u>Revitalization and Rehabilitation Loans</u>	<u>Community Development Block Grant (CDBG)</u>
<b><u>REVENUES</u></b>					
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	160,874	5,000	-	-
Use of money and property	-	(2,016)	-	(32,777)	(129,211)
Charges for services	-	-	-	-	3,069
Other revenue	-	-	-	-	21
Total Revenues	<u>-</u>	<u>158,858</u>	<u>5,000</u>	<u>(32,777)</u>	<u>(126,121)</u>
<b><u>EXPENDITURES</u></b>					
Current:					
General government	-	-	5,000	-	22,580
Public safety	-	190,403	-	-	-
Public works and facilities	-	-	-	371	-
Cultural and recreation	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest (accretion) and other charges	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>190,403</u>	<u>5,000</u>	<u>371</u>	<u>22,580</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>(31,545)</u>	<u>-</u>	<u>(33,148)</u>	<u>(148,701)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>(31,545)</u>	<u>-</u>	<u>(33,148)</u>	<u>(148,701)</u>
Fund balances (deficits) - July 1, 2021	204,408	45,055	-	906,397	209,491
Prior period adjustment (Note 19)	<u>(204,408)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficits) - July 1, 2021, restated	<u>-</u>	<u>45,055</u>	<u>-</u>	<u>906,397</u>	<u>209,491</u>
Fund balances (deficits) - June 30, 2022	<u>\$ -</u>	<u>\$ 13,510</u>	<u>\$ -</u>	<u>\$ 873,249</u>	<u>\$ 60,790</u>

**CITY OF LINCOLN**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<b>Special Revenue Funds</b>				<b>Capital Project Funds</b>
	HOME Investment Partnership Program	Cal Home Grants	Oak Tree Mitigation	Federal Grants	Capital Projects
<b>REVENUES</b>					
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	335,761	-
Use of money and property	(88,445)	(41,996)	(111,924)	-	(48,134)
Charges for services	215,006	301,223	1,816,225	-	136,382
Other revenue	-	108	-	-	-
Total Revenues	<u>126,561</u>	<u>259,335</u>	<u>1,704,301</u>	<u>335,761</u>	<u>88,248</u>
<b>EXPENDITURES</b>					
Current:					
General government	3,152	-	-	-	-
Public safety	-	-	-	-	-
Public works and facilities	-	-	84,371	-	573
Cultural and recreation	-	-	-	-	-
Urban redevelopment and housing	-	3,619	-	-	-
Capital outlay	-	-	367,617	371,548	325,473
Debt service:					
Principal	-	-	-	-	-
Interest (accretion) and other charges	-	-	-	-	-
Total Expenditures	<u>3,152</u>	<u>3,619</u>	<u>451,988</u>	<u>371,548</u>	<u>326,046</u>
Excess (Deficiency) of Revenues over Expenditures	<u>123,409</u>	<u>255,716</u>	<u>1,252,313</u>	<u>(35,787)</u>	<u>(237,798)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>123,409</u>	<u>255,716</u>	<u>1,252,313</u>	<u>(35,787)</u>	<u>(237,798)</u>
Fund balances (deficits) - July 1, 2021	343,149	782,544	4,410,841	(252,394)	1,462,673
Prior period adjustment (Note 19)	-	-	-	-	-
Fund balances (deficits) - July 1, 2021, restated	<u>343,149</u>	<u>782,544</u>	<u>4,410,841</u>	<u>(252,394)</u>	<u>1,462,673</u>
Fund balances (deficits) - June 30, 2022	<u>\$ 466,558</u>	<u>\$ 1,038,260</u>	<u>\$ 5,663,154</u>	<u>\$ (288,181)</u>	<u>\$ 1,224,875</u>

**CITY OF LINCOLN**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<b>Capital Project Funds</b>		<b>Debt Service Funds</b>	<b>Permanent Funds</b>	
	<u>Twelve Bridges Capital Project</u>	<u>Lincoln Crossing</u>	<u>Lincoln Public Financing Authority Series 2016</u>	<u>Stormwater Retention Maintenance</u>	<u>Suncal Open Space Endowment</u>
<b>REVENUES</b>					
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Use of money and property	(173,213)	(184,801)	(52,270)	(1,122)	(8,633)
Charges for services	-	-	-	-	-
Other revenue	4,780,000	-	-	-	-
Total Revenues	<u>4,606,787</u>	<u>(184,801)</u>	<u>(52,270)</u>	<u>(1,122)</u>	<u>(8,633)</u>
<b>EXPENDITURES</b>					
Current:					
General government	-	-	-	16	112
Public safety	-	-	-	-	-
Public works and facilities	984	2,085	6,700	-	-
Cultural and recreation	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-
Capital outlay	-	79,176	-	-	-
Debt service:					
Principal	-	-	970,000	-	-
Interest (accretion) and other charges	-	-	507,791	-	-
Total Expenditures	<u>984</u>	<u>81,261</u>	<u>1,484,491</u>	<u>16</u>	<u>112</u>
Excess (Deficiency) of Revenues over Expenditures	<u>4,605,803</u>	<u>(266,062)</u>	<u>(1,536,761)</u>	<u>(1,138)</u>	<u>(8,745)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	1,336,793	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,336,793</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>4,605,803</u>	<u>(266,062)</u>	<u>(199,968)</u>	<u>(1,138)</u>	<u>(8,745)</u>
Fund balances (deficits) - July 1, 2021	55,838	5,117,264	3,251,453	36,443	273,348
Prior period adjustment (Note 19)	-	-	-	-	-
Fund balances (deficits) - July 1, 2021, restated	<u>55,838</u>	<u>5,117,264</u>	<u>3,251,453</u>	<u>36,443</u>	<u>273,348</u>
Fund balances (deficits) - June 30, 2022	<u>\$ 4,661,641</u>	<u>\$ 4,851,202</u>	<u>\$ 3,051,485</u>	<u>\$ 35,305</u>	<u>\$ 264,603</u>

**CITY OF LINCOLN**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<b>Permanent Funds</b>				<b>Total Non-major Governmental Funds</b>
	Brookview Open Space Maintenance Trust	Sterling Point Endowment	WWTRF Tertiary Storage Basin Maintenance	Lincoln Aircenter	
<b>REVENUES</b>					
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ 5,267,314
Intergovernmental	-	-	-	-	7,283,324
Use of money and property	245	(2,440)	(2,463)	(3,327)	(1,330,494)
Charges for services	-	-	-	-	2,908,755
Other revenue	-	-	-	-	5,119,123
Total Revenues	<u>245</u>	<u>(2,440)</u>	<u>(2,463)</u>	<u>(3,327)</u>	<u>19,248,022</u>
<b>EXPENDITURES</b>					
Current:					
General government	25	28	28	37	153,233
Public safety	-	-	-	-	221,515
Public works and facilities	-	-	-	-	6,910,532
Cultural and recreation	-	-	-	-	773
Urban redevelopment and housing	-	-	-	-	3,619
Capital outlay	-	-	-	-	2,568,363
Debt service:					
Principal	-	-	-	-	970,000
Interest (accretion) and other charges	-	-	-	-	507,791
Total Expenditures	<u>25</u>	<u>28</u>	<u>28</u>	<u>37</u>	<u>11,335,826</u>
Excess (Deficiency) of Revenues over Expenditures	<u>220</u>	<u>(2,468)</u>	<u>(2,491)</u>	<u>(3,364)</u>	<u>7,912,196</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	2,023,578
Transfers out	-	-	-	-	(133,679)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,889,899</u>
Net change in fund balances	<u>220</u>	<u>(2,468)</u>	<u>(2,491)</u>	<u>(3,364)</u>	<u>9,802,095</u>
Fund balances (deficits) - July 1, 2021	16,001	67,475	68,198	92,577	32,518,526
Prior period adjustment (Note 19)	-	-	-	-	(11,081)
Fund balances (deficits) - July 1, 2021, restated	<u>16,001</u>	<u>67,475</u>	<u>68,198</u>	<u>92,577</u>	<u>32,507,445</u>
Fund balances (deficits) - June 30, 2022	<u>\$ 16,221</u>	<u>\$ 65,007</u>	<u>\$ 65,707</u>	<u>\$ 89,213</u>	<u>\$ 42,309,540</u>

**CITY OF LINCOLN**  
**PARK IN-LIEU - NONMAJOR SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>2021 - 2022</b>		<b>Actual</b>	<b>Variance</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Positive</b>
				<b>(Negative)</b>
<b><u>REVENUES</u></b>				
Use of money and property	\$ 8,500	\$ 8,500	\$ (36,710)	\$ (45,210)
Charges for services	<u>3,840</u>	<u>3,840</u>	<u>13,824</u>	<u>9,984</u>
Total Revenues	<u>12,340</u>	<u>12,340</u>	<u>(22,886)</u>	<u>(35,226)</u>
<b><u>EXPENDITURES</u></b>				
Public works and facilities	630	630	413	217
Culture and recreation	<u>25</u>	<u>25</u>	<u>773</u>	<u>(748)</u>
Total Expenditures	<u>655</u>	<u>655</u>	<u>1,186</u>	<u>(531)</u>
Excess (deficiency) of revenues over expenditures	<u>11,685</u>	<u>11,685</u>	<u>(24,072)</u>	<u>(35,757)</u>
Net change in fund balance	<u>\$ 11,685</u>	<u>\$ 11,685</u>	(24,072)	<u>\$ (35,757)</u>
Fund balance - July 1, 2021			<u>1,007,697</u>	
Fund balance - June 30, 2022			<u>\$ 983,625</u>	

**CITY OF LINCOLN**  
**GAS TAX - NONMAJOR SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>2021 - 2022</b>		<b>Actual</b>	<b>Variance</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>with Final</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b><u>REVENUES</u></b>				
Intergovernmental	\$ 2,163,241	\$ 2,163,241	\$ 2,180,401	\$ 17,160
Use of money and property	12,000	12,000	(89,260)	(101,260)
Charges for services	<u>5,850</u>	<u>105,850</u>	<u>77,348</u>	<u>(28,502)</u>
Total Revenues	<u>2,181,091</u>	<u>2,281,091</u>	<u>2,168,489</u>	<u>(112,602)</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Public works and facilities	1,076,259	1,133,019	960,701	172,318
Capital outlay	<u>770,000</u>	<u>744,592</u>	<u>744,285</u>	<u>307</u>
Total Expenditures	<u>1,846,259</u>	<u>1,877,611</u>	<u>1,704,986</u>	<u>172,625</u>
Excess (deficiency) of revenues over expenditures	<u>334,832</u>	<u>403,480</u>	<u>463,503</u>	<u>60,023</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers out	<u>(25,133)</u>	<u>(25,133)</u>	<u>(26,736)</u>	<u>(1,603)</u>
Total Other Financing Sources (Uses)	<u>(25,133)</u>	<u>(25,133)</u>	<u>(26,736)</u>	<u>(1,603)</u>
Net change in fund balance	<u>\$ 309,699</u>	<u>\$ 378,347</u>	436,767	<u>\$ 58,420</u>
Fund balance - July 1, 2021			<u>2,466,448</u>	
Fund balance - June 30, 2022			<u>\$ 2,903,215</u>	

**CITY OF LINCOLN**  
**STREET FUND - NONMAJOR SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>2021 - 2022</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Actual Amounts</b>	
<b>REVENUES</b>				
Intergovernmental	\$ 2,842,213	\$ 4,479,213	\$ 4,601,288	\$ 122,075
Use of money and property	10,000	10,000	(69,736)	(79,736)
Other revenues	<u>-</u>	<u>-</u>	<u>38,065</u>	<u>38,065</u>
Total Revenues	<u>2,852,213</u>	<u>4,489,213</u>	<u>4,569,617</u>	<u>80,404</u>
<b>EXPENDITURES</b>				
Current:				
Public works and facilities	2,250,694	2,300,725	1,811,227	489,498
Capital outlay	<u>25,000</u>	<u>403,449</u>	<u>380,859</u>	<u>22,590</u>
Total Expenditures	<u>2,275,694</u>	<u>2,704,174</u>	<u>2,192,086</u>	<u>512,088</u>
Excess (deficiency) of revenues over expenditures	<u>576,519</u>	<u>1,785,039</u>	<u>2,377,531</u>	<u>592,492</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(75,903)</u>	<u>(75,903)</u>	<u>(26,735)</u>	<u>49,168</u>
Total Other Financing Sources (Uses)	<u>(75,903)</u>	<u>(75,903)</u>	<u>(26,735)</u>	<u>49,168</u>
Net change in fund balance	\$ <u>500,616</u>	\$ <u>1,709,136</u>	2,350,796	\$ <u>641,660</u>
Fund balance - July 1, 2021			<u>1,551,646</u>	
Fund balance - June 30, 2022			\$ <u>4,095,769</u>	

