

CITY OF LINCOLN,
STATE OF CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

*For the Fiscal Year Ended
June 30, 2016*



*Prepared by
Support Services Department
Finance Division*

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**City of Lincoln,
California**

**Comprehensive Annual
Financial Report**

**For the Year Ended
June 30, 2016**

Prepared by Support Services Department

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CITY OF LINCOLN
Comprehensive Annual Financial Report
For the Year Ended June 30, 2016

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INTRODUCTORY SECTION

- **Transmittal Letter**
- **Government Finance Officer's Association
Certificate of Achievement**
- **List of Officials**
- **Organizational Chart**

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December 23, 2016

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

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Lincoln (City) for the fiscal year ended June 30, 2016 in accordance with the Lincoln Municipal Code Section 2.20.030(C). The basic financial statements and supporting schedules have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) for local governments as established by the Governmental Accounting Standards Board (GASB).

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

Profile of the Government

The City of Lincoln was incorporated in 1890 and is located 27 miles northeast of Sacramento in the northernmost region of South Placer County. The City occupies 22 square miles and serves a population of more than 47,330 people. The City of Lincoln was named the 2006 winner of the coveted All-America Cities Award given by the National Civic League – the nation's longest running and most prestigious civic recognition program. Lincoln is a General Law City, formed under the State legislative process and structured under the provisions of the California constitution. The Mayor and City Council is the governing body of the City and is comprised of five elected officials, who serve "at large" rather than by district, each for four-year terms. City voters also elect a City Treasurer who serves a four-year term.

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

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

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

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

Local Economy

The City of Lincoln's recovery from the recent economic recession has been slow. The City has, in recent years, seen a resurgence of development activity as well as an end to declining property and sales tax revenue which is a positive indication that the City is moving toward stronger economic health.

The City's annualized unemployment rate rose from 7.8 percent in 2006 to a high of 20.2 percent in 2010 and has dropped to 11.3 percent in 2016. According to the California Department of Housing and Community Development (HCD), the 2016 median income for a four-person household in Placer County was \$76,100. The median household income in Lincoln was \$73,000, slightly below Placer County's median income for the same period.

During Fiscal Year 2015-16, the City Council continued its efforts to return the City to fiscal stability by adopting a balanced operating budget with sufficient revenues to cover anticipated expenditures. The City Council approved funding for a comprehensive effort to continue efforts to evaluate economic development opportunities which would encourage additional business activities within the City.

Long-term Financial Planning

Committed and unassigned fund balance (the balance after non-spendable, restricted, and assigned components of fund balance) in the General Fund at year end was \$10.5 million or 68 percent of total General Fund expenditures and transfer-out. This is consistent with the General Fund Reserves Policy approved by the City Council in 2011, which provides for a minimum of \$2 million or 15 percent of General Fund expenditures (whichever is greater) to be set aside in a Catastrophic Reserve to meet operational needs during times of a declared emergency or major catastrophe and an additional Economic Reserve funded at a minimum or 15 percent of General Fund expenditures to maintain the City's economic vitality and to meet seasonal cash flow shortfalls.

Major Initiatives

During the 2015-16 fiscal year, the City continued implementation of a Strategic Action Plan adopted by the City Council to promote business retention and expansion and to attract and grow new business within the City of Lincoln. To reach these goals, the City needs to continue in residential growth. Several major residential development projects have been progressing through environmental, planning and entitlement processes which will allow construction to begin in the upcoming years.

Acknowledgements

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

Respectfully submitted,



Matthew Brower
City Manager

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Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Lincoln
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

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CITY OF LINCOLN
City Officials
For the Year Ended June 30, 2016

Elected Officials

Spencer Short..... Mayor
Peter Gilbert..... Mayor Pro Tem
Paul Joiner..... Council Member
Stan Nader..... Council Member
Gabriel Hydrick..... Council Member
Terrence Dorsey..... City Treasurer

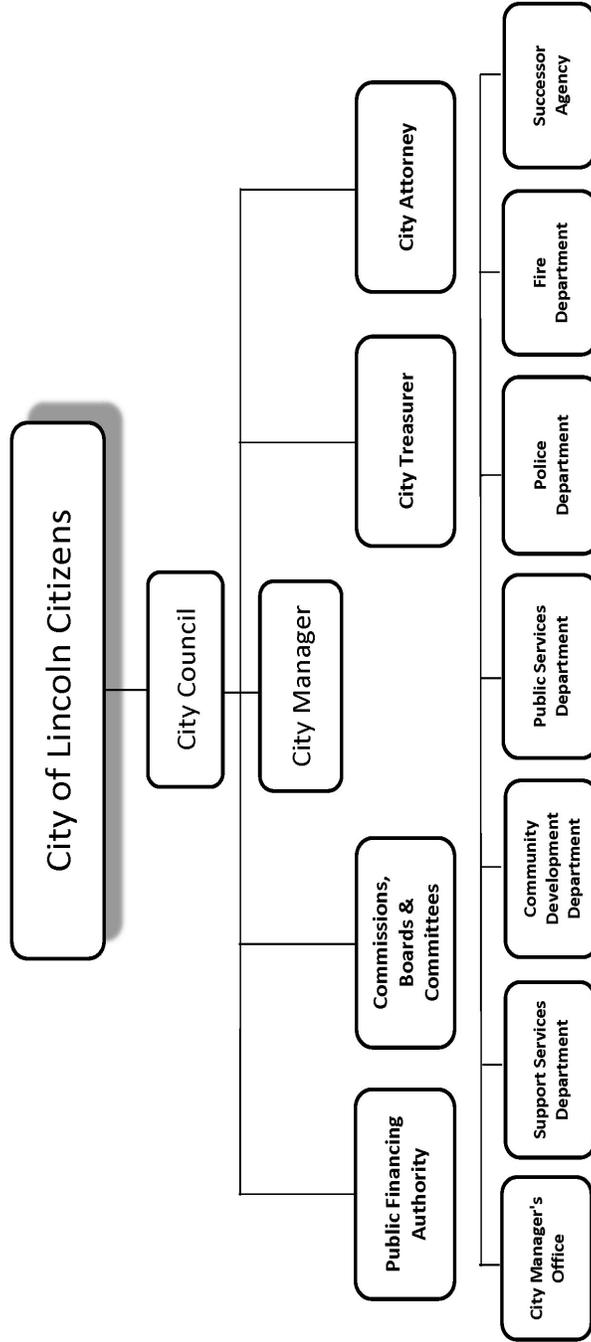
Appointed Officials

Matthew Brower..... City Manager
Gwen Scanlon..... City Clerk

Department Heads

Steve Ambrose..... Director of Support Services
Matthew Wheeler..... Director of Community Development
Jennifer Hanson..... Director of Public Services
Timothy Harrigan..... Interim Chief of Police
Kurt Snyder..... Fire Chief
Kathryn Hunt..... Library Manager
Ray Leftwich..... City Engineer

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FINANCIAL SECTION

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

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lincoln, California (City), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1T to the financial statements, in 2016, the City implemented Governmental Accounting Standards Board (GASB) Statement Nos. 72, 73, 76 and 79. Our opinion is not modified with respect to these matters.

As described in Note 12B, the net pension liability is measured as of June 30, 2015 and the pension expense is for the measurement period of 2014-2015. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

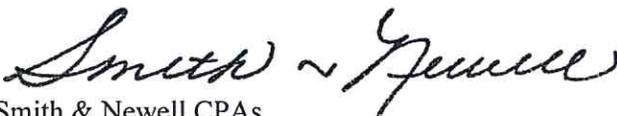
To the Honorable Mayor and Members of the City Council
City of Lincoln
Lincoln, California

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 23, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.


Smith & Newell CPAs
Yuba City, California
December 23, 2016

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**Management's Discussion and Analysis
(Unaudited)**

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CITY OF LINCOLN MANAGEMENT'S DISCUSSION AND ANALYSIS

As Management of the City of Lincoln (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Lincoln for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with the City's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

- The assets of the City of Lincoln exceeded its liabilities at the close of the most recent fiscal year by \$823,435,039 (net position). Unrestricted funds showed a net negative balance of \$6,067,553 primarily resulting from the public facility element fund and it is anticipated that fees collected will be utilized to eliminate this negative balance.
- The City's total net position decreased by \$7,584,149. Governmental activities decreased the City's net position by \$6,317,338 and business-type activities reduced the City's net position by \$1,266,811. Included in these increases is a restatement of net position as shown in Note 2 on page 40.
- As of June 30, 2016, the City's governmental funds reported combined ending fund balances of \$100,385,071 an increase of \$5,372,288 in comparison with the prior year. Non-spendable, restricted, committed and assigned funds totaled \$110,568,345 whereas unassigned funds registered a negative balance of \$10,183,274.
- At the end of the fiscal year, the unreserved fund balance of the General Fund was \$6,530,612 or 44% of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction of the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Lincoln is improving or deteriorating.

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

CITY OF LINCOLN MANAGEMENT'S DISCUSSION AND ANALYSIS

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

The Lincoln Public Financing Authority, although legally separate, functions for all practical purposes as a department of the City of Lincoln and, therefore, has been included as an integral part of the primary government.

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

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

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund 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 a City's near-term financing requirements.

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

The City of Lincoln maintains 46 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General fund, Public Facility Element (PFE) fund, Water Connections fund, and Special Assessment Districts fund. All of these are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The basic governmental fund financial statements can be found on pages 19-22 of this report.

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

CITY OF LINCOLN MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

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

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

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's pension liability and other post-employment benefits (OPEB). The City of Lincoln adopts an annual appropriated budget for its General fund, Public Facility Element (PFE) fund, Water Connections fund, and Special Assessment Districts fund. Budgetary comparison schedules have been provided for these four major funds to demonstrate compliance with this budget. The budgetary comparison schedules can be found on pages 74-80 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and fiduciary funds are presented immediately following the required supplementary information, which is found on pages 81-124.

**CITY OF LINCOLN
MANAGEMENT'S DISCUSSION AND ANALYSIS**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

A comparative analysis of the government-wide data follows.

**Statement of Net Position
As of June 30, 2016 and 2015**

	Governmental Activities		Business-type Activities		Total		Variance
	2016	2015	2016	2015	2016	2015	
Assets:							
Current and other assets	\$ 110,104,885	\$ 106,923,669	\$ 40,099,267	\$ 43,966,443	\$ 150,204,152	\$ 150,890,112	\$ (685,960)
Capital Assets	379,194,828	387,969,181	350,728,401	348,804,715	729,923,229	736,773,896	(6,850,667)
Total Assets	489,299,713	494,892,850	390,827,668	392,771,158	880,127,381	887,664,008	(7,536,627)
Deferred Outflows of Resources:							
Deferred pension adjustments	2,641,152	2,315,769	450,120	437,614	3,091,272	2,753,383	337,889
Total Deferred Outflows of Resources	2,641,152	2,315,769	450,120	437,614	3,091,272	2,753,383	337,889
Liabilities:							
Current and other liabilities	22,524,186	8,304,116	8,263,401	4,148,430	30,787,587	12,452,546	18,335,041
Long-term liabilities	21,511,307	35,577,162	3,092,605	7,820,519	24,603,912.00	43,397,681	(18,793,769)
Total liabilities	44,035,493	43,881,278	11,356,006	11,968,949	55,391,499	55,850,227	(458,728)
Deferred Inflows of Resources:							
Deferred Pension adjustments	3,603,032	2,707,663	789,083	840,313	4,392,115	3,547,976	844,139
Total Deferred Inflows of Resources	3,603,032	2,707,663	789,083	8,403,136	4,392,115	3,547,976	844,139
Net Position:							
Net Investment in capital assets	359,758,260	367,624,105	349,180,869	347,013,821	708,939,129	714,637,926	(5,698,797)
Restricted	106,251,051	105,113,762	14,312,412	14,504,672	120,563,463	119,618,434	945,029
Unrestricted	(21,706,971)	(22,118,189)	15,639,418	18,881,017	(6,067,553)	(3,237,172)	(2,830,381)
Total Net Position	\$ 444,302,340	\$ 450,619,678	\$ 379,132,699	\$ 380,399,510	\$ 823,435,039	\$ 831,019,188	\$ (7,584,149)

By far, the largest portion of the City's net position (\$708,939,129 or 86.1%) reflects its investment in capital assets (e.g. infrastructure, land, buildings, equipment), less any related debt used to acquire those assets to provide services to citizens; consequently, these assets are not in spendable form. The remaining City's net position consists of restricted funds of \$120,563,463 which are resources subject to external restrictions governing how they may be used and unrestricted net position with a negative balance of \$6,067,553. Governmental activities decreased the City's net position by \$6,317,338 and business-type activities decreased the City's net position by \$1,266,811.