**CITY OF LINCOLN**  
**PARKS AND RECREATION TAX - NONMAJOR SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>2021 - 2022</b>		<b>Actual</b>	<b>Variance</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>with Final</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b><u>REVENUES</u></b>				
Use of money and property	\$ 3,000	\$ 3,000	\$ (31,348)	\$ (34,348)
Charges for services	<u>116,928</u>	<u>229,928</u>	<u>294,470</u>	<u>64,542</u>
Total Revenues	<u>119,928</u>	<u>232,928</u>	<u>263,122</u>	<u>30,194</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Public works and facilities	1,304	1,554	1,798	(244)
Capital outlay	<u>-</u>	<u>56,087</u>	<u>56,087</u>	<u>-</u>
Total Expenditures	<u>1,304</u>	<u>57,641</u>	<u>57,885</u>	<u>(244)</u>
Net change in fund balance	<u>\$ 118,624</u>	<u>\$ 175,287</u>	205,237	<u>\$ 29,950</u>
Fund balance - July 1, 2021			<u>701,275</u>	
Fund balance - June 30, 2022			<u>\$ 906,512</u>	

**CITY OF LINCOLN**  
**SPECIAL ASSESSMENT DISTRICTS - NONMAJOR SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>2021 - 2022</b>		<b>Actual</b>	<b>Variance</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Positive</b>
			<b>Amounts</b>	<b>(Negative)</b>
<b><u>REVENUES</u></b>				
Special assessments	\$ 4,940,977	\$ 4,912,477	\$ 5,267,314	\$ 354,837
Use of money and property	37,000	37,000	(220,913)	(257,913)
Charges for services	8,818	8,818	51,208	42,390
Other revenues	<u>9,000</u>	<u>111,000</u>	<u>300,929</u>	<u>189,929</u>
Total Revenues	<u>4,995,795</u>	<u>5,069,295</u>	<u>5,398,538</u>	<u>329,243</u>
<b><u>EXPENDITURES</u></b>				
Current:				
General government	92,102	105,902	122,255	(16,353)
Public safety	19,815	27,015	31,112	(4,097)
Public works and facilities	3,624,318	3,876,286	4,041,309	(165,023)
Capital outlay	<u>100,000</u>	<u>243,318</u>	<u>243,318</u>	<u>-</u>
Total Expenditures	<u>3,836,235</u>	<u>4,252,521</u>	<u>4,437,994</u>	<u>(185,473)</u>
Excess (deficiency) of revenues over expenditures	<u>1,159,560</u>	<u>816,774</u>	<u>960,544</u>	<u>143,770</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	850,000	850,000	686,785	(163,215)
Transfers out	<u>(193,476)</u>	<u>(193,476)</u>	<u>(80,208)</u>	<u>113,268</u>
Total Other Financing Sources (Uses)	<u>656,524</u>	<u>656,524</u>	<u>606,577</u>	<u>(49,947)</u>
Net change in fund balance	<u>\$ 1,816,084</u>	<u>\$ 1,473,298</u>	1,567,121	<u>\$ 93,823</u>
Fund balance - July 1, 2021			<u>9,700,699</u>	
Fund balance - June 30, 2022			<u>\$ 11,267,820</u>	

**CITY OF LINCOLN**  
**POLICE GRANTS - NONMAJOR SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>2021 - 2022</b>		<b>Actual</b>	<b>Variance</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Positive</b>
				<b>(Negative)</b>
<b><u>REVENUES</u></b>				
Intergovernmental	\$ 136,000	\$ 136,000	\$ 160,874	\$ 24,874
Use of money and property	<u>-</u>	<u>-</u>	<u>(2,016)</u>	<u>(2,016)</u>
Total Revenues	<u>136,000</u>	<u>136,000</u>	<u>158,858</u>	<u>22,858</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Public safety	<u>169,861</u>	<u>169,861</u>	<u>190,403</u>	<u>(20,542)</u>
Total Expenditures	<u>169,861</u>	<u>169,861</u>	<u>190,403</u>	<u>(20,542)</u>
Net change in fund balance	<u>\$ (33,861)</u>	<u>\$ (33,861)</u>	(31,545)	<u>\$ 2,316</u>
Fund balance - July 1, 2021			<u>45,055</u>	
Fund balance - June 30, 2022			<u>\$ 13,510</u>	

**CITY OF LINCOLN**  
**REVITALIZATION AND REHABILITATION LOANS - NONMAJOR SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>2021 - 2022</u> <u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Use of money and property	\$ <u>5,000</u>	\$ <u>5,000</u>	\$ <u>(32,777)</u>	\$ <u>(37,777)</u>
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>(32,777)</u>	<u>(37,777)</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Public works and facilities	<u>561</u>	<u>561</u>	<u>371</u>	<u>190</u>
Total Expenditures	<u>561</u>	<u>561</u>	<u>371</u>	<u>190</u>
Net change in fund balance	\$ <u>4,439</u>	\$ <u>4,439</u>	(33,148)	\$ <u>(37,587)</u>
Fund balance - July 1, 2021			<u>906,397</u>	
Fund balance - June 30, 2022			<u>\$ <u>873,249</u></u>	

**CITY OF LINCOLN**  
COMMUNITY DEVELOPMENT BLOCK GRANT - NONMAJOR SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<b>2021 - 2022</b>		<b>Actual</b>	<b>Variance</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Positive</b>
				<b>(Negative)</b>
<b><u>REVENUES</u></b>				
Use of money and property	\$ 1,000	\$ 1,000	\$ (129,211)	\$ (130,211)
Charges for services	-	3,000	3,069	69
Other revenues	<u>-</u>	<u>-</u>	<u>21</u>	<u>21</u>
Total Revenues	<u>1,000</u>	<u>4,000</u>	<u>(126,121)</u>	<u>(130,121)</u>
<b><u>EXPENDITURES</u></b>				
Current:				
General government	10,000	30,000	22,580	7,420
Public works and facilities	<u>92</u>	<u>92</u>	<u>-</u>	<u>92</u>
Total Expenditures	<u>10,092</u>	<u>30,092</u>	<u>22,580</u>	<u>7,512</u>
Net change in fund balance	<u>\$ (9,092)</u>	<u>\$ (26,092)</u>	(148,701)	<u>\$ (122,609)</u>
Fund balance - July 1, 2021			<u>209,491</u>	
Fund balance - June 30, 2022			<u>\$ 60,790</u>	

**CITY OF LINCOLN**  
**HOME INVESTMENT PARTNERSHIP PROGRAM - NONMAJOR SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>2021 - 2022</b>		<b>Actual</b>	<b>Variance</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>with Final</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b><u>REVENUES</u></b>				
Use of money and property	\$ 4,800	\$ 63,800	\$ (88,445)	\$ (152,245)
Charges for services	<u>-</u>	<u>150,000</u>	<u>215,006</u>	<u>65,006</u>
Total Revenues	<u>4,800</u>	<u>213,800</u>	<u>126,561</u>	<u>(87,239)</u>
<b><u>EXPENDITURES</u></b>				
Current:				
General government	4,800	4,800	3,152	1,648
Public works and facilities	<u>252</u>	<u>252</u>	<u>-</u>	<u>252</u>
Total Expenditures	<u>5,052</u>	<u>5,052</u>	<u>3,152</u>	<u>1,900</u>
Net change in fund balance	<u>\$ (252)</u>	<u>\$ 208,748</u>	123,409	<u>\$ (85,339)</u>
Fund balance - July 1, 2021			<u>343,149</u>	
Fund balance - June 30, 2022			<u>\$ 466,558</u>	

**CITY OF LINCOLN**  
**CAL HOME GRANTS - NONMAJOR SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>2021 - 2022</b>		<b>Actual</b>	<b>Variance</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Positive</b>
				<b>(Negative)</b>
<b><u>REVENUES</u></b>				
Use of money and property	\$ 3,000	\$ 3,000	\$ (41,996)	\$ (44,996)
Charges for services	-	87,900	301,223	213,323
Other revenues	<u>-</u>	<u>-</u>	<u>108</u>	<u>108</u>
Total Revenues	<u>3,000</u>	<u>90,900</u>	<u>259,335</u>	<u>168,435</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Urban development and housing	<u>5,109</u>	<u>5,109</u>	<u>3,619</u>	<u>1,490</u>
Total Expenditures	<u>5,109</u>	<u>5,109</u>	<u>3,619</u>	<u>1,490</u>
Net change in fund balance	<u>\$ (2,109)</u>	<u>\$ 85,791</u>	255,716	<u>\$ 169,925</u>
Fund balance - July 1, 2021			<u>782,544</u>	
Fund balance - June 30, 2022			<u>\$ 1,038,260</u>	

**CITY OF LINCOLN**  
**OAK TREE MITIGATION - NONMAJOR SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>2021 - 2022</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Actual Amounts</b>	
<b><u>REVENUES</u></b>				
Use of money and property	\$ -	\$ -	\$ (111,924)	\$ (111,924)
Charges for services	<u>45,000</u>	<u>1,645,000</u>	<u>1,816,225</u>	<u>171,225</u>
Total Revenues	<u>45,000</u>	<u>1,645,000</u>	<u>1,704,301</u>	<u>59,301</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Parks works and facilities	91,260	166,260	84,371	81,889
Capital outlay	<u>-</u>	<u>367,617</u>	<u>367,617</u>	<u>-</u>
Total Expenditures	<u>91,260</u>	<u>533,877</u>	<u>451,988</u>	<u>81,889</u>
Net change in fund balance	<u>\$ (46,260)</u>	<u>\$ 1,111,123</u>	1,252,313	<u>\$ 141,190</u>
Fund balance - July 1, 2021			<u>4,410,841</u>	
Fund balance - June 30, 2022			<u>\$ 5,663,154</u>	

**CITY OF LINCOLN**  
**FEDERAL GRANTS - NONMAJOR SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>2021 - 2022</b>		<b>Actual</b>	<b>Variance</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>with Final</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b><u>REVENUES</u></b>				
Intergovernmental	\$ <u>381,590</u>	\$ <u>7,169,820</u>	\$ <u>335,761</u>	\$ <u>(6,834,059)</u>
Total Revenues	<u>381,590</u>	<u>7,169,820</u>	<u>335,761</u>	<u>(6,834,059)</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Capital outlay	<u>-</u>	<u>371,349</u>	<u>371,548</u>	<u>(199)</u>
Total Expenditures	<u>-</u>	<u>371,349</u>	<u>371,548</u>	<u>(199)</u>
Net change in fund balance	\$ <u>381,590</u>	\$ <u>6,798,471</u>	(35,787)	\$ <u>(6,834,258)</u>
Fund balance (deficit) - July 1, 2021			<u>(252,394)</u>	
Fund balance (deficit) - June 30, 2022			<u>\$ (288,181)</u>	

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## INTERNAL SERVICE FUNDS

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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 insurance programs which provide services to other departments on a cost reimbursement basis.

### Facility Maintenance

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

### Technology Fund

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

**CITY OF LINCOLN**  
**COMBINING STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2022**

	<b>Governmental Activities - Internal Service Funds</b>			<b>Total Internal Service Funds</b>
	<b>Internal Services</b>	<b>Facility Maintenance</b>	<b>Technology Fund</b>	
<b><u>ASSETS</u></b>				
Current Assets				
Cash and investments	\$ 119,344	\$ 352,598	\$ 1,427,620	\$ 1,899,562
Accounts receivable, net	32,408	-	-	32,408
Interest receivable	<u>28</u>	<u>83</u>	<u>337</u>	<u>448</u>
Total Current Assets	<u>151,780</u>	<u>352,681</u>	<u>1,427,957</u>	<u>1,932,418</u>
Non Current Assets				
Non-depreciable capital assets	-	21,920	46,550	68,470
Depreciable capital assets, net	<u>446,283</u>	<u>462,671</u>	<u>39,824</u>	<u>948,778</u>
Total Non-Current Assets	<u>446,283</u>	<u>484,591</u>	<u>86,374</u>	<u>1,017,248</u>
<b>Total Assets</b>	<b><u>598,063</u></b>	<b><u>837,272</u></b>	<b><u>1,514,331</u></b>	<b><u>2,949,666</u></b>
<b><u>LIABILITIES</u></b>				
Current Liabilities				
Accounts payable	265,433	-	2,800	268,233
Accrued salaries and benefits	116,469	-	-	116,469
Compensated absences	<u>416,663</u>	<u>-</u>	<u>-</u>	<u>416,663</u>
Total Current Liabilities	<u>798,565</u>	<u>-</u>	<u>2,800</u>	<u>801,365</u>
Non-Current Liabilities				
Compensated absences - noncurrent	<u>104,166</u>	<u>-</u>	<u>-</u>	<u>104,166</u>
Total Non-Current Liabilities	<u>104,166</u>	<u>-</u>	<u>-</u>	<u>104,166</u>
<b>Total Liabilities</b>	<b><u>902,731</u></b>	<b><u>-</u></b>	<b><u>2,800</u></b>	<b><u>905,531</u></b>
<b><u>NET POSITION:</u></b>				
Net investment in capital assets	446,283	484,591	86,374	1,017,248
Unrestricted	<u>(750,951)</u>	<u>352,681</u>	<u>1,425,157</u>	<u>1,026,887</u>
<b>Total Net Position</b>	<b><u>\$ (304,668)</u></b>	<b><u>\$ 837,272</u></b>	<b><u>\$ 1,511,531</u></b>	<b><u>\$ 2,044,135</u></b>

**CITY OF LINCOLN**  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2022

	<b>Governmental Activities - Internal Service Funds</b>			<b>Total Internal Service Funds</b>
	<b>Internal Services</b>	<b>Facility Maintenance</b>	<b>Technology Fund</b>	
<b><u>OPERATING REVENUES</u></b>				
Charges for services	\$ 4,816,796	\$ -	\$ -	\$ 4,816,796
Other revenue	<u>8,076</u>	<u>-</u>	<u>52,361</u>	<u>60,437</u>
<b>Total Operating Revenue</b>	<u>4,824,872</u>	<u>-</u>	<u>52,361</u>	<u>4,877,233</u>
<b><u>OPERATING EXPENSES</u></b>				
Salaries and benefits	3,490,436	-	-	3,490,436
Services and supplies	1,990,246	158	599	1,991,003
Depreciation	<u>52,232</u>	<u>22,350</u>	<u>13,607</u>	<u>88,189</u>
<b>Total Operating Expenses</b>	<u>5,532,914</u>	<u>22,508</u>	<u>14,206</u>	<u>5,569,628</u>
<b>Operating Income (Loss)</b>	<u>(708,042)</u>	<u>(22,508)</u>	<u>38,155</u>	<u>(692,395)</u>
<b><u>NON-OPERATING REVENUES (EXPENSES)</u></b>				
Interest income (loss)	<u>(8,921)</u>	<u>(13,119)</u>	<u>(52,425)</u>	<u>(74,465)</u>
<b>Total Non-Operating Revenues (Expenses)</b>	<u>(8,921)</u>	<u>(13,119)</u>	<u>(52,425)</u>	<u>(74,465)</u>
<b>Income (Loss) Before Transfers</b>	<u>(716,963)</u>	<u>(35,627)</u>	<u>(14,270)</u>	<u>(766,860)</u>
<b><u>TRANSFERS</u></b>				
Transfers in	-	-	600,000	600,000
Transfers out	<u>(600,000)</u>	<u>-</u>	<u>-</u>	<u>(600,000)</u>
<b>Total Transfers</b>	<u>(600,000)</u>	<u>-</u>	<u>600,000</u>	<u>-</u>
Change in net position	(1,316,963)	(35,627)	585,730	(766,860)
Net Position - July 1, 2021	<u>1,012,295</u>	<u>872,899</u>	<u>925,801</u>	<u>2,810,995</u>
Net Position - June 30, 2022	<u><u>\$ (304,668)</u></u>	<u><u>\$ 837,272</u></u>	<u><u>\$ 1,511,531</u></u>	<u><u>\$ 2,044,135</u></u>

**CITY OF LINCOLN**  
**COMBINING STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<b>Governmental Activities - Internal Service Funds</b>			<b>Total Internal Service Funds</b>
	<b>Internal Services</b>	<b>Facility Maintenance</b>	<b>Technology Fund</b>	
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>				
Cash received from customers	\$ 4,808,294	\$ -	\$ 52,361	\$ 4,860,655
Cash paid to suppliers	(1,884,135)	(4,158)	2,201	(1,886,092)
Cash paid to employees	<u>(3,337,595)</u>	<u>-</u>	<u>-</u>	<u>(3,337,595)</u>
Net Cash Provided by Provided by (Used for) Operating Activities	<u>(413,436)</u>	<u>(4,158)</u>	<u>54,562</u>	<u>(363,032)</u>
<b><u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u></b>				
Transfers from other funds	-	-	600,000	600,000
Transfers to other funds	<u>(600,000)</u>	<u>-</u>	<u>-</u>	<u>(600,000)</u>
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>(600,000)</u>	<u>-</u>	<u>600,000</u>	<u>-</u>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>				
Proceeds from disposal of capital assets	32,485	-	7,853	40,338
Acquisition of capital assets	<u>(284,894)</u>	<u>(56,066)</u>	<u>(46,550)</u>	<u>(387,510)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(252,409)</u>	<u>(56,066)</u>	<u>(38,697)</u>	<u>(347,172)</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>				
Interest and dividends	<u>(8,564)</u>	<u>(13,133)</u>	<u>(52,620)</u>	<u>(74,317)</u>
Net Cash Used for Investing Activities	<u>(8,564)</u>	<u>(13,133)</u>	<u>(52,620)</u>	<u>(74,317)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,274,409)	(73,357)	563,245	(784,521)
Cash and Cash Equivalents - July 1, 2021	<u>1,393,753</u>	<u>425,955</u>	<u>864,375</u>	<u>2,684,083</u>
Cash and Cash Equivalents - June 30, 2022	<u>\$ 119,344</u>	<u>\$ 352,598</u>	<u>\$ 1,427,620</u>	<u>\$ 1,899,562</u>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</u></b>				
Operating Income (Loss)	(708,042)	(22,508)	38,155	(692,395)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation expense	52,232	22,350	13,607	88,189
Changes in assets and liabilities:				
Increase in accounts receivable	(16,578)	-	-	(16,578)
Increase (decrease) in accounts payable	106,111	(4,000)	2,800	104,911
Increase in accrued wages	31,606	-	-	31,606
Increase in compensated absences	<u>121,235</u>	<u>-</u>	<u>-</u>	<u>121,235</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (413,436)</u>	<u>\$ (4,158)</u>	<u>\$ 54,562</u>	<u>\$ (363,032)</u>

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## FIDUCIARY FUNDS

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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.

### **Custodial Funds**

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

#### Little League Fund

Accounts for monies held as agent for Little League activities.

#### Lincoln Airpark 98-1

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

#### Twelve Bridges Series 2011

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

#### Foskett Ranch CFD

Accounts for the monies held from the Limited Obligation Revenue Bonds Series 2004-3 and the Special Tax Revenues Bonds Series 2017-1 issued 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

Accounts for the monies held from the Special Tax Revenue Refunding Bonds Series 2021 and Special Tax Revenue Bonds Series 2017 for the acquisition of improvements within the Lakeside Area 1 and 2 assessment districts. Monies are received from special tax assessments. These bonds are not a liability of the City.

#### Lincoln Crossing CFD

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

#### Sorrento CFD

Accounts for the monies held from Special Tax Revenue Bonds Series 2009, 2013, 2014 and 2016 for improvements within the Sorrento Project assessment district. Monies are received from special tax assessments. These bonds are not a liability of the City.

#### Independence Development CFD

Accounts for the monies held from the developer for the formation of the Independence at Lincoln Project Community Facilities District and bond issuance disclosure.

**CITY OF LINCOLN**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**CUSOTIAL FUNDS**  
**JUNE 30, 2022**

	<u>Little League</u>	<u>Lincoln Airpark 98-1</u>	<u>Twelve Bridges Series 2011</u>	<u>Foskett Ranch CFD</u>
<b><u>ASSETS</u></b>				
Cash and investments	\$ 31,979	\$ 300,487	\$ 691,449	\$ 245,295
Assessments receivable	-	25,321	59,734	2,655
Interest receivable	8	71	163	58
Restricted cash and investments	-	228,568	18,937,648	116,463
Non-depreciable capital assets	-	-	-	-
<b>Total Assets</b>	<u>31,987</u>	<u>554,447</u>	<u>19,688,994</u>	<u>364,471</u>
<b><u>LIABILITIES</u></b>				
Accounts payable	-	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>NET POSITION</u></b>				
Net position restricted for individuals, organizations, and other governments	<u>31,987</u>	<u>554,447</u>	<u>19,688,994</u>	<u>364,471</u>
<b>Total Net Position</b>	<u>\$ 31,987</u>	<u>\$ 554,447</u>	<u>\$ 19,688,994</u>	<u>\$ 364,471</u>

**CITY OF LINCOLN**  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION (continued)  
 CUSTODIAL FUNDS  
 JUNE 30, 2022

	<b>Lakeside CFD</b>	<b>Lincoln Crossing CFD</b>	<b>Sorrento CFD</b>	<b>Independence Development CFD</b>	<b>Total</b>
<b><u>ASSETS</u></b>					
Cash and investments	\$ 743,210	\$ 12,135,793	\$ 379,386	\$ 61,947	\$ 14,589,546
Assessments receivable	4,849	52,701	2,383	-	147,643
Interest receivable	176	2,863	90	15	3,444
Restricted cash and investments	516,744	6,447,001	3,563,593	-	29,810,017
Non-depreciable capital assets	-	-	10,461	-	10,461
<b>Total Assets</b>	<u>1,264,979</u>	<u>18,638,358</u>	<u>3,955,913</u>	<u>61,962</u>	<u>44,561,111</u>
<b><u>LIABILITIES</u></b>					
Accounts payable	<u>183,250</u>	-	<u>33,143</u>	<u>39,255</u>	<u>255,648</u>
<b>Total Liabilities</b>	<u>183,250</u>	-	<u>33,143</u>	<u>39,255</u>	<u>255,648</u>
<b><u>NET POSITION</u></b>					
Net position restricted for individuals, organizations, and other governments	<u>1,081,729</u>	<u>18,638,358</u>	<u>3,922,770</u>	<u>22,707</u>	<u>44,305,463</u>
<b>Total Net Position</b>	<u>\$ 1,081,729</u>	<u>\$ 18,638,358</u>	<u>\$ 3,922,770</u>	<u>\$ 22,707</u>	<u>\$ 44,305,463</u>

**CITY OF LINCOLN**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**CUSTODIAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Little League</u>	<u>Lincoln Airpark 98-1</u>	<u>Twelve Bridges Series 2011</u>	<u>Foskett Ranch CFD</u>
<b><u>ADDITIONS</u></b>				
Property taxes and assessments	\$ -	\$ 100,061	\$ 4,105,558	\$ 262,394
Investment income (loss):				
Interest income	263	3,946	23,968	2,967
Net increase (decrease) in fair value	<u>(1,463)</u>	<u>(14,597)</u>	<u>561,721</u>	<u>(7,241)</u>
Net investment income (loss)	<u>(1,200)</u>	<u>(10,651)</u>	<u>585,689</u>	<u>(4,274)</u>
Total Additions	<u>(1,200)</u>	<u>89,410</u>	<u>4,691,247</u>	<u>258,120</u>
<b><u>DEDUCTIONS</u></b>				
Professional services	13	17,181	132,697	19,447
Distribution to City	-	-	4,780,000	-
Payments to developers	-	-	-	-
Debt service:				
Principal	-	220,000	3,256,000	150,000
Interest	<u>-</u>	<u>33,345</u>	<u>1,319,161</u>	<u>78,094</u>
Total Deductions	<u>13</u>	<u>270,526</u>	<u>9,487,858</u>	<u>247,541</u>
Net increase (decrease) in fiduciary net position	(1,213)	(181,116)	(4,796,611)	10,579
Fiduciary Net Position - Beginning, Restated	<u>33,200</u>	<u>735,563</u>	<u>24,485,605</u>	<u>353,892</u>
Fiduciary Net Position - Ending	<u>\$ 31,987</u>	<u>\$ 554,447</u>	<u>\$ 19,688,994</u>	<u>\$ 364,471</u>