**CITY OF LINCOLN
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Changes in Net Position
As of June 30, 2016 and 2015**

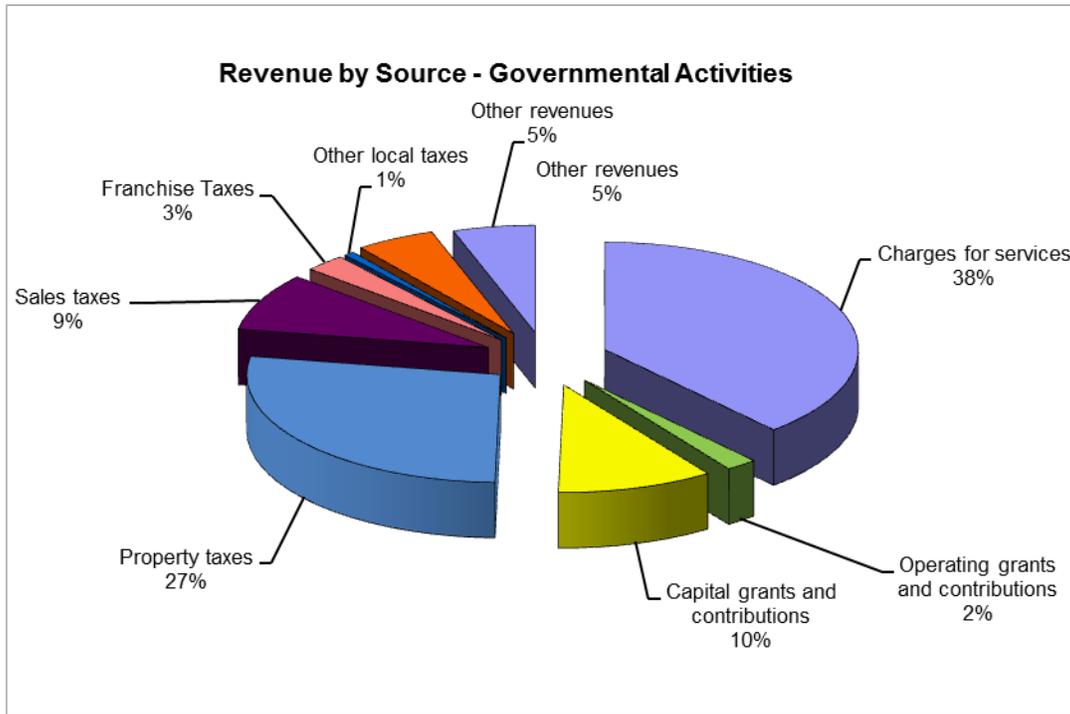
	Governmental Activities		Business-type Activities		Total		Variance
	2016	2015	2016	2015	2016	2015	
Revenues:							
Program revenues:							
Charges for services	\$ 12,594,569	\$ 11,987,832	\$ 28,567,369	\$ 27,259,232	\$ 41,161,938	\$ 39,247,064	\$ 1,914,874
Operating grants and contributions	651,321	1,673,308	2,058,693	1,188,545	2,710,014	2,861,853	(151,839)
Capital Grants and contributions	3,255,890	14,184,897	2,125,839	4,254,405	5,381,729	18,439,302	(13,057,573)
General Revenues:							
Property taxes	8,983,948	9,020,576	-	-	8,983,948	9,020,576	(36,628)
Sales taxes	2,844,841	2,598,143	492,068	412,877	3,336,909	3,011,020	325,889
Franchise Taxes	852,458	837,267	-	-	852,458	837,267	15,191
Other taxes	222,229	259,982	-	-	222,229	259,982	(37,753)
Investment earnings	1,661,188	764,002	735,107	372,555	2,396,295	1,136,557	1,259,738
Other Revenues	1,714,705	3,964,592	239,418	85,916	1,954,123	4,050,508	(2,096,385)
Gain on sale of assets	-	-	83,688	-	83,688	-	83,688
Total Revenues	32,781,149	45,290,599	34,302,182	33,573,530	67,083,331	78,864,129	(11,780,798)
Expenses:							
General government	3,936,661	2,465,172	-	-	3,936,661	2,465,172	1,471,489
Public Safety	11,437,055	9,111,739	-	-	11,437,055	9,111,739	2,325,316
Public works and facilities	21,087,881	19,030,793	-	-	21,087,881	19,030,793	2,057,088
Culture & recreation	839,156	745,314	-	-	839,156	745,314	93,842
Urban redevelopment & housing	786,381	490,309	-	-	786,381	490,309	296,072
Education	545,475	568,277	-	-	545,475	568,277	(22,802)
Interest on long-term debt	988,938	1,012,610	-	-	988,938	1,012,610	(23,672)
Water	-	-	12,618,263	12,418,348	12,618,263	12,418,348	199,915
Wastewater	-	-	12,813,685	10,760,685	12,813,685	10,760,685	2,053,000
Solid waste	-	-	7,355,610	5,087,810	7,355,610	5,087,810	2,267,800
Airport	-	-	1,563,378	1,632,005	1,563,378	1,632,005	(68,627)
Transit	-	-	796,960	980,587	796,960	980,587	(183,627)
Total Expenses	39,621,547	33,424,214	35,147,896	30,879,435	74,769,443	64,303,649	10,465,794
Change in net position before transfers							
	(6,840,398)	11,866,385	(845,714)	2,694,095	(7,686,112)	14,560,480	(22,246,592)
Transfers	523,060	489,374	(523,060)	(489,374)	-	-	-
Change in net position	(6,317,338)	12,355,759	(1,368,774)	2,204,721	(7,686,112)	14,560,480	(22,246,592)
Net Position-Beginning	450,619,678	430,188,419	380,399,510	381,997,138	831,019,188	812,185,557	18,833,631
Change in accounting principle	-	(10,822,209)	-	(3,802,349)	-	(14,624,558)	14,624,558
Prior period adjustments	-	18,897,709	101,963	-	101,963	18,897,709	(18,795,746)
Net Position- Ending	\$444,302,340	\$450,619,678	\$379,132,699	\$380,399,510	\$823,435,039	\$831,019,188	\$ (7,584,149)

Key elements of the \$12.5 million decrease in revenues for governmental activities are as follows:

- Capital grants and contributions decreased by \$11.9 million primarily due the completion of projects related to the grant funding.

**CITY OF LINCOLN
MANAGEMENT'S DISCUSSION AND ANALYSIS**

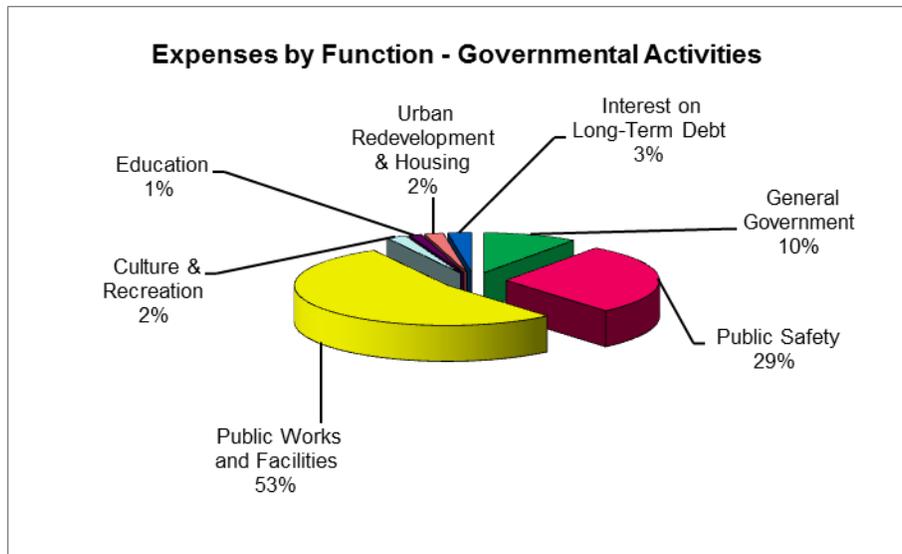
The following chart shows Governmental Activities Revenues by Source:



Key elements of the \$6.1 million increase in expenses for governmental activities are as follows:

- General Government, Public Safety and Public Works and Facilities increased \$5.8 million largely due to increased employee costs and other related operational costs.

The following chart shows Governmental Activities Expenses by Function:



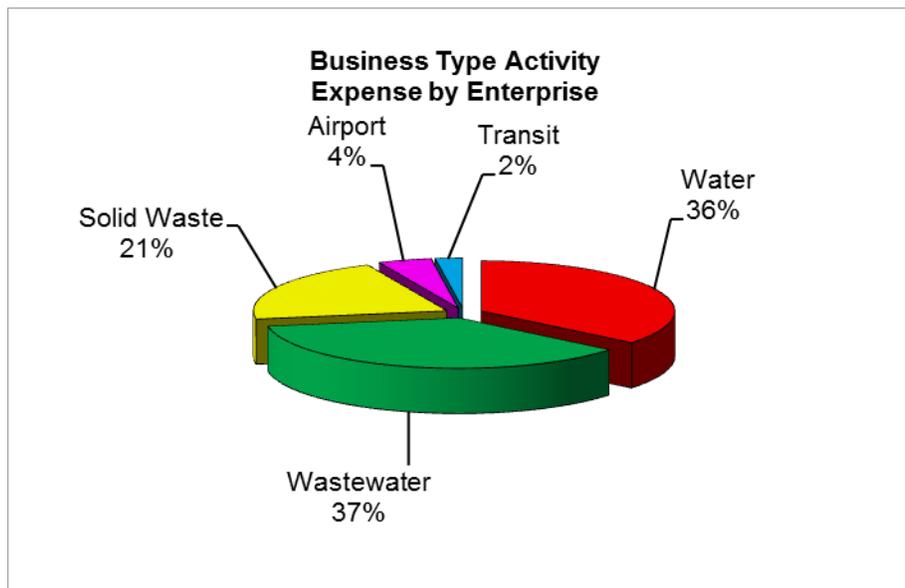
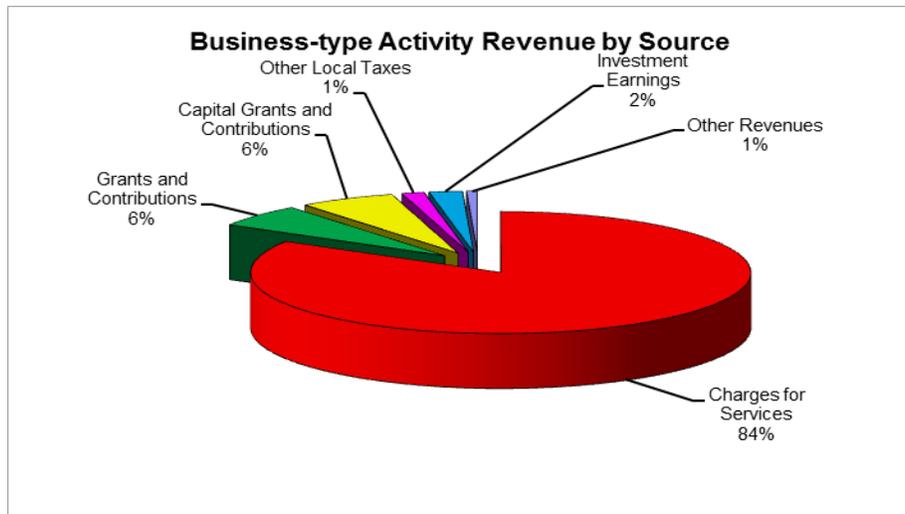
**CITY OF LINCOLN
MANAGEMENT’S DISCUSSION AND ANALYSIS**

Business-type Activities: Business-type activities decreased the City’s net position by \$1.3 million or .3% in the fiscal year ending June 30, 2016.

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

- Charges for services increased \$1.3 million which is offset by decreases in capital grants and contributions (\$2.1 million).
- Wastewater expenses increased by \$2.05 million due to the increase in treatment services provided as a result of the addition of the regional sewer project.
- Solid Waste expenses increased by \$2.2 million because of the required regulatory improvements at the closed landfill site.

The following charts show Business-type Activities Revenues by Source and Expenses by Enterprise:



**CITY OF LINCOLN
MANAGEMENT'S DISCUSSION AND ANALYSIS**

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$100,385,071, an increase of \$5,372,288 over the prior year. The increased fund balance is the result of revenues exceeding expenditures by \$4,702,214 as well as transfers from enterprise and internal service funds of \$670,074. When comparing total revenues and expenditures against the prior year, net revenue decreased 48% from the prior period.

Non-spendable fund balances total \$824,470, restricted fund balances total \$99,829,956, committed fund balances total \$3,929,856, assigned fund balances total \$5,984,063 and unassigned fund balances total a negative \$10,183,274. The General Fund has a positive unassigned fund balance of \$6,530,612, the Public Facility Element (PFE) funds continue to carry a negative unassigned fund balance of \$16,071,222 down from a negative \$18,320,588. These accumulated negative fund balances must be closely monitored to avoid future negative financial impact on the City.

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

General Fund. The General Fund is the chief operating fund of the City of Lincoln. Fiscal Year 2015-16 increased the City's General Fund balance by \$1,102,451 to an ending fund balance of \$10,848,002. The unassigned fund balance of the General fund is \$6,530,612. The committed fund balance at year end was \$3,929,856 which contains reserves of \$2,000,000 for Catastrophic, \$1,866,111 for Economic, and \$63,745 for Youth Programs. The non-spendable fund balance at year-end of \$387,438 is invested in the City's insurance program with a JPA -Northern California Cities Self Insurance Fund.

Revenues exceeded expenditures by \$1,149,987 while other financing sources resulted in a negative \$47,536 thus resulting in a year end gain of \$1,102,451 due to stable increase in all revenue sources. As a measure of the General Fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. Including sources and uses, the unassigned fund balance represents 44% of total General Fund expenditures, up from 41%.

**CITY OF LINCOLN
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

**Revenue by Source
General Fund**

	FY2016		FY 2015		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent
Taxes and Assessments	\$ 12,903,476	80.7%	\$ 12,715,968	81.2%	\$ 187,508	1.8%
Licenses and Permits	637,021	4.0%	661,326	4.2%	(24,305)	-4.8%
Fines and Penalties	94,962	0.6%	73,722	0.5%	21,240	44.3%
Interest and Investment Income	182,303	1.1%	68,386	0.4%	113,917	75.9%
Intergovernmental Revenue	222,982	1.4%	271,294	1.7%	(48,312)	-114.6%
Charges for Services	1,634,768	10.2%	1,546,680	9.9%	88,088	3.4%
Other Revenues	306,398	1.9%	318,569	2.0%	(12,171)	-3.7%
Total	\$ 15,981,910	100%	\$ 15,655,945	100%	\$ 325,965	2.3%

Total General Fund revenues increased by \$325,965 or 2.3% from the prior fiscal year and are driven by a combination of factors

- Taxes and Assessments modestly increased by 1.8% or 187,508.
- Fines and Penalties increased \$21,240 resulting from increases in vehicle fine revenue.
- Interest and investments income increased \$113,917 reflective of improved investment returns.
- Charges for services decreased by \$88,088 primarily due to increased fees and developer activity.

**Expenditures by Function
General Fund**

	FY2016		FY2015		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent
General Government	\$ 3,114,603	21.4%	\$ 2,709,685	20.4%	\$ 404,918	14.9%
Public Safety	9,238,714	63.3%	8,688,582	65.3%	550,132	6.3%
Public Works and Facilities	353,932	2.4%	300,429	2.3%	53,503	17.8%
Culture and Recreation	712,594	4.9%	646,393	4.9%	66,201	10.2%
Urban Redevelopment and Housing	708,220	4.9%	556,739	4.2%	151,481	27.2%
Education	454,492	3.1%	397,620	3.0%	56,872	14.3%
Total	\$ 14,582,555	100.0%	\$ 13,299,448	100.0%	\$ 1,283,107	9.6%

The above General Fund expenditures increased by \$1,283,107 or 9.6 percent from the prior fiscal year primarily due to increased salaries and benefits.

CITY OF LINCOLN MANAGEMENT'S DISCUSSION AND ANALYSIS

Public Facility Element (PFE) Special Revenue Funds. The PFE funds are collected with the issuance of building permits and are used by the City to fund infrastructure projects and public facilities. The City's PFE funds include Transportation, Drainage, Parks, and Community Services for Police, Fire, Administration and the Library. Development activity in Lincoln declined significantly during the recent economic downturn. During the past two years, however, the City has seen renewed development interest. The PFE funds had a total negative fund balance of \$5,375,001 at the end of the 2015-2016 fiscal years. This is a significant improvement from the negative fund balance of \$9,091,236 as of June 30, 2014. This improvement over the prior years is indicative of the slowly recovering economy. As new development projects are undertaken, new fees will be applied toward these negative fund balances.

Water Connections Special Revenue Funds. These funds are used to account for water connection fees collected from developers and property owners that are required by the California Government Code to be expended for capacity expansion. The fund balance of the Water Connections Fund at the end of Fiscal Year 2015-2016 was \$36,854,367 or 7.4 percent more than the prior fiscal year.

Special Assessment Districts Special Revenue Fund. These funds are used to account for special assessments collected from property owners to be expended for improvements and maintenance to public property within the District. The fund balance at the end of fiscal year 2015-2016 was \$11,021,527 or .2 percent more than the prior fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

The final General Fund budget for Fiscal Year 2015-16 projected revenue of \$15,337,272 and expenditures of \$15,062,713 with an anticipated surplus of \$274,559. The results of the General Fund for the year ended June 30, 2016, were more than anticipated. As of the end of the fiscal year, revenue totaled \$15,981,910 or \$644,638 more than the budgeted amount. Expenditures totaled \$14,831,923 or \$230,790 less than the approved budget, resulting in an operating surplus of \$1,149,987. The schedule provides a reconciliation of fund balance under the budgetary basis of accounting to actual GAAP basis revealing an increase in net fund balance of \$1,102,451 as of June 30, 2016.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2016, amounts to \$729,923,229 (net of accumulated depreciation). This investment in capital assets includes land, building and facilities, machinery and equipment, park facilities, and roads. Total increase in the City's investments in capital assets for the 2015-16 fiscal year decreased \$6,850,667 or 0.9%.

**CITY OF LINCOLN
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**City's Capital Assets
(net of depreciation)**

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land & Easements	\$ 12,805,317	\$ 12,805,317	\$ 1,591,640	\$ 1,591,640	\$ 14,396,957	\$ 14,396,957
Infrastructure	267,281,323	278,253,963	325,604,786	325,911,563	592,886,109	604,165,526
Construction in progress	20,671,682	17,116,054	6,496,883	5,134,099	27,168,565	22,250,153
Buildings and structures	59,362,770	60,890,827	12,910,196	13,475,998	72,272,966	74,366,825
Machinery and equipment	2,106,750	2,284,309	3,283,128	1,793,738	5,389,878	4,078,047
Land improvement	16,966,986	16,618,711	841,768	897,677	17,808,754	17,516,388
Total	\$379,194,828	\$387,969,181	\$350,728,401	\$348,804,715	\$729,923,229	\$736,773,896

Governmental Activities decreased by \$8.7 million or 2.3 percent and Business-type Activities increased by \$1,923,686 or 0.6%. The City's infrastructure assets are recorded at historical cost in the government-wide financial statements as required by Governmental Accounting Standards Board (GASB) Statement No. 34. In prior periods, the City elected to use the modified approach to report its infrastructure but has now elected to use the straight line approach. As the City's fixed assets have practically doubled, the City is in need of a GIS and pavement management system to ensure its' infrastructure is maintained in the most efficient manner.

Additional information on the City's capital assets can be found in Note 4 on pages 46-48 of this report.

Long-term debt. As of June 30, 2016, the City of Lincoln had total debt outstanding of \$24,603,912. This amount is comprised of \$19,201,119 in bond debt, \$1,769,571 in capital leases, \$2,415,461 in compensated absences, \$1,204,351 in landfill post closure liability, and \$13,410 in loans payable.

City's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Bonds, net	\$ 19,201,119	\$ 19,968,511	\$ -	\$ 125,000	\$ 19,201,119	\$ 20,093,511
Capital leases	235,449	376,565	1,534,122	1,627,033	1,769,571	2,003,598
Loans Payable	-	-	13,410	38,861	13,410	38,861
Postclosure	-	-	1,204,351	1,105,681	1,204,351	1,105,681
Compensated absences	2,074,739	1,710,307	340,722	347,819	2,415,461	2,058,126
Total	\$ 21,511,307	\$ 22,055,383	\$ 3,092,605	\$ 3,244,394	\$ 24,603,912	\$ 25,299,777

The City's total debt decreased by \$695,865 or 2.75 percent during Fiscal Year 2015-16, and is primarily attributable to payments per the debt agreements. Additional information on the City's long-term debt can be found in Note 7 on pages 51-54 of this report.

**CITY OF LINCOLN
MANAGEMENT’S DISCUSSION AND ANALYSIS**

City’s Pension and OPEB

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Net Pension Liability	\$ 11,472,331	\$ 9,970,006	\$ 4,026,522	\$ 3,440,753	\$ 15,498,853	\$ 13,410,759
Net OPEB Obligation	4,291,266	3,551,773	489,309	1,135,372	4,780,575	4,687,145
Total	\$ 15,763,597	\$ 13,521,779	\$ 4,515,831	\$ 4,576,125	\$ 20,279,428	\$ 18,097,904

The City’s total net pension liability and net OPEB obligation increased by \$2,181,524 or 12.1 percent. Additional information on the City’s net pension liability and net OPEB obligation can be found in Notes 12 and on pages 57-65 of this report.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

The economic climate in the City of Lincoln continues to stabilize after several years of weathering the nation-wide recession. Slight increases are anticipated in the two largest sources of revenue to the General Fund – property tax and sales tax. The City is experiencing a renewed interest in development with a number of new projects moving through the design and permitting process. The cost savings measures that have been implemented over the past several years have placed the City of Lincoln in a position to operate efficiently and at a sustainable level. The adopted budget for Fiscal Year 2016-17 is a balanced budget with sufficient revenues anticipated to be available to fund the current level of operating costs. The City Council recently took action to provide for the future stability of the City’s water, wastewater and sanitation systems by approving an orderly series to rate adjustments over the next several years to ensure that funding is available to continue to provide quality utility service to the citizens and businesses of this city.

REQUESTS FOR INFORMATION

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

Basic Financial Statements

- **Government-Wide Financial Statements**

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CITY OF LINCOLN
Statement of Net Position
June 30, 2016

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and investments	\$ 74,536,945	\$ 40,507,328	\$ 115,044,273
Receivables:			
Accounts, net	498,125	3,964,808	4,462,933
Interest	17,400	6,258	23,658
Taxes	1,052,113	203	1,052,316
Intergovernmental	811,802	653,648	1,465,450
Due from other agencies	4,142,130	239,187	4,381,317
Internal balances	5,437,517	(5,437,517)	-
Prepaid insurance	601,015	129,711	730,726
Inventory	-	27,763	27,763
Restricted cash and investments	19,737,540	7,878	19,745,418
Loans receivable	3,270,298	-	3,270,298
Capital assets:			
Non-depreciable	33,476,999	8,088,523	41,565,522
Depreciable, net	345,717,829	342,639,878	688,357,707
Total capital assets	<u>379,194,828</u>	<u>350,728,401</u>	<u>729,923,229</u>
Total Assets	<u>489,299,713</u>	<u>390,827,668</u>	<u>880,127,381</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension adjustments	<u>2,641,152</u>	<u>450,120</u>	<u>3,091,272</u>
Total Deferred Outflows of Resources	<u>2,641,152</u>	<u>450,120</u>	<u>3,091,272</u>
LIABILITIES			
Accounts payable	1,542,526	3,128,237	4,670,763
Accrued salaries and benefits	800,973	157,996	958,969
Accrued interest payable	375,881	16,707	392,588
Other accrued liabilities	6,237	-	6,237
Retention payable	141,846	-	141,846
Deposits payable	1,456,341	317,545	1,773,886
Unearned revenue	2,436,785	127,085	2,563,870
Net pension liability	11,472,331	4,026,522	15,498,853
Net OPEB obligation	4,291,266	489,309	4,780,575
Long-term liabilities:			
Due within one year	2,625,020	385,786	3,010,806
Due in more than one year	18,886,287	2,706,819	21,593,106
Total Liabilities	<u>44,035,493</u>	<u>11,356,006</u>	<u>55,391,499</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pension adjustments	<u>3,603,032</u>	<u>789,083</u>	<u>4,392,115</u>
Total Deferred Inflows of Resources	<u>3,603,032</u>	<u>789,083</u>	<u>4,392,115</u>

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

CITY OF LINCOLN
Statement of Net Position
June 30, 2016

	Governmental Activities	Business-Type Activities	Totals
NET POSITION			
Net investment in capital assets	359,758,260	349,180,869	708,939,129
Restricted for:			
General government	7,030,883	-	7,030,883
Public safety	482,844	-	482,844
Public works and facilities	68,256,694	-	68,256,694
Culture and recreation	834,637	-	834,637
Urban redevelopment and housing	318,420	-	318,420
Education	4,263,216	-	4,263,216
Endowment:			
Nonexpendable	356,659	-	356,659
Expendable	154,782	-	154,782
Debt service	3,548,400	-	3,548,400
Capital projects	21,004,516	-	21,004,516
Public facility element	-	14,312,412	14,312,412
Unrestricted	(21,706,971)	15,639,418	(6,067,553)
Total Net Position	\$ 444,302,340	\$ 379,132,699	\$ 823,435,039

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

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CITY OF LINCOLN
Statement of Activities
For the Year Ended June 30, 2016

Functions/Programs:	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 3,936,661	\$ 1,384,406	\$ 282,982	\$ -
Public safety	11,437,055	746,075	114,618	-
Public works and facilities	21,087,881	9,179,640	253,721	3,134,202
Culture and recreation	839,156	1,252,263	-	121,688
Urban redevelopment and housing	786,381	-	-	-
Education	545,475	32,185	-	-
Interest on long-term debt	988,938	-	-	-
Total Governmental Activities	39,621,547	12,594,569	651,321	3,255,890
Business-Type activities:				
Water	12,618,263	13,400,117	2,686	1,013,762
Wastewater operations	12,813,685	7,692,439	1,708,448	897,928
Solid waste	7,355,610	6,219,021	12,756	164,270
Airport	1,563,378	1,253,203	-	49,879
Transit	796,960	2,589	334,803	-
Total Business-Type Activities	35,147,896	28,567,369	2,058,693	2,125,839
Total	\$ 74,769,443	\$ 41,161,938	\$ 2,710,014	\$ 5,381,729

General revenues:

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

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Prior period adjustment

Net Position - Beginning, Restated

Net Position - Ending

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

**Net (Expense) Revenue and
Changes in Net Position**

Governmental Activities	Business- Type Activities	Totals
\$ (2,269,273)	\$ -	\$ (2,269,273)
(10,576,362)	-	(10,576,362)
(8,520,318)	-	(8,520,318)
534,795	-	534,795
(786,381)	-	(786,381)
(513,290)	-	(513,290)
(988,938)	-	(988,938)
<u>(23,119,767)</u>	<u>-</u>	<u>(23,119,767)</u>
-	1,798,302	1,798,302
-	(2,514,870)	(2,514,870)
-	(959,563)	(959,563)
-	(260,296)	(260,296)
-	(459,568)	(459,568)
<u>-</u>	<u>(2,395,995)</u>	<u>(2,395,995)</u>
<u>(23,119,767)</u>	<u>(2,395,995)</u>	<u>(25,515,762)</u>
8,983,948	-	8,983,948
2,844,841	492,068	3,336,909
852,458	-	852,458
222,229	-	222,229
1,661,188	735,107	2,396,295
1,714,705	239,418	1,954,123
-	83,688	83,688
523,060	(523,060)	-
<u>16,802,429</u>	<u>1,027,221</u>	<u>17,829,650</u>
<u>(6,317,338)</u>	<u>(1,368,774)</u>	<u>(7,686,112)</u>
450,619,678	380,399,510	831,019,188
-	101,963	101,963
<u>450,619,678</u>	<u>380,501,473</u>	<u>831,121,151</u>
<u>\$ 444,302,340</u>	<u>\$ 379,132,699</u>	<u>\$ 823,435,039</u>

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Basic Financial Statements

- **Fund Financial Statements**

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CITY OF LINCOLN
Balance Sheet
Governmental Funds
June 30, 2016

	<u>General Fund</u>	<u>Public Facility Element (PFE)</u>	<u>Water Connections</u>	<u>Special Assessment Districts</u>
ASSETS				
Cash and investments	\$ 10,201,969	\$ 11,435,327	\$ 9,747,530	\$ 11,202,472
Receivables:				
Accounts, net	228,434	234,489	-	25,750
Interest	1,582	1,184	3,625	1,555
Taxes	891,068	-	-	161,045
Intergovernmental	4,555	-	-	-
Due from other agencies	-	-	4,142,130	-
Due from other funds	-	-	18,690,019	-
Prepaid insurance	387,438	-	-	6,680
Advances to other funds	-	-	4,358,243	-
Restricted cash and investments	-	-	-	-
Loans receivable	-	-	-	-
Total Assets	<u>\$ 11,715,046</u>	<u>\$ 11,671,000</u>	<u>\$ 36,941,547</u>	<u>\$ 11,397,502</u>
LIABILITIES				
Accounts payable	\$ 302,888	\$ 23,318	\$ 86,894	\$ 234,974
Accrued salaries and benefits	544,687	-	286	33,217
Other accrued liabilities	1,535	-	-	4,569
Retention payable	-	-	-	3,215
Deposits payable	11,690	-	-	100,000
Due to other funds	-	12,182,653	-	-
Advances from other funds	-	4,436,200	-	-
Unearned revenue	6,244	169,830	-	-
Total Liabilities	<u>867,044</u>	<u>16,812,001</u>	<u>87,180</u>	<u>375,975</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	234,000	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>234,000</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	387,438	-	-	6,680
Restricted	96	10,696,221	36,854,367	11,036,329
Committed	3,929,856	-	-	-
Assigned	-	-	-	-
Unassigned	6,530,612	(16,071,222)	-	(21,482)
Total Fund Balances (Deficits)	<u>10,848,002</u>	<u>(5,375,001)</u>	<u>36,854,367</u>	<u>11,021,527</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 11,715,046</u>	<u>\$ 11,671,000</u>	<u>\$ 36,941,547</u>	<u>\$ 11,397,502</u>

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

Other Governmental Funds	Totals
\$ 28,852,179	\$ 71,439,477
8,192	496,865
9,125	17,071
-	1,052,113
798,055	802,610
-	4,142,130
-	18,690,019
73,693	467,811
-	4,358,243
19,737,540	19,737,540
3,270,298	3,270,298
<u>\$ 52,749,082</u>	<u>\$ 124,474,177</u>
\$ 752,274	\$ 1,400,348
69,092	647,282
133	6,237
138,631	141,846
1,344,651	1,456,341
786,843	12,969,496
-	4,436,200
2,260,711	2,436,785
<u>5,352,335</u>	<u>23,494,535</u>
<u>360,571</u>	<u>594,571</u>
<u>360,571</u>	<u>594,571</u>
430,352	824,470
41,242,943	99,829,956
-	3,929,856
5,984,063	5,984,063
(621,182)	(10,183,274)
<u>47,036,176</u>	<u>100,385,071</u>
<u>\$ 52,749,082</u>	<u>\$ 124,474,177</u>

CITY OF LINCOLN
Reconciliation of the Governmental Funds Balance
Sheet to the Government-Wide Statement of
Net Position - Governmental Activities
June 30, 2016

Total Fund Balance - Total Governmental Funds	\$ 100,385,071
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	379,114,833
Other long-term assets are not available to pay for current period expenditures and therefore, are reported as unavailable revenues in the governmental funds.	594,571
Interest payable on long-term debt does not require the use of current financial resources and therefore, is not accrued as a liability in the governmental funds balance sheets.	(375,881)
Deferred outflows of resources related to pensions are not reported in the governmental funds.	2,641,152
Deferred inflows of resources related to pensions are not reported in the governmental funds.	(3,603,032)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.	
Bonds payable	(19,201,119)
Capital leases	(235,449)
Compensated absences	(1,643,729)
Net pension liability	(11,472,331)
Net OPEB obligation	(4,291,266)
Internal service funds are used by management to charge the cost of certain activities, such as insurance and equipment maintenance and operations, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.	2,389,520
Net Position of Governmental Activities	\$ 444,302,340

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

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CITY OF LINCOLN
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2016

	General Fund	Public Facility Element (PFE)	Water Connections	Special Assessment Districts
REVENUES				
Taxes	\$ 12,903,476	\$ -	\$ -	\$ -
Special assessments	-	-	-	3,450,789
Licenses and permits	637,021	-	-	-
Fines and forfeitures	94,962	-	-	-
Use of money and property	182,303	166,173	525,891	200,886
Intergovernmental	222,982	-	-	-
Charges for services	1,634,768	1,879,343	2,563,613	-
Other revenues	306,398	-	-	25,790
Total Revenues	15,981,910	2,045,516	3,089,504	3,677,465
EXPENDITURES				
Current:				
General government	3,114,603	5,399	-	57,126
Public safety	9,238,714	912	-	1,367
Public works and facilities	353,932	1,889	31,031	2,654,951
Culture and recreation	712,594	-	-	-
Urban redevelopment and housing	708,220	-	-	-
Education	454,492	56,097	-	-
Debt service:				
Principal	141,116	-	-	-
Interest and other charges	12,651	40,876	-	-
Capital outlay	95,601	316,808	521,873	880,833
Total Expenditures	14,831,923	421,981	552,904	3,594,277
Excess of Revenues Over (Under) Expenditures	1,149,987	1,623,535	2,536,600	83,188
OTHER FINANCING SOURCES (USES)				
Transfers in	445,000	147,014	-	-
Transfers out	(492,536)	(405,957)	-	(58,804)
Total Other Financing Sources (Uses)	(47,536)	(258,943)	-	(58,804)
Net Change in Fund Balances	1,102,451	1,364,592	2,536,600	24,384
Fund Balances (Deficits) - Beginning	9,745,551	(6,739,593)	34,317,767	10,997,143
Fund Balances (Deficits) - Ending	\$ 10,848,002	\$ (5,375,001)	\$ 36,854,367	\$ 11,021,527

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

Other Governmental Funds	Totals
\$ -	\$ 12,903,476
2,970	3,453,759
925,831	1,562,852
-	94,962
545,688	1,620,941
4,418,786	4,641,768
1,405,272	7,482,996
1,382,517	1,714,705
8,681,064	33,475,459
20,289	3,197,417
115,082	9,356,075
4,104,314	7,146,117
-	712,594
2,618	710,838
-	510,589
770,000	911,116
950,085	1,003,612
3,409,772	5,224,887
9,372,160	28,773,245
(691,096)	4,702,214
2,045,530	2,637,544
(1,010,173)	(1,967,470)
1,035,357	670,074
344,261	5,372,288
46,691,915	95,012,783
\$ 47,036,176	\$ 100,385,071

CITY OF LINCOLN
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Government-Wide Statement of Activities - Governmental Activities
For the Year Ended June 30, 2016

Net Change in Fund Balances - Total Governmental Funds	\$ 5,372,288
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Expenditures for capital outlay	5,224,887
Less: current year depreciation	(14,142,074)
Various adjustments affecting capital assets (including capital contributions)	121,688
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the net cost of the capital assets disposal. There were no proceeds from the disposal of capital assets.	(446)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Principal retirements	911,116
Some revenues reported in the statement of activities will not be collected for several months after the City's year end and do not provide current financial resources and therefore are not reported as revenues in the governmental funds.	
Change in unavailable revenue	(856,245)
Certain changes in deferred outflows and deferred inflows of resources reported in the statement of activities relate to long-term liabilities and are not reported in the governmental funds.	
Change in deferred outflows of resources related to pension	325,383
Change in deferred inflows of resources related to pension	(895,369)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	
Change in compensated absences payable	(285,183)
Change in net pension liability	(1,502,325)
Change in net OPEB obligation	(739,493)
Change in accrued interest payable	17,282
Amortization of bond discount	(3,449)
Amortization of bond premium	841
Internal service funds are used by management to charge the cost of certain activities, such as insurance and equipment maintenance and operations, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.	<u>133,761</u>
Change in Net Position of Governmental Activities	<u><u>\$ (6,317,338)</u></u>

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

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CITY OF LINCOLN
Statement of Net Position
Proprietary Funds
June 30, 2016

	Business-Type Activities - Enterprise Funds			
	Major Funds			
	Water	Wastewater Operations	Solid Waste	Airport
ASSETS				
Current Assets:				
Cash and investments	\$ 23,457,941	\$ 11,095,170	\$ 5,803,499	\$ 100
Receivables:				
Accounts, net	1,878,231	1,194,711	780,044	111,822
Interest	2,708	2,377	1,121	-
Taxes	-	-	-	203
Intergovernmental	1,280	105	304	33,301
Due from other agencies	-	239,187	-	-
Due from other funds	-	66,506	270,692	-
Prepaid insurance	36,705	26,329	39,765	13,673
Inventory	-	-	-	27,763
Advances to other funds	-	-	4,436,200	-
Total Current Assets	25,376,865	12,624,385	11,331,625	186,862
Noncurrent Assets:				
Restricted cash and investments	-	7,878	-	-
Capital assets:				
Non-depreciable	228,859	6,169,174	42,260	1,648,230
Depreciable, net	157,081,501	176,225,557	4,230,564	4,585,011
Total Noncurrent Assets	157,310,360	182,402,609	4,272,824	6,233,241
Total Assets	182,687,225	195,026,994	15,604,449	6,420,103
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension adjustments	132,856	94,813	157,050	35,457
Total Deferred Outflows of Resources	132,856	94,813	157,050	35,457
LIABILITIES				
Current Liabilities:				
Accounts payable	1,448,226	976,490	231,732	39,944
Accrued salaries and benefits	52,144	40,497	44,479	13,412
Accrued interest payable	342	-	-	16,365
Deposits payable	39,000	250,000	-	28,545
Due to other funds	-	636,007	-	5,421,714
Unearned revenue	53,670	46,758	-	-
Compensated absences payable	66,846	50,695	96,578	37,660
Capital leases payable	-	-	-	97,389
Loans payable	13,410	-	-	-
Total Current Liabilities	\$ 1,673,638	\$ 2,000,447	\$ 372,789	\$ 5,655,029

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

<u>Nonmajor</u>		Governmental Activities
<u>Transit</u>	<u>Totals</u>	Internal Service Funds
\$ 150,618	\$ 40,507,328	\$ 3,097,468
-	3,964,808	1,260
52	6,258	329
-	203	-
618,658	653,648	9,192
-	239,187	-
-	337,198	-
13,239	129,711	133,204
-	27,763	-
-	4,436,200	-
<u>782,567</u>	<u>50,302,304</u>	<u>3,241,453</u>
-	7,878	-
-	8,088,523	9,765
<u>517,245</u>	<u>342,639,878</u>	<u>70,230</u>
<u>517,245</u>	<u>350,736,279</u>	<u>79,995</u>
<u>1,299,812</u>	<u>401,038,583</u>	<u>3,321,448</u>
<u>29,944</u>	<u>450,120</u>	<u>-</u>
<u>29,944</u>	<u>450,120</u>	<u>-</u>
431,845	3,128,237	142,178
7,464	157,996	153,691
-	16,707	-
-	317,545	-
-	6,057,721	-
26,657	127,085	-
23,208	274,987	353,668
-	97,389	-
-	13,410	-
<u>\$ 489,174</u>	<u>\$ 10,191,077</u>	<u>\$ 649,537</u>

CITY OF LINCOLN
Statement of Net Position
Proprietary Funds
June 30, 2016

	Business-Type Activities - Enterprise Funds			
	Major Funds			
	Water	Wastewater Operations	Solid Waste	Airport
LIABILITIES (CONTINUED)				
Noncurrent Liabilities:				
Advances from other funds	\$ -	\$ 4,358,243	\$ -	\$ -
Compensated absences payable	15,809	12,083	23,009	9,238
Capital leases payable	-	-	-	1,436,733
Postclosure	-	-	1,204,351	-
Net pension liability	1,225,172	854,062	1,371,599	301,918
Net OPEB obligation	91,055	138,240	144,622	64,863
Total Noncurrent Liabilities	<u>1,332,036</u>	<u>5,362,628</u>	<u>2,743,581</u>	<u>1,812,752</u>
Total Liabilities	<u>3,005,674</u>	<u>7,363,075</u>	<u>3,116,370</u>	<u>7,467,781</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred pension adjustments	<u>243,783</u>	<u>167,965</u>	<u>265,454</u>	<u>57,637</u>
Total Deferred Inflows of Resources	<u>243,783</u>	<u>167,965</u>	<u>265,454</u>	<u>57,637</u>
NET POSITION				
Net investment in capital assets	157,296,950	182,394,731	4,272,824	4,699,119
Restricted for public facility element	8,791,493	-	5,520,919	-
Unrestricted	13,482,181	5,196,036	2,585,932	(5,768,977)
Total Net Position	<u>\$ 179,570,624</u>	<u>\$ 187,590,767</u>	<u>\$ 12,379,675</u>	<u>\$ (1,069,858)</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.