**CITY OF LINCOLN**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**CUSTODIAL FUNDS (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Lakeside CFD</u>	<u>Lincoln Crossing CFD</u>	<u>Sorrento CFD</u>	<u>Independence Development CFD</u>	<u>Total</u>
<b><u>ADDITIONS</u></b>					
Property taxes and assessments	\$ 867,997	\$ 6,355,784	\$ 912,671	\$ -	\$ 12,604,465
Investment income (loss):					
Interest income	5,564	108,419	3,785	944	149,856
Net increase (decrease) in fair value	<u>(24,981)</u>	<u>(444,262)</u>	<u>(3,456)</u>	<u>(3,010)</u>	<u>62,711</u>
Net investment income (loss)	<u>(19,417)</u>	<u>(335,843)</u>	<u>329</u>	<u>(2,066)</u>	<u>212,567</u>
Total Additions	<u>848,580</u>	<u>6,019,941</u>	<u>913,000</u>	<u>(2,066)</u>	<u>12,817,032</u>
<b><u>DEDUCTIONS</u></b>					
Professional services	49,440	131,637	169,529	(23,500)	496,444
Distribution to City	-	-	-	-	4,780,000
Payments to developers	346,000	-	-	-	346,000
Debt service:					
Principal	430,000	2,581,350	195,000	-	6,832,350
Interest	<u>364,480</u>	<u>2,724,153</u>	<u>702,069</u>	<u>-</u>	<u>5,221,302</u>
Total Deductions	<u>1,189,920</u>	<u>5,437,140</u>	<u>1,066,598</u>	<u>(23,500)</u>	<u>17,676,096</u>
Net increase (decrease) in fiduciary net position	(341,340)	582,801	(153,598)	21,434	(4,859,064)
Fiduciary Net Position - Beginning, Restated	<u>1,423,069</u>	<u>18,055,557</u>	<u>4,076,368</u>	<u>1,273</u>	<u>49,164,527</u>
Fiduciary Net Position - Ending	<u>\$ 1,081,729</u>	<u>\$ 18,638,358</u>	<u>\$ 3,922,770</u>	<u>\$ 22,707</u>	<u>\$ 44,305,463</u>

**STATISTICAL SECTION**



## STATISTICAL SECTION

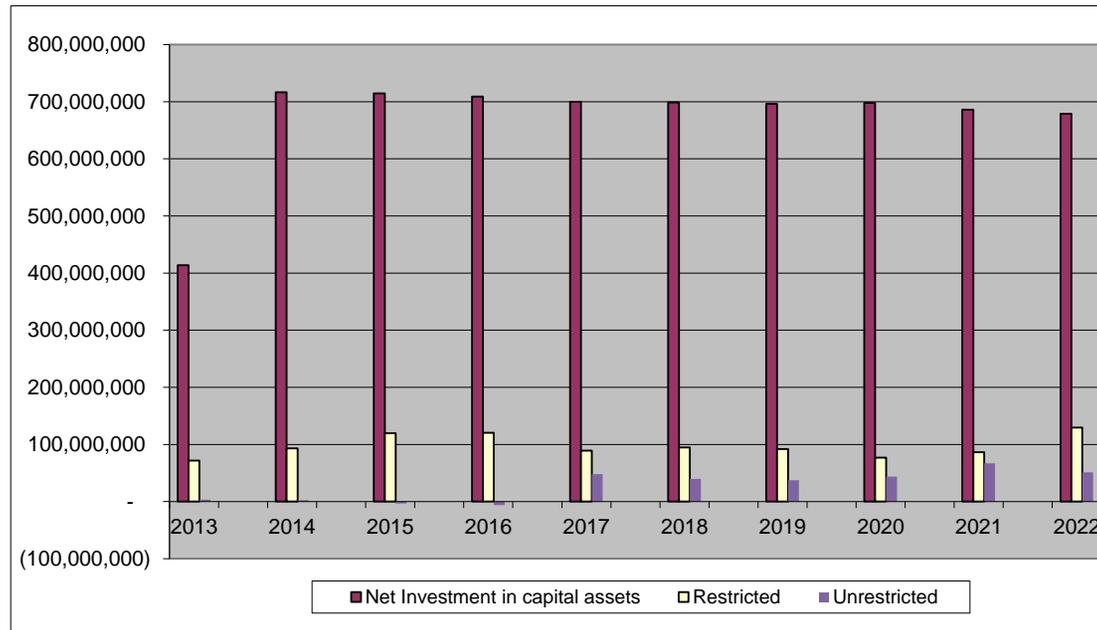
This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	126 - 130
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	131 - 132
<b>Debt Capacity</b>	
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.	133 - 137
<b>Economic and Demographic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time with other governments.	138 - 140
<b>Operating Information</b>	
These schedules contain contextual information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	141 - 142

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive 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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Governmental activities</b>										
Net Investment in capital assets	314,827,035	367,327,505	367,624,105	359,758,260	354,718,311	350,361,056	348,742,386	344,847,105	336,402,231	332,378,568
Restricted	71,770,107	78,880,674	105,113,762	106,251,051	76,398,564	86,266,260	82,496,431	69,876,345	71,650,008	110,940,416
Unrestricted	(23,075,480)	(16,019,760)	(22,118,189)	(21,706,971)	19,409,294	5,020,121	8,392,145	14,138,806	34,834,119	20,184,955
Total governmental activities net position	<u>363,521,662</u>	<u>430,188,419</u>	<u>450,619,678</u>	<u>444,302,340</u>	<u>450,526,169</u>	<u>441,647,437</u>	<u>439,630,962</u>	<u>428,862,256</u>	<u>442,886,358</u>	<u>463,503,939</u>
<b>Business-type activities</b>										
Net Investment in capital assets	99,076,798	349,214,909	347,013,821	349,180,869	345,150,139	348,208,139	347,503,553	353,011,194	349,818,023	346,447,473
Restricted	-	14,406,184	14,504,672	14,312,412	12,990,446	8,639,096	9,304,148	7,205,080	14,644,566	18,842,976
Unrestricted	26,591,294	18,376,045	18,881,017	15,639,418	28,760,478	34,614,888	29,053,080	29,512,061	32,396,407	31,049,519
Total business-type activities net position	<u>125,668,092</u>	<u>381,997,138</u>	<u>380,399,510</u>	<u>379,132,699</u>	<u>386,901,063</u>	<u>391,462,123</u>	<u>385,860,781</u>	<u>389,728,335</u>	<u>396,858,996</u>	<u>396,339,968</u>
<b>Primary government</b>										
Net Investment in capital assets	413,903,833	716,542,414	714,637,926	708,939,129	699,868,450	698,569,195	696,245,939	697,858,299	686,220,254	678,826,041
Restricted	71,770,107	93,286,858	119,618,434	120,563,463	89,389,010	94,905,356	91,800,579	77,081,425	86,294,574	129,783,392
Unrestricted	3,515,814	2,356,285	(3,237,172)	(6,067,553)	48,169,772	39,635,009	37,445,225	43,650,867	67,230,526	51,234,474
Total primary government net position	<u>489,189,754</u>	<u>812,185,557</u>	<u>831,019,188</u>	<u>823,435,039</u>	<u>837,427,232</u>	<u>833,109,560</u>	<u>825,491,743</u>	<u>818,590,591</u>	<u>839,745,354</u>	<u>859,843,907</u>
	-2.4%	66.0%	2.3%	-0.9%	1.7%	-0.5%	-0.9%	-0.8%	2.5%	2.3%



Source : City of Lincoln Audited Financial Reports

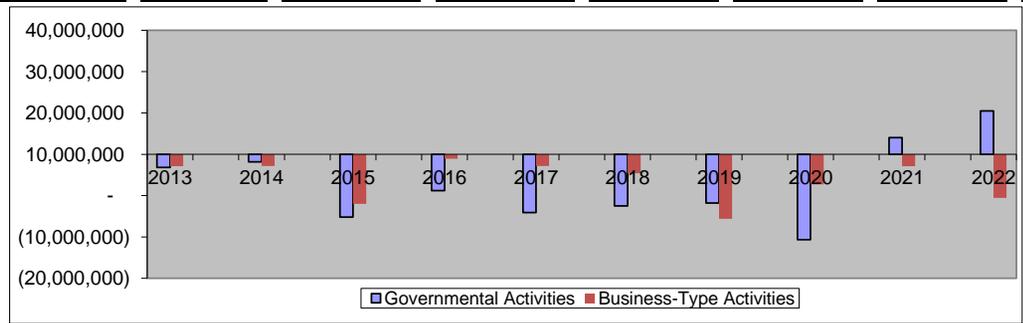
**City of Lincoln**  
**Change in Net Position**  
**Last Ten Fiscal Years**  
**(Full Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses</b>										
Governmental Activities										
General government	2,583,219	2,534,252	2,465,172	3,936,661	3,135,241	3,697,194	1,517,206	5,110,616	7,237,227	7,978,828
Public safety	8,973,076	8,676,336	9,111,739	11,437,055	9,222,033	11,443,750	12,567,871	13,880,906	14,493,876	11,446,089
Public works and facilities	8,083,773	7,502,426	19,030,793	21,087,881	21,065,618	24,230,516	28,442,592	24,585,754	23,764,510	26,405,413
Culture and recreation	743,858	714,789	745,314	839,156	735,780	939,858	1,043,517	1,017,823	642,096	1,071,344
Education	666,038	512,756	568,277	786,381	1,139,387	1,006,407	810,164	768,182	1,172,252	1,326,178
Urban redevelopment and housing	420,772	559,449	490,309	545,475	522,402	646,213	489,557	1,164,293	683,418	605,557
Interest on long-term debt	1,074,815	1,073,464	1,012,610	988,938	1,143,290	576,397	587,288	586,324	556,611	514,762
Total Governmental Activities	<u>22,545,551</u>	<u>21,573,472</u>	<u>33,424,214</u>	<u>39,621,547</u>	<u>36,963,751</u>	<u>42,540,335</u>	<u>45,458,195</u>	<u>47,113,898</u>	<u>48,549,990</u>	<u>49,348,171</u>
Business-Type Activities										
Water	8,410,782	9,626,761	12,418,348	12,618,263	16,370,415	14,598,974	18,975,438	15,416,723	16,976,467	17,972,553
Sewer	10,647,682	7,567,116	10,760,685	12,813,685	13,176,196	14,613,442	15,997,571	15,160,709	14,621,387	17,503,845
Solid Waste	4,460,008	4,576,457	5,087,810	7,355,610	4,448,941	4,983,983	5,713,323	6,291,563	6,139,631	7,551,871
Airport	2,009,793	2,122,836	1,632,005	1,563,378	1,414,739	1,546,662	1,570,314	1,385,498	1,270,254	1,822,575
Transit	979,330	855,631	980,587	796,960	1,208,851	1,019,402	831,545	763,389	445,062	577,606
Total Business-Type Activities	<u>26,507,595</u>	<u>24,748,801</u>	<u>30,879,435</u>	<u>35,147,896</u>	<u>36,619,142</u>	<u>36,762,463</u>	<u>43,088,191</u>	<u>39,017,882</u>	<u>39,452,801</u>	<u>45,428,450</u>
Total Expenses	<u>49,053,146</u>	<u>46,322,273</u>	<u>64,303,649</u>	<u>74,769,443</u>	<u>73,582,893</u>	<u>79,302,798</u>	<u>88,546,386</u>	<u>86,131,780</u>	<u>88,002,791</u>	<u>94,776,621</u>
<b>Program Revenues</b>										
Governmental Activities										
Charges for Services										
General government	1,222,290	1,970,636	1,054,510	1,384,406	1,314,126	1,072,515	1,644,853	1,950,391	2,718,096	3,599,525
Public Safety	555,899	634,161	569,572	746,075	836,963	511,568	698,400	1,053,814	1,797,174	2,333,797
Culture and recreation	1,506,132	971,265	909,070	1,252,263	1,317,891	1,459,252	1,405,219	2,415,811	3,448,733	4,556,115
Education	37,835	159,415	7,480	32,185	14,933	18,506	17,420	12,715	-	15,495
Public works and facilities	10,939,600	10,979,608	9,447,200	9,179,640	11,226,143	8,943,756	8,832,175	13,912,931	21,628,437	31,616,856
Operating Grants and Contributions	3,614,352	3,248,047	1,673,308	651,321	3,977,143	5,587,725	5,264,119	5,184,744	5,355,866	8,298,306
Capital Grants and Contributions	881,562	7,957,869	14,184,897	3,255,890	2,685,758	3,806,413	1,354,228	1,119,210	1,559,687	5,124,528
Total Governmental Activities	<u>18,757,670</u>	<u>25,921,001</u>	<u>27,846,037</u>	<u>16,501,780</u>	<u>21,372,957</u>	<u>21,399,735</u>	<u>19,216,414</u>	<u>25,649,616</u>	<u>36,509,365</u>	<u>55,544,622</u>
Business-Type Activities										
Charges for Services										
Water	10,221,213	11,018,047	12,615,858	13,400,117	16,383,662	17,982,749	15,661,241	14,132,515	15,322,625	12,998,938
Wastewater	7,237,746	7,297,551	7,517,029	7,692,439	17,547,426	10,905,805	10,914,957	11,715,959	14,256,920	9,311,644
Solid Waste	5,025,078	5,272,082	5,825,523	6,219,021	6,686,470	7,234,003	7,230,150	7,172,944	7,462,223	7,845,387
Airport	1,558,585	1,785,214	1,261,533	1,253,203	1,259,101	1,426,040	1,578,138	1,454,717	1,473,336	1,714,159
Transit	51,068	47,195	39,289	2,589	1,926	2,842	1,344	553	63	-
Operating Grants and Contributions	6,154,480	1,549,590	1,188,545	2,058,693	478,160	4,901,085	398,364	458,708	233,448	518,658
Capital Grants and Contributions	2,641,668	5,590,940	4,254,405	2,125,839	2,174,326	1,401,690	1,288,121	1,636,972	4,578,125	9,994,350
Total Business-Type Activities	<u>32,889,838</u>	<u>32,560,619</u>	<u>32,702,182</u>	<u>32,751,901</u>	<u>44,531,071</u>	<u>43,854,214</u>	<u>37,072,315</u>	<u>36,572,368</u>	<u>43,326,740</u>	<u>42,383,136</u>
Total Program Revenues	<u>51,647,508</u>	<u>58,481,620</u>	<u>60,548,219</u>	<u>49,253,681</u>	<u>65,904,028</u>	<u>65,253,949</u>	<u>56,288,729</u>	<u>62,221,984</u>	<u>79,836,105</u>	<u>97,927,758</u>