Net Position of Business-Type Activities

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

<u>Nonmajor</u>		Governmental
<u>Transit</u>	<u>Totals</u>	Activities
		Internal
		Service
		Funds
\$ -	\$ 4,358,243	\$ -
5,596	65,735	77,342
-	1,436,733	-
-	1,204,351	-
273,771	4,026,522	-
50,529	489,309	-
<u>329,896</u>	<u>11,580,893</u>	<u>77,342</u>
<u>819,070</u>	<u>21,771,970</u>	<u>726,879</u>
<u>54,244</u>	<u>789,083</u>	<u>-</u>
<u>54,244</u>	<u>789,083</u>	<u>-</u>
517,245	349,180,869	79,995
-	14,312,412	-
(60,803)	15,434,369	2,514,574
<u>\$ 456,442</u>	<u>378,927,650</u>	<u>\$ 2,594,569</u>
	<u>205,049</u>	
	<u>\$ 379,132,699</u>	

CITY OF LINCOLN
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2016

	Business-Type Activities - Enterprise Funds			
	Major Funds			
	Water	Wastewater Operations	Solid Waste	Airport
OPERATING REVENUES				
Charges for services	\$ 13,382,717	\$ 7,692,439	\$ 6,165,264	\$ 1,253,203
Connection fees	17,400	-	53,757	-
Other revenues	3,933	109,450	55	7,889
Total Operating Revenues	<u>13,404,050</u>	<u>7,801,889</u>	<u>6,219,076</u>	<u>1,261,092</u>
OPERATING EXPENSES				
Salaries and benefits	1,317,140	1,024,508	1,450,086	348,811
Services and supplies	7,640,064	6,428,616	4,801,166	798,805
Support services	735,001	701,242	944,056	120,896
Depreciation	2,981,901	4,694,582	235,397	230,060
Total Operating Expenses	<u>12,674,106</u>	<u>12,848,948</u>	<u>7,430,705</u>	<u>1,498,572</u>
Operating Income (Loss)	<u>729,944</u>	<u>(5,047,059)</u>	<u>(1,211,629)</u>	<u>(237,480)</u>
NONOPERATING REVENUES (EXPENSES)				
Taxes	-	-	-	37,155
Intergovernmental	2,686	1,708,448	12,756	-
Interest income	382,974	213,924	135,181	57
Other non-operating revenues	-	112,975	-	-
Gain on sale of capital assets	-	55,500	28,188	-
Interest expense	(2,622)	(20,517)	-	(74,423)
Total Nonoperating Revenues (Expenses)	<u>383,038</u>	<u>2,070,330</u>	<u>176,125</u>	<u>(37,211)</u>
Income (Loss) before Contributions and Transfers	<u>1,112,982</u>	<u>(2,976,729)</u>	<u>(1,035,504)</u>	<u>(274,691)</u>
Capital grants and contributions	-	-	-	49,879
Capital connection fees	1,013,762	897,928	164,270	-
Transfers in	-	-	-	-
Transfers out	(161,852)	(93,237)	(159,070)	(32,919)
Change in Net Position	<u>1,964,892</u>	<u>(2,172,038)</u>	<u>(1,030,304)</u>	<u>(257,731)</u>
Total Net Position - Beginning	<u>177,259,500</u>	<u>190,347,296</u>	<u>13,069,757</u>	<u>(812,127)</u>
Prior period adjustment	<u>346,232</u>	<u>(584,491)</u>	<u>340,222</u>	<u>-</u>
Total Net Position - Beginning, Restated	<u>177,605,732</u>	<u>189,762,805</u>	<u>13,409,979</u>	<u>(812,127)</u>
Total Net Position - Ending	<u>\$ 179,570,624</u>	<u>\$ 187,590,767</u>	<u>\$ 12,379,675</u>	<u>\$ (1,069,858)</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.

Change in Net Position of Business-Type Activities

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

<u>Nonmajor</u>		Governmental Activities
<u>Transit</u>	<u>Totals</u>	Internal Service Funds
\$ 2,589	\$ 28,496,212	\$ 5,708,376
-	71,157	-
-	121,327	35,969
<u>2,589</u>	<u>28,688,696</u>	<u>5,744,345</u>
232,571	4,373,116	3,235,870
450,137	20,118,788	2,056,113
76,591	2,577,786	-
43,753	8,185,693	6,785
<u>803,052</u>	<u>35,255,383</u>	<u>5,298,768</u>
<u>(800,463)</u>	<u>(6,566,687)</u>	<u>445,577</u>
454,913	492,068	-
334,803	2,058,693	-
2,971	735,107	40,247
5,116	118,091	-
-	83,688	-
-	(97,562)	-
<u>797,803</u>	<u>3,390,085</u>	<u>40,247</u>
(2,660)	(3,176,602)	485,824
-	49,879	(138,314)
-	2,075,960	-
-	-	224,128
<u>(75,982)</u>	<u>(523,060)</u>	<u>(371,142)</u>
<u>(78,642)</u>	<u>(1,573,823)</u>	<u>200,496</u>
535,084		2,394,073
-		-
<u>535,084</u>		<u>2,394,073</u>
<u>\$ 456,442</u>		<u>\$ 2,594,569</u>
	<u>205,049</u>	
	<u>\$ (1,368,774)</u>	

CITY OF LINCOLN
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2016

	Business-Type Activities - Enterprise Funds			
	Major Funds			
	Water	Wastewater Operations	Solid Waste	Airport
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 13,020,361	\$ 8,168,137	\$ 6,159,735	\$ 1,250,508
Payments to suppliers	(8,241,842)	(7,869,318)	(5,787,112)	(925,893)
Payments to employees	(1,083,082)	(845,811)	(1,190,183)	(286,772)
Net Cash Provided (Used) by Operating Activities	<u>3,695,437</u>	<u>(546,992)</u>	<u>(817,560)</u>	<u>37,843</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Taxes received	-	-	-	37,104
Intergovernmental revenues received	2,586	1,708,590	12,756	16,753
Other revenues received	-	112,975	-	-
Transfers from other funds	-	-	-	-
Transfers to other funds	(161,853)	(93,237)	(159,070)	(32,919)
Interfund loans repaid	-	(201,643)	(20,293)	-
Interfund loan repayments received	-	-	-	207,321
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(159,267)</u>	<u>1,526,685</u>	<u>(166,607)</u>	<u>228,259</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Connection fees received	1,013,762	897,928	164,270	-
Acquisition of capital assets	(1,357,676)	(8,177,289)	(1,432,699)	(98,850)
Proceeds from sale of capital assets	-	211,604	55,500	-
Principal paid on capital debt	(40,451)	(110,000)	-	(92,910)
Interest paid on capital debt	(2,773)	(22,711)	-	(75,416)
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>(387,138)</u>	<u>(7,200,468)</u>	<u>(1,212,929)</u>	<u>(267,176)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	381,344	212,491	134,505	57
Net Cash Provided (Used) by Investing Activities	<u>381,344</u>	<u>212,491</u>	<u>134,505</u>	<u>57</u>
Net Increase (Decrease) in Cash and Cash Equivalents	3,530,376	(6,008,284)	(2,062,591)	(1,017)
Balances - Beginning	19,927,565	17,111,332	7,866,090	1,117
Balances - Ending	<u>\$ 23,457,941</u>	<u>\$ 11,103,048</u>	<u>\$ 5,803,499</u>	<u>\$ 100</u>

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

<u>Nonmajor</u>		<u>Governmental Activities</u>
<u>Transit</u>	<u>Totals</u>	<u>Internal Service Funds</u>
\$ 29,246	\$ 28,627,987	\$ 5,743,335
(243,937)	(23,068,102)	(2,104,322)
(196,574)	(3,602,422)	(3,098,941)
<u>(411,265)</u>	<u>1,957,463</u>	<u>540,072</u>
454,913	492,017	-
(152,016)	1,588,669	1,068
5,116	118,091	-
-	-	224,128
(75,982)	(523,061)	(371,142)
-	(221,936)	-
-	207,321	-
<u>232,031</u>	<u>1,661,101</u>	<u>(145,946)</u>
-	2,075,960	-
-	(11,066,514)	(28,377)
-	267,104	-
-	(243,361)	-
-	(100,900)	-
<u>-</u>	<u>(9,067,711)</u>	<u>(28,377)</u>
<u>2,940</u>	<u>731,337</u>	<u>40,048</u>
<u>2,940</u>	<u>731,337</u>	<u>40,048</u>
(176,294)	(4,717,810)	405,797
<u>326,912</u>	<u>45,233,016</u>	<u>2,691,671</u>
<u>\$ 150,618</u>	<u>\$ 40,515,206</u>	<u>\$ 3,097,468</u>

CITY OF LINCOLN
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2016

	Business-Type Activities - Enterprise Funds			
	Major Funds			
	Water	Wastewater Operations	Solid Waste	Airport
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 729,944	\$ (5,047,059)	\$ (1,211,629)	\$ (237,480)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	2,981,901	4,694,582	235,397	230,060
Decrease (Increase) in:				
Accounts receivable	(404,689)	345,409	(59,341)	(11,284)
Prepaid insurance	(2,968)	(2,142)	(3,408)	(624)
Inventory	-	-	-	32,226
Deferred pension adjustments	1,898	(1,733)	(9,430)	(3,308)
Increase (Decrease) in:				
Accounts payable	136,191	(737,318)	(137,152)	(37,794)
Accrued salaries and benefits	11,730	6,428	3,430	4,519
Deposits payable	21,000	20,839	-	700
Unearned revenue	-	-	-	-
Compensated absences payable	(26,839)	3,432	(11,388)	13,833
Postclosure	-	-	98,670	-
Net pension liability	165,662	122,220	210,934	49,147
Net OPEB obligation	96,581	59,118	84,365	1,944
Deferred pension adjustments	(14,974)	(10,768)	(18,008)	(4,096)
Net Cash Provided (Used) by Operating Activities	\$ 3,695,437	\$ (546,992)	\$ (817,560)	\$ 37,843
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Contribution of capital assets to governmental activities	\$ -	\$ -	\$ -	\$ -

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

<u>Nonmajor</u>		<u>Governmental</u>
<u>Transit</u>	<u>Totals</u>	<u>Internal</u>
		<u>Service</u>
		<u>Funds</u>
\$ (800,463)	\$ (6,566,687)	\$ 445,577
43,753	8,185,693	6,785
-	(129,905)	(1,010)
(426)	(9,568)	(8,982)
-	32,226	-
67	(12,506)	-
283,217	(492,856)	(39,227)
33	26,140	57,680
-	42,539	-
26,657	26,657	-
13,865	(7,097)	79,249
-	98,670	-
37,806	585,769	-
(12,390)	229,618	-
(3,384)	(51,230)	-
<u>\$ (411,265)</u>	<u>\$ 1,957,463</u>	<u>\$ 540,072</u>
\$ -	\$ -	\$ (138,314)

CITY OF LINCOLN
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

	Private Purpose Trust Funds	Agency Funds
ASSETS		
Cash and investments	\$ 2,127,305	\$ 23,388,378
Receivables:		
Interest	272	3,004
Special assessments	-	108,721
Due from other funds	18,769	
Prepaid insurance	3,061	-
Advances to other funds	871,819	-
Restricted cash and investments	1,061,658	15,540,302
Loans receivable	3,301,873	-
Capital assets:		
Non-depreciable	2,837,713	-
Depreciable, net	1,108,051	-
	11,330,521	39,040,405
LIABILITIES		
Accounts payable	-	5,550
Other accrued liabilities	-	394
Interest payable	178,683	-
Deposits payable	1,000	-
Due to other agencies	4,380,988	329
Due to other funds	18,769	-
Due to property owners	-	39,067,267
Advances from other funds	871,819	-
Agency obligations	-	(33,135)
Long-term liabilities:		
Due within one year	669,924	-
Due in more than one year	9,497,161	-
	15,618,344	39,040,405
NET POSITION		
Net Position held in trust	(4,287,823)	-
	\$ (4,287,823)	\$ -

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

CITY OF LINCOLN
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2016

	<u>Private Purpose Trust Funds</u>
ADDITIONS	
Property taxes	\$ 1,590,922
Interest and investment income	229,966
Other contributions	145,127
Total Additions	<u>1,966,015</u>
DEDUCTIONS	
Program expenses	1,404,736
Interest expense	517,050
Depreciation	82,198
Amortization	5,076
Total Deductions	<u>2,009,060</u>
Change in Net Position	(43,045)
Total Net Position - Beginning	<u>(4,244,778)</u>
Total Net Position - Ending	<u>\$ (4,287,823)</u>

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

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Basic Financial Statements

- **Notes to Basic Financial Statements**

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CITY OF LINCOLN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

For financial reporting purposes, the City's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the City Council. Separate financial statements for the Lincoln Public Financing Authority are not issued.