\*The City restated historical data for Airport and Transit

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

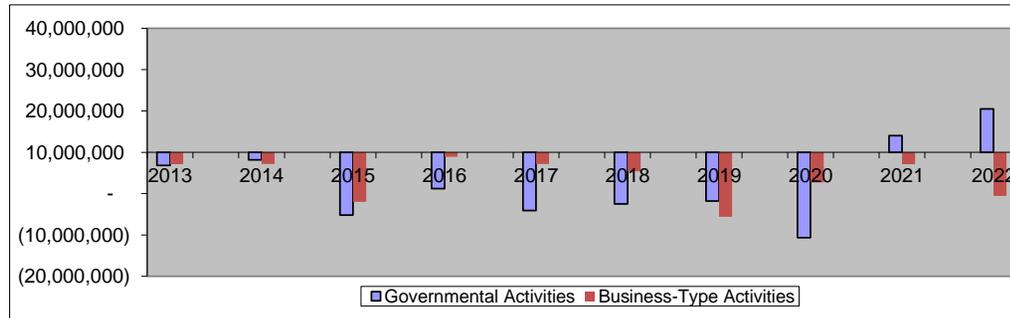
	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Net (Expense)/Revenue</b>										
Governmental Activities	4,347,529	(5,578,177)	(23,119,767)	(15,590,794)	(21,140,600)	(21,140,600)	(26,241,781)	(21,464,282)	(12,040,625)	6,196,451
Business-Type Activities	7,811,818	1,822,747	(2,395,995)	7,911,929	7,091,751	7,091,751	(6,015,876)	(2,445,514)	3,873,939	(3,045,314)
<b>Total Net Expense</b>	<b>12,159,347</b>	<b>(3,755,430)</b>	<b>(25,515,762)</b>	<b>(7,678,865)</b>	<b>(14,048,849)</b>	<b>(14,048,849)</b>	<b>(32,257,657)</b>	<b>(23,909,796)</b>	<b>(8,166,686)</b>	<b>3,151,137</b>
<b>General Revenues</b>										
Governmental Activities										
Taxes:										
Property taxes	7,511,360	7,668,875	9,020,576	8,983,948	9,705,899	10,066,655	10,527,123	11,103,454	12,605,783	13,819,529
Sales and use taxes	2,252,003	2,419,729	2,598,143	2,844,841	3,686,126	3,660,917	4,158,035	4,210,076	4,900,418	5,732,715
Franchise taxes	-	-	837,267	852,458	807,201	802,573	906,237	923,555	941,096	928,079
Other local taxes	975,649	191,278	259,982	222,229	283,663	303,022	346,865	260,495	202,521	407,621
Interest income	565,913	1,208,941	764,002	1,661,188	584,516	338,114	3,987,398	4,910,140	569,054	(4,624,516)
Miscellaneous	1,717,469	401,427	2,105,907	1,714,705	621,727	602,739	2,485,938	1,123,086	1,054,574	1,410,794
Special Item - agency fund bond proceeds	-	-	-	-	-	-	-	1,500,000	-	-
Special Item - return of unused bond procee	-	-	-	-	-	-	-	(14,048,856)	-	-
Capital Contribution from property owners	-	-	-	-	-	-	-	-	6,889,963	-
Transfers	-	717,066	1,858,685	-	1,375,484	2,868,785	2,022,620	840,575	(1,098,682)	(3,364,704)
Extraordinary gain	525,888	1,159,153	489,374	523,060	-	-	-	-	-	-
Prior period adjustments	(11,050,752)	-	-	-	-	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>2,497,530</b>	<b>13,766,469</b>	<b>17,933,936</b>	<b>16,802,429</b>	<b>17,064,616</b>	<b>18,642,805</b>	<b>24,434,216</b>	<b>10,822,525</b>	<b>26,064,727</b>	<b>14,309,518</b>
Business-Type Activities										
Taxes:										
Property taxes	47,684	-	-	-	-	-	-	-	-	-
Sales and use taxes	-	850,659	412,877	492,068	417,342	997,032	127,713	1,296,925	306,900	381,307
Interest income	262,287	550,349	372,555	735,107	75,455	(19,206)	2,191,471	2,329,372	129,650	(2,379,793)
Miscellaneous	1,079,475	168,876	125,745	239,418	984,836	200,260	99,153	2,322,591	1,704,393	1,142,019
Gain on sale of capital assets	-	4,935,797	(39,829)	83,688	(40,665)	1,100	18,817	34,133	17,097	18,049
Transfers	(525,888)	(1,159,153)	(489,374)	(523,060)	(1,375,484)	(2,868,785)	(2,022,620)	(840,575)	1,098,682	3,364,704
Prior period adjustments	(1,545,410)	-	-	-	-	-	-	-	-	-
<b>Total Business-Type Activities</b>	<b>(681,852)</b>	<b>5,346,528</b>	<b>381,974</b>	<b>1,027,221</b>	<b>61,484</b>	<b>(1,689,599)</b>	<b>414,534</b>	<b>5,142,446</b>	<b>3,256,722</b>	<b>2,526,286</b>
<b>Change in Net Position</b>										
Governmental Activities	6,845,059	8,188,292	(5,185,831)	1,211,635	(4,075,984)	(2,497,795)	(1,807,565)	(10,641,757)	14,024,102	20,505,969
Business-Type Activities	7,129,966	7,169,275	(2,014,021)	8,939,150	7,153,235	5,402,152	(5,601,342)	2,696,932	7,130,661	(519,028)
<b>Total Change in Net Position</b>	<b>13,975,025</b>	<b>15,357,567</b>	<b>(7,199,852)</b>	<b>10,150,785</b>	<b>3,077,251</b>	<b>2,904,357</b>	<b>(7,408,907)</b>	<b>(7,944,825)</b>	<b>21,154,763</b>	<b>19,986,941</b>



Source: City of Lincoln Audited Financial Reports

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

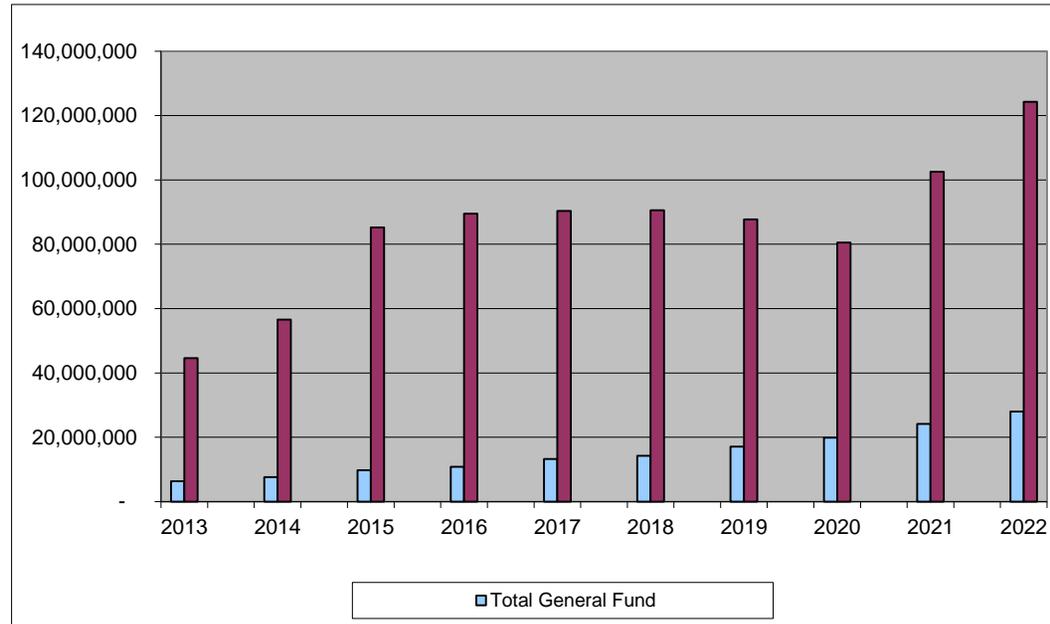
	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Net (Expense)/Revenue</b>										
Governmental Activities	4,347,529	(5,578,177)	(23,119,767)	(15,590,794)	(21,140,600)	(21,140,600)	(26,241,781)	(21,464,282)	(12,040,625)	6,196,451
Business-Type Activities	7,811,818	1,822,747	(2,395,995)	7,911,929	7,091,751	7,091,751	(6,015,876)	(2,445,514)	3,873,939	(3,045,314)
<b>Total Net Expense</b>	<b>12,159,347</b>	<b>(3,755,430)</b>	<b>(25,515,762)</b>	<b>(7,678,865)</b>	<b>(14,048,849)</b>	<b>(14,048,849)</b>	<b>(32,257,657)</b>	<b>(23,909,796)</b>	<b>(8,166,686)</b>	<b>3,151,137</b>
<b>General Revenues</b>										
Governmental Activities										
Taxes:										
Property taxes	7,511,360	7,668,875	9,020,576	8,983,948	9,705,899	10,066,655	10,527,123	11,103,454	12,605,783	13,819,529
Sales and use taxes	2,252,003	2,419,729	2,598,143	2,844,841	3,686,126	3,660,917	4,158,035	4,210,076	4,900,418	5,732,715
Franchise taxes	-	-	837,267	852,458	807,201	802,573	906,237	923,555	941,096	928,079
Other local taxes	975,649	191,278	259,982	222,229	283,663	303,022	346,865	260,495	202,521	407,621
Interest income	565,913	1,208,941	764,002	1,661,188	584,516	338,114	3,987,398	4,910,140	569,054	(4,624,516)
Miscellaneous	1,717,469	401,427	2,105,907	1,714,705	621,727	602,739	2,485,938	1,123,086	1,054,574	1,410,794
Special Item - agency fund bond proceeds	-	-	-	-	-	-	-	1,500,000	-	-
Special Item - return of unused bond procee	-	-	-	-	-	-	-	(14,048,856)	-	-
Capital Contribution from property owners	-	-	-	-	-	-	-	-	6,889,963	-
Transfers	-	717,066	1,858,685	-	1,375,484	2,868,785	2,022,620	840,575	(1,098,682)	(3,364,704)
Extraordinary gain	525,888	1,159,153	489,374	523,060	-	-	-	-	-	-
Prior period adjustments	(11,050,752)	-	-	-	-	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>2,497,530</b>	<b>13,766,469</b>	<b>17,933,936</b>	<b>16,802,429</b>	<b>17,064,616</b>	<b>18,642,805</b>	<b>24,434,216</b>	<b>10,822,525</b>	<b>26,064,727</b>	<b>14,309,518</b>
Business-Type Activities										
Taxes:										
Property taxes	47,684	-	-	-	-	-	-	-	-	-
Sales and use taxes	-	850,659	412,877	492,068	417,342	997,032	127,713	1,296,925	306,900	381,307
Interest income	262,287	550,349	372,555	735,107	75,455	(19,206)	2,191,471	2,329,372	129,650	(2,379,793)
Miscellaneous	1,079,475	168,876	125,745	239,418	984,836	200,260	99,153	2,322,591	1,704,393	1,142,019
Gain on sale of capital assets	-	4,935,797	(39,829)	83,688	(40,665)	1,100	18,817	34,133	17,097	18,049
Transfers	(525,888)	(1,159,153)	(489,374)	(523,060)	(1,375,484)	(2,868,785)	(2,022,620)	(840,575)	1,098,682	3,364,704
Prior period adjustments	(1,545,410)	-	-	-	-	-	-	-	-	-
<b>Total Business-Type Activities</b>	<b>(681,852)</b>	<b>5,346,528</b>	<b>381,974</b>	<b>1,027,221</b>	<b>61,484</b>	<b>(1,689,599)</b>	<b>414,534</b>	<b>5,142,446</b>	<b>3,256,722</b>	<b>2,526,286</b>
<b>Change in Net Position</b>										
Governmental Activities	6,845,059	8,188,292	(5,185,831)	1,211,635	(4,075,984)	(2,497,795)	(1,807,565)	(10,641,757)	14,024,102	20,505,969
Business-Type Activities	7,129,966	7,169,275	(2,014,021)	8,939,150	7,153,235	5,402,152	(5,601,342)	2,696,932	7,130,661	(519,028)
<b>Total Change in Net Position</b>	<b>13,975,025</b>	<b>15,357,567</b>	<b>(7,199,852)</b>	<b>10,150,785</b>	<b>3,077,251</b>	<b>2,904,357</b>	<b>(7,408,907)</b>	<b>(7,944,825)</b>	<b>21,154,763</b>	<b>19,986,941</b>



Source: City of Lincoln Audited Financial Reports

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>General Fund</b>										
Nonspendable	613,502	136,582	361,627	387,438	492,748	330,040	5,371,094	5,306,135	5,059,976	5,045,194
Restricted	-	-	43	96	-	-	-	-	-	-
Committed	2,050,459	3,703,541	3,803,726	3,929,856	4,063,745	11,695,956	7,204,704	7,096,007	6,280,471	6,905,274
Assigned	-	-	-	-	-	678,711	678,711	678,711	678,711	678,711
Unassigned	3,715,005	3,819,021	5,580,155	6,530,612	8,685,506	1,566,065	3,860,869	6,836,827	12,147,645	15,397,663
<b>Total General Fund</b>	<b>6,378,966</b>	<b>7,659,144</b>	<b>9,745,551</b>	<b>10,848,002</b>	<b>13,241,999</b>	<b>14,270,772</b>	<b>17,115,378</b>	<b>19,917,680</b>	<b>24,166,803</b>	<b>28,026,842</b>
<b>All Other Governmental Funds</b>										
Nonspendable	32,810,398	31,238,435	33,945,141	437,032	12,667,904	424,560	441,577	436,791	10,884,663	455,716
Restricted	33,745,233	41,992,206	65,041,906	99,829,860	76,041,673	86,304,574	84,105,879	75,718,003	82,956,757	110,583,757
Assigned	5,214,476	5,650,033	6,126,672	5,984,063	5,878,548	5,076,709	4,757,518	4,834,251	8,945,789	13,548,584
Unassigned	(27,173,388)	(22,256,636)	(19,846,487)	(16,713,886)	(4,251,315)	(1,196,249)	(1,572,478)	(441,536)	(252,394)	(288,181)
<b>Total All Other Governmental Funds</b>	<b>44,596,719</b>	<b>56,624,038</b>	<b>85,267,232</b>	<b>89,537,069</b>	<b>90,336,810</b>	<b>90,609,594</b>	<b>87,732,496</b>	<b>80,547,509</b>	<b>102,534,815</b>	<b>124,299,876</b>



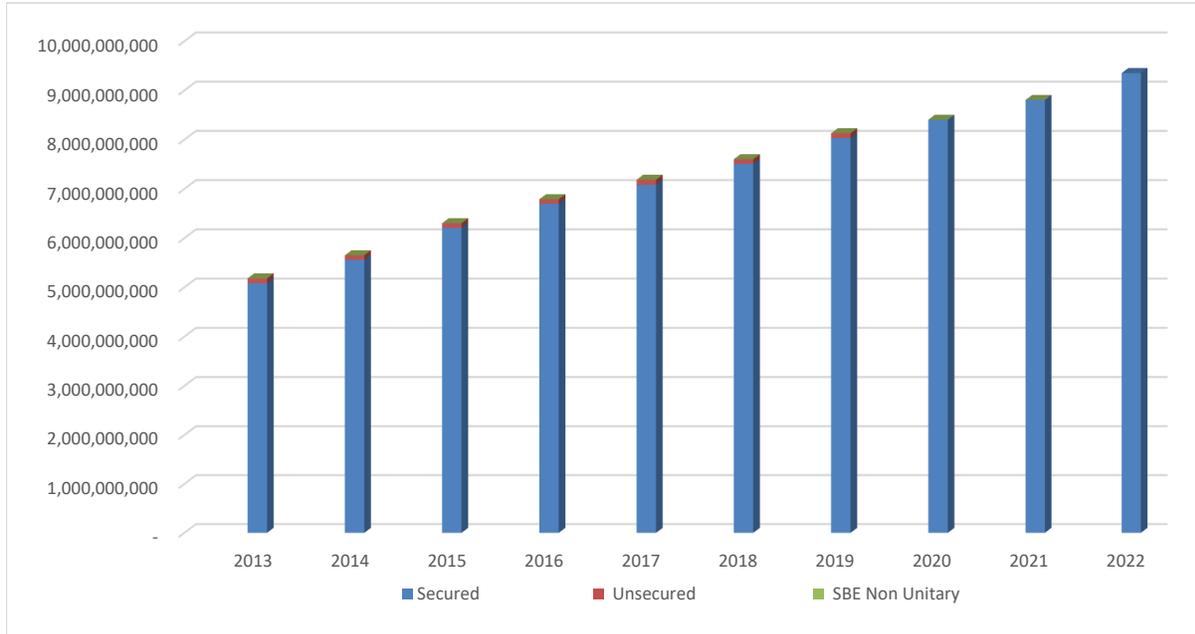
Source : City of Lincoln Audited Financial Reports

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>										
Taxes and assessments	14,136,484	13,492,395	16,082,063	16,357,235	20,106,114	18,567,904	19,516,493	20,601,909	23,113,462	26,155,258
Licenses and permits	1,342,696	1,565,818	1,604,400	1,562,852	2,039,503	1,610,635	1,642,440	2,991,491	5,633,116	7,520,490
Fines and penalties	79,606	48,509	74,132	94,962	68,350	64,909	68,102	56,661	52,932	50,196
Interest and investment income	563,366	1,197,057	747,630	1,620,941	350,746	334,845	3,778,750	4,556,485	424,125	(4,675,930)
Intergovernmental revenue	4,697,951	3,526,877	10,012,367	4,641,768	4,704,926	6,847,168	6,574,382	7,143,718	6,336,978	9,012,115
Charges for services	9,904,756	10,787,334	6,943,205	7,482,996	9,067,969	6,732,616	7,309,292	12,245,106	19,760,802	29,832,762
Other revenue	1,717,469	401,427	2,105,694	1,714,705	459,607	379,952	2,527,056	1,140,383	1,034,850	6,157,591
<b>Total Revenues</b>	<b>32,442,328</b>	<b>31,019,417</b>	<b>37,569,491</b>	<b>33,475,459</b>	<b>36,797,215</b>	<b>34,538,029</b>	<b>41,416,515</b>	<b>48,735,753</b>	<b>56,356,265</b>	<b>74,052,482</b>
<b>Expenditures</b>										
Current										
General government	2,574,534	2,321,201	2,846,091	3,197,417	3,319,937	3,202,404	3,112,059	3,837,505	4,774,854	6,008,466
Public safety	8,723,479	8,116,557	8,881,517	9,356,075	9,740,100	10,640,805	10,982,420	11,928,284	12,117,860	13,137,552
Public works and facilities	5,223,957	4,819,786	5,265,925	7,146,117	7,692,480	9,204,907	9,283,230	11,339,025	9,103,758	11,450,300
Culture and recreation	741,632	646,189	657,331	712,594	762,026	891,065	971,921	954,402	560,143	922,837
Education	665,834	512,755	558,746	710,838	542,818	610,054	674,174	700,966	651,526	820,449
Urban redevelopment and housing	418,188	558,740	487,553	510,589	933,166	840,001	646,904	725,067	666,323	582,316
Debt Service										
Principal retirement	700,000	771,784	880,524	911,116	19,386,939	1,008,510	918,697	952,261	1,138,810	1,217,867
Interest and bond issuance costs	1,083,203	1,082,887	1,024,729	1,003,612	(51,400)	632,227	621,105	599,557	619,843	582,144
Capital Outlay	2,706,542	4,049,046	7,850,556	5,224,887	8,512,198	9,982,312	11,154,911	10,291,590	6,547,605	10,554,897
<b>Total Expenditures</b>	<b>22,837,369</b>	<b>22,878,945</b>	<b>28,452,972</b>	<b>28,773,245</b>	<b>50,838,264</b>	<b>37,012,285</b>	<b>38,365,421</b>	<b>41,328,657</b>	<b>36,180,722</b>	<b>45,276,828</b>
Excess(Deficiency) of Revenue over Expenditures	9,604,959	8,140,472	9,116,519	4,702,214	(14,041,049)	(2,474,256)	3,051,094	7,407,096	20,175,543	28,775,654
<b>Other Financing Sources (Uses)</b>										
Proceeds from Bond Issuance	-	-	-	-	17,760,000	-	-	1,500,000	-	-
Return of Bond Funds	-	-	-	-	-	(123,168)	(4,410,054)	(14,048,856)	-	-
Contribution from property owners	-	-	-	-	-	-	-	-	6,889,963	-
Transfers in	3,808,876	7,833,725	8,416,800	2,637,544	20,616,774	5,256,776	6,496,221	2,274,238	2,241,142	2,164,260
Transfers out	(3,591,758)	(3,601,414)	(7,601,327)	(1,967,470)	(19,241,290)	(2,596,991)	(5,322,452)	(1,457,663)	(3,070,219)	(5,528,964)
Proceeds from sale of capital assets	-	726,942	1,899,900	-	-	-	152,699	-	-	-
Proceeds from capital leases	-	-	-	-	-	-	-	-	-	220,000
Debt proceeds	-	568,873	-	-	(213,523)	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>217,118</b>	<b>5,528,126</b>	<b>2,715,373</b>	<b>670,074</b>	<b>18,921,961</b>	<b>2,536,617</b>	<b>(3,083,586)</b>	<b>(11,732,281)</b>	<b>6,060,886</b>	<b>(3,144,704)</b>
Net Change in fund balance before prior period adjustments and extraordinary items	13,668,598	11,831,892	5,372,288	5,372,288	62,361	62,361	(4,325,185)	26,236,429	-	25,630,950
Prior period adjustment	119,584	(361,101)	18,897,709	-	(6,544,385)	1,239,196	-	(57,500)	-	-
<b>Net Change in fund balance</b>	<b>13,788,182</b>	<b>11,470,791</b>	<b>24,269,997</b>	<b>5,372,288</b>	<b>(6,482,024)</b>	<b>1,301,557</b>	<b>(4,325,185)</b>	<b>26,178,929</b>	<b>-</b>	<b>25,630,950</b>
Debt service as a percentage of noncapital expenditures	8.9%	9.8%	9.2%	8.1%	45.7%	6.1%	5.7%	5.0%	5.9%	5.2%