Blended Component Units

Lincoln Public Financing Authority - The Authority was formed by the execution of a Joint Powers Authority Agreement between the City of Lincoln and the former City of Lincoln Redevelopment Agency. The purpose of the Authority is to provide financing of public capital improvements through the acquisition, construction and improvement thereof by the Authority, or the loan of funds to the City or the Agency to enable the City or the Agency to provide for the acquisition construction and improvement of public capital improvements. The Authority is the lessor for the City's Revenue Refunding Bonds Series 2000, Lease Revenue Refunding Bonds Series 2003, Lease Revenue Bonds Series 2006, and the City of Lincoln Redevelopment Agency Tax Allocation Bonds Series 2004A and Housing Set Aside Tax Allocation Revenue Bonds Series 2004B and makes debt service payments on behalf of the City and the Successor Agency to the City of Lincoln Redevelopment Agency. The City Council is the governing body of the Authority and because its financial and operational relationship with the City is closely integrated, the Authority debt is reported as bonds payable in the governmental activities, business-type activities, Water enterprise fund, Wastewater Operations enterprise fund and Airport enterprise fund financial statements and long-term debt in the private purpose trust funds.

CITY OF LINCOLN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Discretely Presented Component Units

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

Joint Agencies

The City is a participant in Northern California Cities Self-Insurance Fund (NCCSIF), the purpose of which is for member cities to share in the administrative costs of providing liability and workers' compensation insurance. The NCCSIF is governed by a board of directors appointed by the member cities. Complete financial information can be obtained from the Program Administrator, 2180 Harvard Street, Suite 460, Sacramento, CA 95815. The City is not financially accountable for this organization and therefore it is not a component unit under Statement Nos. 14, 39, and 61 of the Governmental Accounting Standards Board.

B. Basis of Presentation

Government-Wide Financial Statements

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

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

Fund Financial Statements

The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis is placed on major funds within the governmental and proprietary categories; each is displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds

CITY OF LINCOLN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements (Continued)

The City reports the following major governmental funds:

- The General fund is the primary operating fund of the City. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. For the City, the General fund includes such activities as public safety, culture and recreation services, public works and facilities, education, and economic development services.
- The Public Facility Element (PFE) Fee fund is a special revenue fund used to account for the fees collected from developers and community services fees for public facilities improvements including, but not limited to, police, fire, and City administration facilities. Funding comes primarily from developer fees and facility fees.
- The Water Connections fund is a special revenue fund used to account for water connection fees collected from developers and property owners that are required by the California Government Code to be expended for capacity expansion. Funding comes primarily from connection fees and investment earnings.
- The Special Assessment Districts fund is a special revenue fund used to account for resources received to provide improvements and maintenance to public property within the District. Funding comes primarily from special assessments.

The City reports the following major proprietary funds:

- The Water fund is an enterprise fund used to account for the activities of the water operating and non-operating funds of the City of Lincoln's Public Services Department. Activities include accounting for the Lincoln residents water use, water pipeline installation and repairs, and water meter installation and repairs.
- The Wastewater Operations fund is an enterprise fund used to account for the activities of the wastewater operating and non-operating funds of the City of Lincoln's Public Services Department. Activities include wastewater services and repair.
- The Solid Waste fund is an enterprise fund used to account for the activities of the solid waste operating and non-operating funds of the City of Lincoln's Public Services Department. Activities include accounting for the City of Lincoln's residents' solid waste (garbage) services.
- The Airport fund is an enterprise fund used to account for the activities of the publicly owned Lincoln Regional Airport. The airport was established in 1947 as a regional center for general and corporate aviation.

CITY OF LINCOLN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements (Continued)

The City reports the following additional fund types:

- Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs.
- Internal Service funds account for the City's fleet maintenance and insurance programs and for the City's vehicle and equipment replacement program. These funds provide services to other departments on a cost reimbursement basis.
- The Private Purpose Trust funds account for property held under other trust arrangement under which principal and income benefit individuals, private organizations or other governments. Private purpose trust funds include the Successor Agency to the Redevelopment Agency of the City of Lincoln.
- The Agency funds account for resources held by the City as a trustee or an agent for individuals, private organizations, and other governmental entities. These resources include fees collected on behalf of bonded assessment districts, the Little League organization, preservation of the library, and for the purpose of preserving open space surrounding Markham Ravine area.

C. Basis of Accounting and Measurement Focus

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

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

CITY OF LINCOLN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting and Measurement Focus (Continued)

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

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

D. Non-Current Governmental Assets/Liabilities

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

E. Cash and Cash Equivalents

For purposes of the accompanying 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.

F. Investments

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

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

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

CITY OF LINCOLN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Restricted Cash and Investments

Restricted assets in the governmental funds represent cash and investments held in the Community Development Block Grant (CDBG) fund for loans and program income of \$520,047, Lincoln Public Financing Authority Series 2006-1 for debt reserve of \$944,578, Lincoln Public Financing Authority Series 2000 for debt reserve of \$317,020, Lincoln Public Financing Authority Series 2003 for debt reserve of \$720,502, Capital Improvements fund for capital projects of \$3,683,467, Twelve Bridges Capital Project fund for capital projects of \$10,573,471, Lakeside CFD Improvement Area for capital projects of \$600,409, Lincoln Crossing for capital projects of \$2,361,789, and the Brookview Open Space Maintenance Trust for maintenance of \$16,257. Restricted assets in the proprietary funds represent cash and investments held in the Wastewater Operations fund for debt service of \$7,878. Restricted assets in the private purpose trust funds represents cash and investments held for debt service and capital projects of \$1,061,658. Restricted assets held in the agency funds represent cash and investments held for capital projects and debt service of \$15,540,302.

H. Receivables

Receivables for governmental activities consist mainly of accounts, interest, taxes, and intergovernmental. Management records an allowance for doubtful accounts based on historical trends and the periodic aging of receivables. At June 30, 2016, the allowance for doubtful accounts was \$332,094.

Receivables for enterprise funds consist mainly of user fees and interest. Management records an allowance for doubtful accounts based on historical trends and the periodic aging of receivables. At June 30, 2016, the allowance for doubtful accounts was \$257,716.

I. Due from Other Agencies

The following is a summary of amounts included in Due From Other Agencies as of June 30, 2016:

	Governmental Activities
The Water Connections fund had amounts due from the following:	
Former Redevelopment Agency	\$ 4,141,801
Markham Ravine Neighborhood Trust	329
Total	\$ 4,142,130
	Business-type Activities
The Waste Water Operations fund had amounts due from the following:	
Former Redevelopment Agency	\$ 239,187
Total	\$ 239,187

CITY OF LINCOLN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Loans Receivable

The following is a summary of the loans receivable outstanding as of June 30, 2016:

Revitalization and Rehabilitation Loan special revenue fund - The City has loaned funds to qualifying individuals. Interest rates vary depending on the terms of the loan. The balance at June 30, 2016 was \$10,505.

Community Development Block Grants (CDBG) special revenue fund - The City has received funding over the years from the California Department of Housing and Community Development for FHA Title 1 and other revolving loans. Notes were issued to borrowers for homebuyers, construction and housing rehabilitation. The notes are secured by first deeds of trust. The notes have various monthly installment amounts and due dates. Interest rates vary depending on the term of the loan. The balance at June 30, 2016 including accrued interest was \$523,457.

Home Investment Partnership Program special revenue fund - The City made various loans to qualifying participants within the City as part of the Federal First Time Homebuyers Program (HOME), which is an owner occupied housing program. Interest rates vary depending the terms of the loan. The notes receivable including accrued interest at June 30, 2016 were \$2,076,357.

Cal Home Grants special revenue fund - The City has made a loan to qualifying participants within the City. The interest rate for this loan is 3 percent. The balance at June 30, 2016 was \$659,979.

K. Other Assets

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.

Prepaid Items

Payments made for services that will benefit periods beyond June 30, 2016 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.

L. Capital Assets

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

CITY OF LINCOLN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Capital Assets (Continued)

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

<u>Depreciable Asset</u>	<u>Estimated Lives</u>
Building and structures	20-50 years
Machinery and equipment	5-15 years
Land improvements	20 years

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

M. Property Tax

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

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

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

N. 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.

CITY OF LINCOLN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Interfund Transactions (Continued)

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.

O. 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.

P. 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.

Q. Pensions

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

R. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item which qualifies for reporting in this category. This item relates to the outflows from changes in the net pension liability and is reportable on the Statement of Net Pension.

CITY OF LINCOLN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Deferred Outflows/Inflows of Resources (Continued)

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

S. Estimates

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

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

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

Statement No. 72, Fair Value Measurement and Application. This statement addresses accounting and financial reporting issues related to fair value measurements. This statement provides guidance for determining a fair value measurement and for applying fair value to certain investments and disclosures related to all fair value measurements.

Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets that are not within the scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. This statement establishes requirements for defined benefit pensions and defined contribution pensions that are not within the scope of Statement No. 68 as well as for the assets accumulated for purposes of providing those pensions.

Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. This statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction is not specified within a source of authoritative GAAP.

Statement No. 79, Certain External Investment Pools and Pool Participants. This statement establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes.

CITY OF LINCOLN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Restatement of Net Position

Adjustments resulting from errors or a change to comply with provisions of the accounting standards are treated as adjustments to prior periods. Accordingly, the City reports these changes as restatements of beginning net position. During the current year adjustments to net position were required to correct a prior year misstatement of capital assets and net OPEB obligation. The capital assets adjustment was due to the regional sewer project being incorrectly capitalized in the prior year and the net OPEB obligation adjustment was due to the City did not include payments to the trust in the calculation of the net OPEB obligation.

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

	Business-Type Activities
Net Position, June 30, 2015, as previously reported	\$380,399,510
Adjustment associated with:	
Correction of capital assets	(773,718)
Correction of net OPEB obligation	875,681
Total Adjustments	101,963
Net Position, July 1, 2015, as restated	<u>\$380,501,473</u>

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

	Water	Wastewater Operations	Solid Waste
Net Position, June 30, 2015, as previously reported	\$ 177,259,500	\$ 190,347,296	\$ 13,069,757
Adjustment associated with:			
Correction of capital assets	-	(773,718)	-
Correction of net OPEB obligation	346,232	189,227	340,222
Total Adjustments	346,232	(584,491)	340,222
Net Position, July 1, 2015, as restated	<u>\$ 177,605,732</u>	<u>\$ 189,762,805</u>	<u>\$ 13,409,979</u>

B. Deficit Fund Balance/Unrestricted Net Position

The following major special revenue funds had deficit fund balances:

Public Facility Element (PFE) - This fund, whose primary revenue source is development impact fees, has a negative fund balance of \$5,375,001 because of funding infrastructure projects, public facilities and parks. These facilities were constructed during a significant growth period in the City, and as the economy slowed and development stopped, revenue into these funds was not sufficient to repay the cost of the projects that had been constructed. As the economy recovers over time and new development increases, it is anticipated that fees collected will be utilized to eliminate the negative balance in this fund.

CITY OF LINCOLN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

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

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

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

Airport fund - This fund has a negative net position of \$1,069,858 and an unrestricted net position deficit of \$5,768,977. This fund does not have an immediate revenue source to cover this negative amount. The unrestricted net position deficit is due to airport revenue generating activities such as fuel sales, tie downs, and hangar rentals which have not kept up with operating expenses and capital improvement costs.

The following non-major special revenue funds had a deficit fund balance which is expected to be eliminated in future years through grant revenues:

Police Grants - This fund, whose primary source of revenue is grants, had a negative fund balance of \$195, which is expected to be eliminated in future years through grant revenues.

Federal Grants - This fund, whose primary source of revenue is federal grants, had a negative fund balance of \$620,987, which is expected to be eliminated in future years through grant revenues.

C. Rebatable Arbitrage

The Tax Reform act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. The City does not expect to incur a liability for rebatable arbitrage at June 30, 2016.

NOTE 3: CASH AND INVESTMENTS

A. Financial Statement Presentation

As of June 30, 2016, the City's cash and investments are reported in the financial statements as follows:

Governmental activities	\$ 94,274,485
Business type activities	40,515,206
Fiduciary funds	<u>42,117,643</u>
Total Cash and Investments	<u>\$ 176,907,334</u>

CITY OF LINCOLN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

A. Financial Statement Presentation (Continued)

As of June 30, 2016, the City's cash and investments consisted of the following:

Cash:	
Cash on hand	\$ 2,185
Deposits (less outstanding checks)	11,345,552
Deposits with fiscal agents	<u>37,250,000</u>
Total Cash	<u>48,597,737</u>
Investments:	
In City's pool	<u>128,309,597</u>
Total Investments	<u>128,309,597</u>
Total Cash and Investments	<u>\$ 176,907,334</u>

B. Cash

At year end, the carrying amount of the City's cash deposits (including amount in checking accounts and money market accounts) was \$48,595,552 and the bank balance was \$48,268,521. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. In addition the City had cash on hand of \$2,185.

Custodial Credit Risk for Deposits - Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or collateral securities that are in the possession of an outside party. The City's investment policy requires that deposits in banks must meet the requirements of 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.

C. Investments

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

CITY OF LINCOLN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

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

- United States Treasury Obligations
- Federal Agency or U.S. Government-sponsored Obligations
- Local Agency Investment Fund (LAIF)
- Banker's Acceptances
- Commercial Paper
- Negotiable Certificates of Deposit
- Repurchase Agreements
- Reverse Repurchase Agreements
- Time Certificates of Deposit
- Medium Term Corporate Notes
- California Local Agency Obligations

Fair Value Measurements - 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

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

At June 30, 2016, the City had the following recurring fair value measurements:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by Fair Value Level				
U.S. Treasuries	\$ 26,583,811	\$ 26,583,811	\$ -	\$ -
Government Agency Securities	37,978,925	37,978,925	-	-
Corporate Bonds	38,868,273	38,868,273	-	-
Municipal Bonds	1,024,095	1,024,095	-	-
Certificates of Deposit	2,142,814	-	-	2,142,814
Total Investments Measured at Fair Value	<u>106,597,918</u>	<u>\$104,455,104</u>	<u>\$ -</u>	<u>\$2,142,814</u>
Investments in External Investment Pools				
Local Agency Investment Fund (LAIF)	<u>21,711,679</u>			
Total Investments	<u>\$128,309,597</u>			

CITY OF LINCOLN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

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.

As of June 30, 2016, the City had the following investments, all of which had a maturity of 5 years or less:

Investment Type	Interest Rates	Maturities		Fair Value	Weighted Average Maturity (Years)
		0-1 year	1-5 years		
US Treasuries	1.00-3.625%	\$ -	\$ 26,583,811	\$ 26,583,811	3.66
Government Agency Securities	0.875-6.64%	11,877,232	26,101,693	37,978,925	2.14
Corporate Bonds	1.35-6.395%	4,697,159	34,171,114	38,868,273	2.66
Municipal Bonds	5.00-5.50%	256,837	767,258	1,024,095	0.69
Certificates of Deposit	1.40-2.30%	-	2,142,814	2,142,814	4.78
Local Agency Investment Fund (LAIF)	Variable	21,711,679	-	21,711,679	-
Total		<u>\$ 38,542,907</u>	<u>\$ 89,766,690</u>	<u>\$ 128,309,597</u>	<u>2.28</u>

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.

Investment Type	Minimum Legal Rating	Standard & Poor's Rating	Moody's Rating	% of Portfolio
US Treasuries	N/A	AA+	AAA	20.76%
Federal Farm Credit Bank	N/A	AA+	AAA	3.55%
Federal Home Loan Mortgage	N/A	AA+	AAA	7.00%
Federal Home Loan Bank	N/A	AA+	AAA	4.75%
Federal National Mortgage Association	N/A	AA+	AAA	13.56%
Tenn Valley Authority	N/A	AA+	AAA	0.80%
Corporate Bonds	A	A	A1	2.53%
Corporate Bonds	A	A+	A1	0.83%
Corporate Bonds	A	AA	A1	0.24%
Corporate Bonds	A	AA-	A1	0.58%
Corporate Bonds	A	A	A2	5.04%
Corporate Bonds	A	A-	A2	0.79%
Corporate Bonds	A	A+	A2	0.80%
Corporate Bonds	A	Au	A3	0.40%
Corporate Bonds	A	BB-	BA3	0.41%
Corporate Bonds	A	BBB+	A2	0.81%

CITY OF LINCOLN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

<u>Investment Type</u>	<u>Minimum Legal Rating</u>	<u>Standard & Poor's Rating</u>	<u>Moody's Rating</u>	<u>% of Portfolio</u>
Corporate Bonds	A	A	A3	0.21%
Corporate Bonds	A	A-	A3	2.48%
Corporate Bonds	A	BBB+	A3	4.99%
Corporate Bonds	A	AA+	AA3	0.20%
Corporate Bonds	A	AA+	AA1	2.15%
Corporate Bonds	A	AA-	AA1	0.18%
Corporate Bonds	A	A+	AA2	0.20%
Corporate Bonds	A	A+	AA3	0.20%
Corporate Bonds	A	AA-	AA2	0.20%
Corporate Bonds	A	AA-	AA3	0.61%
Corporate Bonds	A	AAA	AAA	0.40%
Corporate Bonds	A	A	BAA1	0.79%
Corporate Bonds	A	A-	BAA1	4.04%
Corporate Bonds	A	AA-	BAA1	0.20%
Corporate Bonds	A	A-	BAA2	0.85%
Corporate Bonds	A	Unrated (1)	Unrated (1)	0.05%
Municipal Bonds	A	AA+	AAA	0.40%
Municipal Bonds	A	AA	AA1	0.20%
Municipal Bonds	A	A+	A1	0.20%
Certificates of Deposit	A	AA	AA3	1.67%
LAIF	N/A	Unrated	Unrated	16.93%
Total				<u>100.00%</u>

(1) Investment in Lehman Brothers. Corporation filed for bankruptcy in 2008 and rating was withdrawn. This investment matures January 24, 2013. The face value is \$1,000,000 and the estimated fair value is \$68,750.

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.

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, 2016, that represent 5 percent or more of total City investments are as follows:

<u>Investment Type</u>	<u>Amount Invested</u>	<u>Percentage of Investments</u>
Federal Home Loan Mortgage	\$ 8,965,903	7.00%
Federal National Mortgage Association	17,366,823	13.56%

CITY OF LINCOLN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

D. Investment in External Investment Pool

The City of Lincoln maintains an investment in the State of California Local Agency Investment Fund (LAIF), managed by the State Treasurer. 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. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. At June 30, 2016, the City's investment in LAIF valued at amortized cost was \$21,711,679 and is the same as the value of the pool shares. There are no restrictions on withdrawal of funds. The total amount invested by all public agencies in LAIF on that day was \$75.4 billion. Of that amount, 97.19 percent is invested in non-derivative financial products and 2.81 percent in structured notes and asset-backed securities.

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2016, was as follows:

	Balance <u>July 1, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	Balance <u>June 30, 2016</u>
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 12,562,713	\$ -	\$ -	\$ -	\$ 12,562,713
Easements	242,604	-	-	-	242,604
Construction in progress	<u>17,116,054</u>	<u>5,041,016</u>	<u>(97)</u>	<u>(1,485,291)</u>	<u>20,671,682</u>
Total Capital Assets, Not Being Depreciated	<u>29,921,371</u>	<u>5,041,016</u>	<u>(97)</u>	<u>(1,485,291)</u>	<u>33,476,999</u>
Capital assets, being depreciated:					
Building and improvements	73,313,971	-	-	293,615	73,607,586
Machinery and equipment	8,395,697	212,248	-	-	8,607,945
Infrastructure	423,683,992	-	(349)	80,799	423,764,442
Land improvements	<u>21,119,097</u>	<u>121,688</u>	<u>-</u>	<u>1,110,877</u>	<u>22,351,662</u>
Total Capital Assets, Being Depreciated	<u>526,512,757</u>	<u>333,936</u>	<u>(349)</u>	<u>1,485,291</u>	<u>528,331,635</u>
Less accumulated depreciation for:					
Buildings and improvements	(12,423,144)	(1,821,672)	-	-	(14,244,816)
Machinery and equipment	(6,111,388)	(389,807)	-	-	(6,501,195)
Infrastructure	(145,430,029)	(11,053,090)	-	-	(156,483,119)
Land improvements	<u>(4,500,386)</u>	<u>(884,290)</u>	<u>-</u>	<u>-</u>	<u>(5,384,676)</u>
Total Accumulated Depreciation	<u>(168,464,947)</u>	<u>(14,148,859)</u>	<u>-</u>	<u>-</u>	<u>(182,613,806)</u>
Total Capital Assets, Being Depreciated, Net	<u>358,047,810</u>	<u>(13,814,923)</u>	<u>(349)</u>	<u>1,485,291</u>	<u>345,717,829</u>
Governmental Activities Capital Assets, Net	<u>\$387,969,181</u>	<u>(\$ 8,773,907)</u>	<u>(\$ 446)</u>	<u>\$ -</u>	<u>\$379,194,828</u>

CITY OF LINCOLN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 4: CAPITAL ASSETS (CONTINUED)

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Balance</u> <u>June 30, 2016</u>
Business-Type Activities					
Capital assets, not being depreciated:					
Land	\$ 1,591,640	\$ -	\$ -	\$ -	\$ 1,591,640
Construction in progress	<u>5,134,099</u>	<u>9,248,248</u>	<u>(156,352)</u>	<u>(7,729,112)</u>	<u>6,496,883</u>
Total Capital Assets, Not Being Depreciated	<u>6,725,739</u>	<u>9,248,248</u>	<u>(156,352)</u>	<u>(7,729,112)</u>	<u>8,088,523</u>
Capital assets, being depreciated:					
Building and improvements	24,685,503	-	-	-	24,685,503
Machinery and equipment	7,638,727	1,818,516	(554,140)	-	8,903,103
Infrastructure	414,775,165	-	-	6,955,391	421,730,556
Land improvements	<u>1,118,139</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,118,139</u>
Total Capital Assets, Being Depreciated	<u>448,217,534</u>	<u>1,818,516</u>	<u>(554,140)</u>	<u>6,955,391</u>	<u>456,437,301</u>
Less accumulated depreciation for:					
Buildings and improvements	(11,209,505)	(565,802)	-	-	(11,775,307)
Machinery and equipment	(5,844,989)	(301,814)	526,828	-	(5,619,975)
Infrastructure	(88,863,602)	(7,262,168)	-	-	(96,125,770)
Land improvements	<u>(220,462)</u>	<u>(55,909)</u>	<u>-</u>	<u>-</u>	<u>(276,371)</u>
Total Accumulated Depreciation	<u>(106,138,558)</u>	<u>(8,185,693)</u>	<u>526,828</u>	<u>-</u>	<u>(113,797,423)</u>
Total Capital Assets, Being Depreciated, Net	<u>342,078,976</u>	<u>(6,367,177)</u>	<u>(27,312)</u>	<u>6,955,391</u>	<u>342,639,878</u>
Business-Type Activities Capital Assets, Net	<u>\$ 348,804,715</u>	<u>\$ 2,881,071</u>	<u>(\$ 183,664)</u>	<u>(\$ 773,721)</u>	<u>\$ 350,728,401</u>

Depreciation

Depreciation expense was charged to governmental functions as follows:

General government	\$ 24,323
Public safety	374,351
Public works and facilities	13,738,497
Culture and recreation	<u>4,903</u>
Subtotal – Governmental Funds	14,142,074
Depreciation on capital assets held by the City's internal service fund is charged to the various functions based on their usage of the assets	<u>6,785</u>
Total Depreciation Expense - Governmental Functions	<u>\$ 14,148,859</u>

CITY OF LINCOLN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 4: CAPITAL ASSETS (CONTINUED)

Depreciation (Continued)

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

Water	\$ 2,981,901
Wastewater Operations	4,694,582
Solid Waste	235,397
Airport	230,060
Transit	<u>43,753</u>
Total Depreciation Expense – Business-Type Functions	<u>\$ 8,185,693</u>

Construction in Progress

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

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

NOTE 5: INTERFUND TRANSACTIONS

Due To/From Other Funds

During the course of operations, transactions occur between funds to account for goods received or services rendered. These receivables and payables are classified as due from or due to other funds. In addition, when funds overdraw their share of pooled cash, the receivables and payables are also classified as due from or due to other funds. The following are due to and due from balances as of June 30, 2016:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Public Facility Element (PFE)	\$ -	\$ 12,182,653
Water Connections	18,690,019	-
Nonmajor Governmental Funds	-	786,843
Wastewater Operations	66,506	636,007
Solid Waste	270,692	-
Airport	-	5,421,714
Private Purpose Trust Funds	<u>18,769</u>	<u>18,769</u>
Total	<u>\$ 19,045,986</u>	<u>\$ 19,045,986</u>

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

CITY OF LINCOLN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 5: INTERFUND TRANSACTIONS (CONTINUED)

Due To/From Other Funds (Continued)

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

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

Advances To/From Other Funds

Advances to/from other funds are non-current interfund loans and are offset by a nonspendable fund balance account in applicable governmental funds to indicate they are not in spendable form. The following are advances to/from other funds as of June 30, 2016:

	Advances To Other Funds	Advances From Other Funds
Public Facility Element (PFE)	\$ -	\$ 4,436,200
Water Connections	4,358,243	-
Wastewater Operations	-	4,358,243
Solid Waste	4,436,200	-
Private Purpose Trust Funds	871,819	871,819
Total	\$ 9,666,262	\$ 9,666,262

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

The advance to the Wastewater Operations fund was made to pay obligations due to the Water Connections fund. This loan accrues interest at LAIF rates. The loan is due in fiscal year ending 2025.