Source: City of Lincoln Audited Financial Reports

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



<b>Fiscal Year Ending June 30</b>	<b>Secured</b>	<b>Unsecured</b>	<b>SBE Non Unitary</b>	<b>Taxable Assessed Value</b>	<b>% Change</b>	<b>Direct Rate</b>
2013	5,086,007,045	96,083,909	250,900	5,182,341,854	-7.224%	1.026%
2014	5,558,822,669	91,995,204	197,100	5,651,014,973	9.044%	1.026%
2015	6,210,620,359	91,857,194	197,100	6,302,674,653	11.532%	1.025%
2016	6,700,348,821	89,368,958	197,100	6,789,914,879	7.731%	1.032%
2017	7,086,425,439	98,779,370	197,100	7,185,401,909	5.825%	1.039%
2018	7,511,498,201	91,269,260	-	7,602,767,461	5.809%	1.043%
2019	8,035,437,566	95,245,723	-	8,130,683,289	6.944%	1.056%
2020	8,404,444,524	114,687,131	-	8,519,131,655	4.778%	1.056%
2021	8,806,503,581	130,354,289	-	8,936,857,870	4.903%	1.061%
2022	9,352,403,919	124,469,858	-	9,476,873,777	6.043%	1.068%

**Notes:**

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

**Source:** California Municipal Statistics and Placer County Auditor-Controller

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

	Fiscal Year Ended June 30,									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
City of Lincoln										
General purpose	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>
	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>
Western Placer Unified School District	<u>0.03%</u>	<u>0.03%</u>	<u>0.03%</u>	<u>0.03%</u>	<u>0.04%</u>	<u>0.04%</u>	<u>0.06%</u>	<u>0.05%</u>	<u>0.05%</u>	<u>0.05%</u>
Sierra Joint Community College District	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.02%</u>	<u>0.01%</u>	<u>0.01%</u>
	<u><u>1.03%</u></u>	<u><u>1.03%</u></u>	<u><u>1.03%</u></u>	<u><u>1.03%</u></u>	<u><u>1.04%</u></u>	<u><u>1.04%</u></u>	<u><u>1.06%</u></u>	<u><u>1.06%</u></u>	<u><u>1.07%</u></u>	<u><u>1.06%</u></u>

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

Property Owner	Primary Land Use	Rank	2021-2022	
			Taxable Assessed Value	% of Total City Taxable Assessed Value
PW Fund B LP	Warehouse	1	\$ 96,628,441	1.10%
Sierra Pacific Industries	Heavy Industrial	2	54,970,035	0.62%
Taylor Morrison of California LLC	Residential- Development	3	43,767,759	0.50%
JPS Development LLC	Commercial	4	26,653,333	0.30%
Kaiser Foundation Health Plan Inc	Medical Building	5	25,751,701	0.29%
Target Corporation	Commercial	6	19,931,443	0.23%
Mehrizi Properties LLC	Residential Properties	7	19,918,878	0.23%
Safeway Inc.	Commercial	8	19,276,448	0.22%
Auburn Creek Investors	Apartments	9	18,120,384	0.21%
Woodside 05N LP	Residential- Development	10	17,628,897	0.20%
			342,647,319	3.89%
2021-2022 Local Secured Assessed Valuation			\$ 8,806,503,581	

Property Owner	Primary Land Use	Rank	2012-13	
			Taxable Assessed Value	% of Total City Taxable Assessed Value
Sierra Pacific Industries	Industrial	1	\$ 49,899,780	0.95%
OK & B	Warehouse	2	27,280,035	0.52%
Target Corporation	Commercial Store	3	17,497,983	0.33%
Auburn Creek Investors	Apartments	4	16,187,330	0.31%
JPS Development LLC	Shopping Center	5	15,417,776	0.29%
Shadowbriar Investments Inc	Undeveloped	6	14,849,340	0.28%
Mahsterling Pointe LLC	Commercial Store	7	13,660,000	0.26%
Safeway Inc.	Supermarket	8	13,606,693	0.26%
John Mourier Construction Inc	Residential Properties	9	12,882,512	0.25%
Buzz Oates Enterprises II	Warehouse	10	12,576,331	0.24%
			193,857,780	3.70%
2012-2013 Local Secured Assessed Valuation:			\$ 5,236,867,717	

Source: HDL, Coren & Cone

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

<u>Fiscal Year</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>	
		<u>Amount</u>	<u>Percent of Levy</u>
2011 / 2012	3,911,676	3,839,152	98.15%
2012 / 2013	3,817,958	3,766,886	98.66%
2013 / 2014	4,132,295	4,093,648	99.06%
2014 / 2015	4,689,175	4,648,015	99.12%
2015 / 2016	5,046,671	5,004,975	99.17%
2016 / 2017	5,366,078	5,324,911	99.23%
2017 / 2018	5,681,659	5,641,895	99.30%
2018 / 2019	6,101,116	6,060,436	99.33%
2019 / 2020	6,378,293	6,290,019	98.62%
2020 / 2021	6,664,607	6,612,758	99.22%
2021 / 2022	7,072,253	7,015,940	99.20%

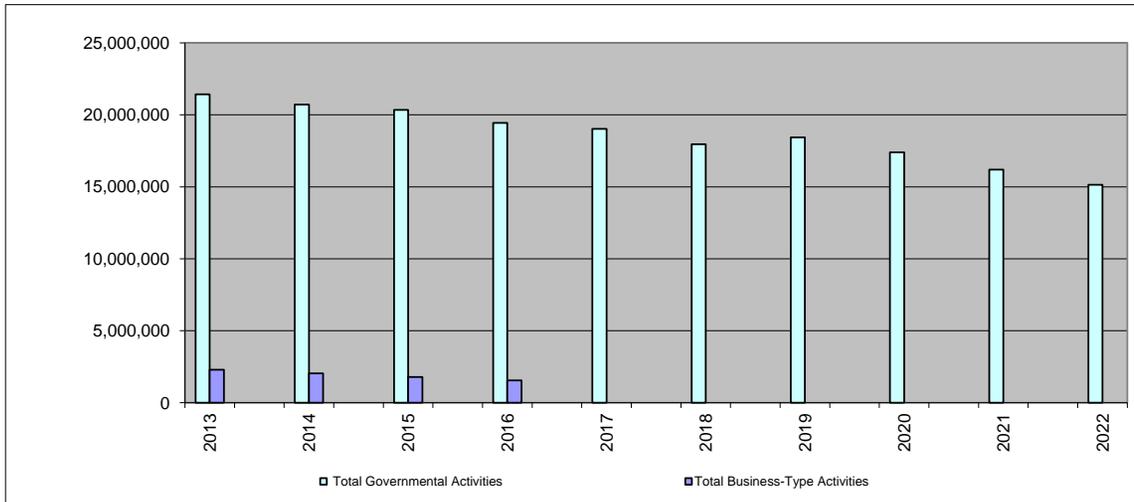
**Notes:**

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

**Source:** *Placer County Auditor-Controller*

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

Fiscal Year Ending June 30	Governmental Activities			Business-Type Activities				Legal Bonded Debt Margin			
	Bonds	Financed Purchases	Total Governmental Activities	Loans	Bonds	Capital Lease	Total Business-Type Activities	Total Primary Government	Percentage of Personal Income (1)	Percentage of Assessed Value (2)	Per Capita (1)
2013	21,423,295	-	21,423,295	84,716	410,000	1,800,232	2,294,948	23,718,243	5184.94%	0.46%	544
2014	20,710,903	512,089	20,710,903	62,591	260,000	1,715,670	2,038,261	22,749,164	5873.95%	0.40%	519
2015	19,968,511	376,565	20,345,076	38,861	125,000	1,627,033	1,790,894	22,135,970	6163.15%	0.35%	490
2016	19,201,120	235,448	19,436,568	13,410	-	1,534,122	1,547,532	20,984,100	6610.02%	0.31%	464
2017	18,935,573	88,510	19,024,083	-	-	-	-	19,024,083	7510.49%	0.26%	402
2018	17,959,447	-	17,959,447	-	-	-	-	17,959,447	8177.79%	0.24%	373
2019	16,993,319	1,443,636	18,436,955	-	-	-	-	18,436,955	8532.55%	0.23%	379
2020	16,012,191	1,386,471	17,398,662	-	-	-	-	17,398,662	9699.49%	0.20%	360
2021	15,008,802	1,192,660	16,201,462	-	-	-	-	16,201,462	10920.22%	0.18%	329
2022	13,978,796	1,164,794	15,143,590	-	-	-	-	15,143,590	129.7101942	0.16%	305



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

Source: City of Lincoln Audited Financial Reports

**CITY OF LINCOLN**  
**Direct and Overlapping Bonded Debt**  
**As of June 30, 2022**

2020-22

\$ 9,476,874

	<u>Total Debt</u>	<u>% Applicable (1)</u>	<u>City's Share of</u>
	<u>6/30/202</u>		<u>Debt 6/30/2</u>
<b>OVERLAPPING TAX AND ASSESSMENT DEBT:</b>			
Sierra Joint Community College District School Facilities Improvement District No. 4	\$ 158,510,000	12.148%	\$ 19,255,795
Western Placer Unified School District	109,235,000	85.557%	93,458,189
Western Placer Unified School District Community Facilities District No. 1	27,259,099	100.00%	27,259,099
Western Placer Unified School District Community Facilities District No. 2	34,980,000	100.00%	34,980,000
City of Lincoln Community Facilities Districts	82,745,000	100.00%	82,745,000
California Municipal Finance Authority Community Facilities Districts	19,240,000	100.00%	19,240,000
City of Lincoln 1915 Act Bonds	16,604,000	100.00%	16,604,000
California Statewide Communities Development Authority Assessment Districts	10,814,455	100.00%	10,814,455
<b>Total Overlapping Tax and Assessment Debt</b>			<b>\$ 304,356,538</b>
<b>OVERLAPPING GENERAL FUND DEBT:</b>			
Placer County General Fund Obligations	\$ 85,380,000	10.539%	\$ 8,998,198
Placer County Office of Education Certificates of Participation	245,000	10.539%	25,821
Sierra Joint Community College District Certificates of Participation	1,189,000	8.038%	95,572
Western Placer Unified School District Certificates of Participation	140,157,598	85.557%	119,914,636
<b>City of Lincoln General Fund Obligations</b>	<b>13,110,000</b>	<b>100.000%</b>	<b>13,110,000</b>
Placer Mosquito and Vector Control District Certificates of Participation	2,133,000	10.539%	224,797
<b>Total Overlapping General Fund Debt</b>			<b>\$ 142,369,024</b>
<b>OVERLAPPING TAX INCREMENT DEBT: (Successor Agency)</b>	<b>\$ 4,880,000</b>	<b>100.00%</b>	<b>\$ 4,880,000</b>
<b>Total Direct Debt</b>			<b>\$ 13,110,000</b>
Total Overlapping Debt			<u>438,495,562</u>
<b>Total Combined Debt</b>			<u><b>\$ 451,605,562</b></u> (2)

**Ratios to 2020-21 Assessed Valuation:**

Total Overlapping Tax and Assessment Debt	3.21%
<b>Combined Direct Debt (\$13,110,000)</b>	<b>0.14%</b>
Combined Total Debt	4.77%

**Ratios to Redevelopment Successor Agency Incremental Valuation (\$341,773,550):**

Total Overlapping Tax Increment Debt	1.43%
--------------------------------------	-------

AB:(\$550)

(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, 2022**

Secured Property Assessed Value, Net of Exempt Real Property	\$ 9,352,403,919	
Bonded debt limit (3.75% of assessed value) (a)		\$ 350,715,147
Amount of Debt Subject to Limit:		
Total Bonded Debt	15,143,590	
Less Total Bonds not subject to limit (b)	-	
Amount of debt not subject to limit		15,143,590
Legal debt margin		\$ 335,571,557

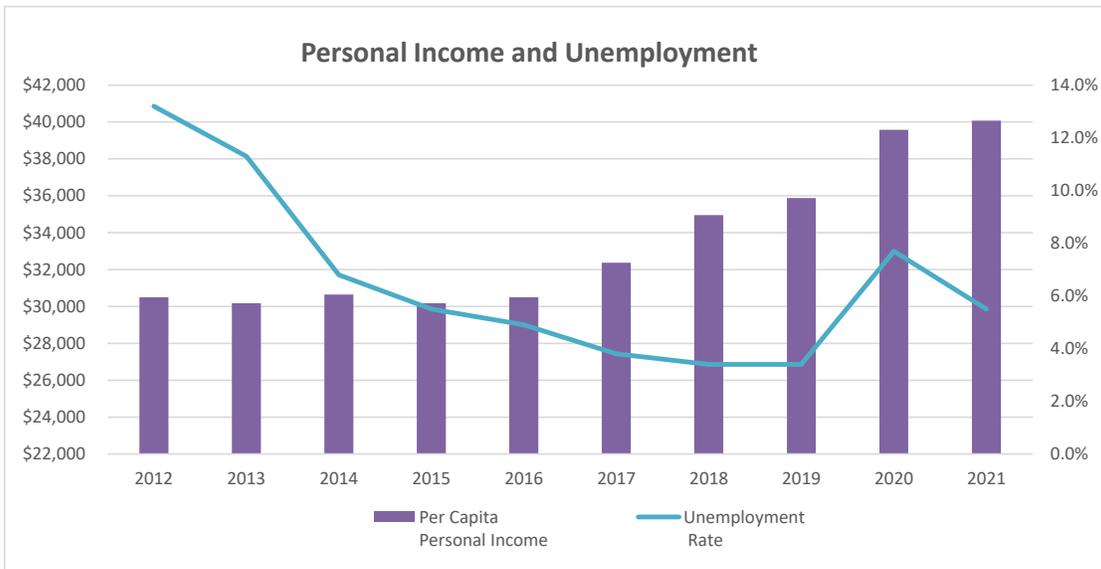
Fiscal Year Ending June 30	Debt Limit	Total net debt applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a % of debt limit
2010	220,690,352	36,957,099	183,733,253	16.75%
2011	205,986,253	35,814,783	170,171,470	17.39%
2012	196,382,539	22,120,687	174,261,852	11.26%
2013	190,725,264	21,423,295	169,301,969	11.23%
2014	208,455,850	20,710,903	187,744,947	9.94%
2015	232,898,263	19,968,511	212,929,752	8.57%
2016	251,263,081	19,201,120	232,061,961	7.64%
2017	265,740,954	17,868,510	247,872,444	6.72%
2018	281,681,183	17,959,447	263,721,736	6.38%
2019	301,328,909	18,436,955	282,891,954	6.12%
2020	315,166,670	17,398,662	297,768,008	5.52%
2021	330,243,884	16,201,462	314,042,422	4.91%
2022	350,715,147	15,143,590	335,571,557	4.32%

- (a) California Government Code Section 43605 sets the debt limit at 15%. The Code section was enacted to the change in basing assessed value at full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value.
- (b) Self-supporting debt such as lease revenue bonds and bonds payable from fees and charges of Enterprise Funds are not subject to limit.

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

**CITY OF LINCOLN**  
**Demographic and Economic Statistics**  
**Last Ten Calendar Years**

Calendar Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate	Median Age	% of Pop 25+ with High School Degree	% of Pop 25+ with Bachelor's Degree
2012	43,818	1,336,274,000	\$ 30,496	13.2%	40.3	92.8%	30.6%
2013	45,206	1,364,272,000	\$ 30,179	11.3%	40.4	93.4%	32.1%
2014	45,256	1,387,053,000	\$ 30,649	6.8%	41.2	93.7%	32.1%
2015	47,339	1,428,801,000	\$ 30,182	5.5%	42.3	93.5%	32.6%
2016	48,165	1,468,686,000	\$ 30,493	4.9%	42.3	93.0%	33.3%
2017	48,591	1,573,143,000	\$ 32,375	3.8%	42.7	93.0%	34.4%
2018	48,277	1,687,581,000	\$ 34,956	3.4%	43.1	92.4%	33.2%
2019	49,317	1,769,236,000	\$ 35,874	3.4%	43.3	92.4%	33.5%
2020	49,624	1,964,278,000	\$ 39,583	7.7%	43.3	92.8%	34.2%
2021	51,252	2,053,695,000	\$ 40,070	5.5%	43.7	94.6%	35.3%



**CITY OF LINCOLN  
Principal Employers  
2022**

<b>Company</b>	<b>Business Description</b>	<b>Size (employees)</b>
CHI HEALTH ST ELIZABETH	HOSPITALS	1350
PEDIATRIX MEDICAL GROUP	PHYSICIANS & SURGEONS	1000
NEBRASKA ECONOMIC DEVMNT CORP	FEDERAL GOVERNMENT-GENERAL OFFICES	2000
BRYAN LGH MEDICAL CTR WEST	MEDICAL CENTERS	5000
PROXI	BUSINESS SERVICES NEC	1001
NELNET INC	LOANS	1500 to 6600
STATE FARM INSURANCE	INSURANCE	1200
WELFARE DEPARTMENT	GOVERNMENT OFFICES-FEDERAL	1100
BRYAN LGH MEDICAL CTR	MEDICAL CENTERS	5001
BRYAN MEDICAL CTR EAST CAMPUS	HOSPITALS	2720

*Source: EDD, Labor Market Information Division*

**CITY OF LINCOLN**  
**Sales Tax Producers - Top 25**  
**2022**

7 Eleven	Service Stations
Aisle 1	Service Stations
Apex Underground Supply	Heavy Industrial
Arco AM PM	Service Stations
Catta Verdera Country Club	Leisure/Entertainment
Chevron	Service Stations
Chevron	Service Stations
Chevron	Service Stations
Gladding McBean	Building Materials
Home Depot	Building Materials
In N Out Burger	Quick-Service Restaurants
Lowe's	Building Materials
McDonalds	Quick-Service Restaurants
National Building Systems	Building Materials
Old Town Pizza	Casual Dining
Orchid Thai Cuisine	Casual Dining
Petsmart	Specialty Stores
Raleys	Grocery Stores
Ross	Family Apparel
Safeway	Grocery Stores
Safeway Fuel	Service Stations
Target	Discount Dept Stores
TJ Maxx	Family Apparel
Walgreens	Drug Store
Walmart Neighborhood Market	Grocery Stores

Sources: HDL, Coren & Cone

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

	Fiscal Year Ending June 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
City Manager										
Administration	3.8	2.8	2.8	2.0	3.0	2.0	2.0	2.0	2.0	2.0
Human Resources	1.5	1.5	2.5	2.0	2.0	5.0	3.8	2.5	2.8	3.5
Information Technology / GIS	-	-	-	-	-	-	-	2.0	4.5	5.0
Economic Development	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.5	1.0
Records Management	2.0	2.0	2.0	2.0	2.0	1.0	2.0	2.0	2.0	2.0
City Attorney										
City Attorney	-	-	-	-	-	1.0	1.0	1.0	1.0	1.0
Code Enforcement	-	-	-	-	-	-	2.0	1.0	1.0	1.0
Finance										
Administration	3.0	3.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0
Finance	10.0	10.0	9.0	9.0	9.0	9.0	9.3	11.0	11.0	11.0
Information Technology	1.0	1.0	1.0	-	-	-	-	-	-	-
Central Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Community Development										
Administration	0.3	0.3	1.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0
Planning	4.0	4.5	3.5	3.5	4.0	4.0	3.0	3.0	3.0	3.0
Building	4.0	4.0	4.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0
Development & Engineering	1.0	1.0	3.0	1.0	1.0	1.0	2.0	2.0	3.0	3.0
Public Works										
Administration	7.0	8.5	8.5	1.0	1.0	1.0	7.0	6.5	6.5	6.5
Engineering	-	-	-	-	-	7.0	8.5	5.0	5.0	7.0
Water	8.1	10.0	6.5	10.9	10.9	10.9	8.4	9.1	9.1	8.0
Wastewater	3.5	6.5	6.5	7.8	7.8	7.8	6.5	7.0	7.0	7.0
Solid Waste	12.7	13.9	13.4	13.5	13.5	13.5	15.0	15.0	15.0	16.0
Streets	4.8	6.2	6.2	6.3	6.3	6.3	7.9	7.9	8.9	10.0
Transit	8.0	7.5	7.0	2.0	2.0	2.0	1.0	-	-	-
Airport	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	1.5	1.5
Parks & Facilities	5.0	5.6	6.5	5.0	5.0	5.0	7.0	7.0	7.0	7.0
Fleet Maintenance	5.0	5.5	5.5	5.0	5.0	5.0	5.5	5.5	5.5	6.0
Police										
Administration	2.5	2.5	2.5	2.5	3.5	3.5	4.0	4.0	2.5	3.5
Communications	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	8.0
Operations	19.5	19.5	19.5	19.5	22.5	22.5	22.5	22.5	25.5	28.0
Fire										
Administration	2.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.5	3.5
Operations	19.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0
Library	2.0	3.5	3.9	3.9	5.6	3.4	5.7	5.9	5.9	6.6
Recreation (a)	4.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0	5.0
<b>Total Full-Time Equivalents</b>	<b>144.6</b>	<b>155.1</b>	<b>152.8</b>	<b>142.0</b>	<b>149.2</b>	<b>157.0</b>	<b>168.0</b>	<b>164.9</b>	<b>172.7</b>	<b>185.1</b>

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

Source: City of Lincoln Original Budget Documents

**CITY OF LINCOLN**  
**Operating Indicators**  
**Last Ten Fiscal Years**

	Fiscal Year Ending June 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Business Licenses</b>										
Annual business license	1,120	1,182	1,938	1,988	1,979	2,330	2,442	2,239	2,251	2,309
<b>Environment and Utilities</b>										
Gallons of wastewater treated per year (in millions)	1,144	1,095	1,062	1,178	1,935	1,709	1,880	1,669	1,602	1,850
Gallons of wastewater discharged per year (in millions)	843	1,063	813	969	1,748	1,572	1,765	1,626	877	1,730
<b>Fire</b>										
Fires per year	137	121	142	149	152	158	145	154	153	152
Emergency medical calls per year	2,465	2,667	2,637	2,637	3,153	3,280	3,306	3,529	3,791	4,105
Hazardous materials incidents per year	45	49	40	41	58	52	49	65	52	57
Non-emergency service calls per year	933	969	749	1,250	1,442	1,261	1,176	1,428	1,571	1,813
<b>Police</b>										
911 calls per year	10,998	8,710	8,852	10,577	11,082	13,095	13,442	14,027	16,341	15,100
Cases investigated per year	1,898	1,142	1,866	1,872	2,288	2,226	2,310	2,209	2,693	2,627
Arrests per year	429	314	479	403	517	786	812	755	1,118	882
<b>Building Permits</b>										
New Single Family Dwellings	314	280	233	188	252	70	115	404	757	1,624
Commercial (New and Tenant Improvements)	n/a	125	135	146	132	26	119	94	84	104
All Other	n/a	1,505	2,313	2,820	2,314	1,100	1,847	1,945	2,606	3,390

n/a = information not available

\*\* new licenses applied for

**Source:** City of Lincoln