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

CITY OF LINCOLN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 5: INTERFUND TRANSACTIONS (CONTINUED)

Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various City operation and re-allocations of special revenues. The following are the interfund transfers for fiscal year ended June 30, 2016:

	Transfer In	Transfer Out
General Fund	\$ 445,000	\$ 492,536
Public Facility Element (PFE)	147,014	405,957
Special Assessment Districts	-	58,804
Nonmajor Governmental Funds	2,045,530	1,010,173
Water	-	161,852
Wastewater Operations	-	93,237
Solid Waste	-	159,070
Airport	-	32,919
Nonmajor Enterprise Funds	-	75,982
Internal Service Funds	224,128	371,142
	<u>\$ 2,861,672</u>	<u>\$ 2,861,672</u>
Total		

NOTE 6: UNEARNED REVENUE

At June 30, 2016, components of unearned revenue were as follows:

	Unearned
General Fund	
Friends of Lincoln Library advance received	\$ 6,244
Public Facility Element (PFE)	
State-wide Community Infrastructure Program (SCIP 04) advance received	169,830
Nonmajor Governmental Funds	
Owner advance funding for development	3,646
Hwy 193 improvement advance received	115,000
Developer Fees	452,820
State grant advance received	1,687,937
Park and recreation fees	1,308
Water	
State-wide Community Infrastructure Program (SCIP 04) advance received	53,670
Wastewater Operations	
State-wide Community Infrastructure Program (SCIP 04) advance received	46,758
Nonmajor Enterprise Funds	
State grant advance received	26,657
Total	<u>\$ 2,563,870</u>

CITY OF LINCOLN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 7: LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2016:

Type of Indebtedness	Balance July 1, 2015	Additions	Retirements	Balance June 30, 2016	Amounts Due Within One Year
Governmental Activities					
Bonds	\$ 20,030,000	\$ -	(\$ 770,000)	\$ 19,260,000	\$ 795,000
Less: Discount	(72,417)	-	3,449	(68,968)	(3,449)
Plus: Premium	10,928	-	(841)	10,087	841
Bonds, net	<u>19,968,511</u>	<u>-</u>	<u>(767,392)</u>	<u>19,201,119</u>	<u>792,392</u>
Capital Leases	376,565	-	(141,116)	235,449	146,938
Compensated absences	<u>1,710,307</u>	<u>1,370,786</u>	<u>(1,006,354)</u>	<u>2,074,739</u>	<u>1,685,690</u>
Total Governmental Activities	<u>\$ 22,055,383</u>	<u>\$ 1,370,786</u>	<u>(\$ 1,914,862)</u>	<u>\$ 21,511,307</u>	<u>\$ 2,625,020</u>
Business-Type Activities					
Loans	\$ 38,861	\$ -	(\$ 25,451)	\$ 13,410	\$ 13,410
Bonds	125,000	-	(125,000)	-	-
Capital leases	1,627,033	-	(92,911)	1,534,122	97,389
Postclosure	1,105,681	2,633,624	(2,534,954)	1,204,351	-
Compensated absences	<u>347,819</u>	<u>184,413</u>	<u>(191,510)</u>	<u>340,722</u>	<u>274,987</u>
Total Business-Type Activities	<u>\$ 3,244,394</u>	<u>\$ 2,818,037</u>	<u>(\$ 2,969,826)</u>	<u>\$ 3,092,605</u>	<u>\$ 385,786</u>

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

Individual issues of debt payable outstanding at June 30, 2016, are as follows:

Governmental Activities

Bonds:

Lincoln Public Financing Authority Revenue Refunding Bonds Series 2000 issued December 2000, in the total amount of \$12,275,000. of which \$2,300,000 is considered a liability of the governmental activities and is payable in annual installments of \$20,000 to \$130,000 with an interest rate of 4.25% to 5.90% and maturity on September 15, 2017. The bonds were used to finance certain public capital improvements. \$ 65,000

Lincoln Public Financing Authority Lease Revenue Refunding Bonds (City Facilities Project) Series 2003 issued July 2003, in the amount of \$10,560,000 and payable in annual installments of \$295,000 to \$685,000 with an interest rate of 2.50% to 5.00% and maturity on August 1, 2028. The bonds were used to fund the acquisition and construction of a new public safety facility. 6,770,000

CITY OF LINCOLN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Individual issues of debt payable outstanding at June 30, 2016, are as follows (Continued):

Governmental Activities (Continued)

Bonds: (Continued)

Lincoln Public Financing Authority Lease Revenue Bonds (City Hall Project) Series 2006 issued July 2006 in the amount of \$14,550,000 and payable in annual installments of \$265,000 to \$910,000, with an interest rate of 3.75% to 5.125% and maturity of August 1, 2036. The bonds were used to finance the acquisition, construction, and improvement of new city administration facilities.	<u>12,425,000</u>
Total Bonds	<u>19,260,000</u>
Total Governmental Activities	<u><u>\$ 19,260,000</u></u>

Business-Type Activities

Loans:

Safe Water Bond Act Loan issued June 1, 1993, in the amount of \$314,594 and payable in semi-annual installments of \$13,887, with an interest rate of 7.125% and maturity on January 1, 2017. Loan proceeds were used to refinance the prior loan.	<u>\$ 13,410</u>
Total Loans	<u>13,410</u>
Total Business-Type Activities	<u><u>\$ 13,410</u></u>

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

Governmental Activities

Year Ended <u>June 30</u>	Bonds		
	Principal	Interest	Total
2017	\$ 795,000	\$ 899,645	\$ 1,694,645
2018	800,000	869,195	1,669,195
2019	815,000	836,149	1,651,149
2020	855,000	799,040	1,654,040
2021	890,000	758,838	1,648,838
2022-2026	5,140,000	3,076,144	8,216,144
2027-2031	5,095,000	1,694,456	6,789,456
2032-2036	3,960,000	703,713	4,663,713
2037	910,000	21,613	931,613
Total	<u>\$ 19,260,000</u>	<u>\$ 9,658,793</u>	<u>\$ 28,918,793</u>

CITY OF LINCOLN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activities

Year Ended <u>June 30</u>	<u>Loans</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 13,410	\$ 476	\$ 13,886
Total	<u>\$ 13,410</u>	<u>\$ 476</u>	<u>\$ 13,886</u>

NOTE 8: LEASES

Operating Leases

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

Capital Leases

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

	<u>Stated Interest Rate</u>	<u>Present Value Of remaining Payments at June 30, 2016</u>
Governmental Activities	4.050%	\$ 235,449
Business-Type Activities	4.735%	<u>1,534,122</u>
Total		<u>\$ 1,769,571</u>

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Equipment	\$ 568,448	\$ 2,438,012
Less: Accumulated depreciation	(227,784)	(426,822)
Net Value	<u>\$ 340,664</u>	<u>\$ 2,011,190</u>

CITY OF LINCOLN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 8: LEASES (CONTINUED)

Capital Leases (Continued)

As of June 30, 2016, capital lease annual amortization is as follows:

Year Ended <u>June 30</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2017	\$ 153,766	\$ 168,325
2018	89,697	168,325
2019	-	168,325
2020	-	168,325
2021	-	168,325
2022-2026	-	841,624
2027-2028	<u>-</u>	<u>336,650</u>
Total Requirements	243,463	2,019,899
Less Interest	<u>(8,014)</u>	<u>(485,777)</u>
Present Value of Remaining Payments	<u>\$ 235,449</u>	<u>\$ 1,534,122</u>

NOTE 9: POSTCLOSURE

The City of Lincoln has postclosure responsibility for one landfill site. State and federal laws and regulations require the City to place a final cover over its closed landfill and perform certain maintenance and monitoring functions at the landfill site for thirty years following its closure. Closure procedures have been performed and postclosure activity is recorded in the Solid Waste enterprise fund. The estimated liability for postclosure care costs is estimated to be \$1,204,351 as of June 30, 2016. 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, 2016. However, the actual costs may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

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

NOTE 10: NET POSITION

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

- **Net investment in capital assets** - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- **Restricted net position** - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

CITY OF LINCOLN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 10: NET POSITION (CONTINUED)

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

Net Position Restricted by Enabling Legislation

The government-wide Statement of Net Position reports \$120,563,463 of restricted net position, of which \$26,040,212 is restricted by enabling legislation.

Net Position Flow Assumption

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

NOTE 11: FUND BALANCES

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2016, fund balances for governmental funds are made up of the following:

- **Nonspendable fund balance** - amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts.
- **Restricted fund balance** - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions may effectively be changed or lifted only with consent of resource providers.
- **Committed fund balance** - amounts that can only be used for the specific purposes determined by formal action of the City’s highest level of decision-making authority. The City Council is the highest level of decision making authority for the City that can, by adoption of an ordinance commit fund balance. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Assigned fund balance** - amounts that are constrained by the City’s intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose.
- **Unassigned fund balance** - the residual classification for the City’s General fund that includes all amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

CITY OF LINCOLN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 11: FUND BALANCES (CONTINUED)

The fund balances for all major and nonmajor governmental funds as of June 30, 2016, were distributed as follows:

	General	Public Facility Element (PFE)	Water Connections	Special Assessment Districts	Other Govern- mental Funds	Total
Nonspendable						
Prepaid Insurance	\$ 387,438	\$ -	\$ -	\$ 6,680	\$ 73,693	\$ 467,811
Endowment - nonspendable	-	-	-	-	356,659	356,659
Subtotal	<u>387,438</u>	<u>-</u>	<u>-</u>	<u>6,680</u>	<u>430,352</u>	<u>824,470</u>
Restricted For:						
Due from other agencies	-	-	4,142,130	-	-	4,142,130
Due from other funds	-	-	18,690,019	-	-	18,690,019
Advances	-	-	4,358,243	-	-	4,358,243
Loans receivable	-	-	-	-	3,270,298	3,270,298
Payroll	96	-	-	-	-	96
Public facility improvements	-	10,696,221	-	-	-	10,696,221
Water capacity expansion	-	-	9,663,975	-	-	9,663,975
Public parks	-	-	-	-	1,834,170	1,834,170
Street and road projects	-	-	-	-	5,728,569	5,728,569
Development services	-	-	-	-	70,152	70,152
State grants	-	-	-	-	213,691	213,691
Cal Home grants	-	-	-	-	163,260	163,260
Public improvements and maintenance	-	-	-	10,990,234	-	10,990,234
Public safety services	-	-	-	46,095	-	46,095
Oak tree replacement	-	-	-	-	3,593,014	3,593,014
Community development	-	-	-	-	1,662,091	1,662,091
Endowment - spendable	-	-	-	-	154,782	154,782
Capital projects	-	-	-	-	21,004,516	21,004,516
Debt service	-	-	-	-	3,548,400	3,548,400
Subtotal	<u>96</u>	<u>10,696,221</u>	<u>36,854,367</u>	<u>11,036,329</u>	<u>41,242,943</u>	<u>99,829,956</u>
Committed to:						
Catastrophic reserve	2,000,000	-	-	-	-	2,000,000
Economic reserve	1,866,111	-	-	-	-	1,866,111
Youth programs	63,745	-	-	-	-	63,745
Subtotal	<u>3,929,856</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,929,856</u>
Assigned to:						
Supplemental fees	-	-	-	-	2,350,139	2,350,139
Development services	-	-	-	-	3,633,924	3,633,924
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,984,063</u>	<u>5,984,063</u>
Unassigned	<u>6,530,612</u>	<u>(16,071,222)</u>	<u>-</u>	<u>(21,482)</u>	<u>(621,182)</u>	<u>(10,183,274)</u>
Total	<u>\$10,848,002</u>	<u>(\$ 5,375,001)</u>	<u>\$ 36,854,367</u>	<u>\$11,021,527</u>	<u>\$47,036,176</u>	<u>\$100,385,071</u>

CITY OF LINCOLN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 11: FUND BALANCES (CONTINUED)

Fund Balance Flow Assumption

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

Fund Balance Policy

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

NOTE 12: PENSION PLANS

A. General Information about the Pension Plans

Plan Descriptions

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

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

CITY OF LINCOLN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 12: PENSION PLANS (CONTINUED)

A. General Information about the Pension Plans (Continued)

Summary of Plans and Eligible Participants

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

Benefits Provided

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

Each Plans' specific provisions and benefits in effect at June 30, 2016, are summarized as follows:

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

Contributions

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

CITY OF LINCOLN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 12: PENSION PLANS (CONTINUED)

A. General Information about the Pension Plans (Continued)

Contributions (Continued)

	Employer Contribution Rates	Employee Contribution Rates	Employer Paid Member Contribution Rates
Miscellaneous First Tier	10.958%	8.000%	0.000%
Miscellaneous Second Tier	6.709%	8.000%	0.000%
Miscellaneous PEPRA	6.237%	6.250%	0.000%
Safety	17.557%	9.000%	0.000%
Safety PEPRA	11.153%	11.500%	0.000%

For the year ended June 30, 2016, the contributions recognized as part of pension expense for each Plan were as follows:

	<u>Contributions-Employer</u>	<u>Contributions-Employee (Paid by Employer)</u>
Miscellaneous	\$ 900,762	\$ -
Safety	1,274,969	-

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

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2015, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for each Plan as of June 30, 2014 and 2015 was as follows:

	<u>Proportion June 30, 2014</u>	<u>Proportion June 30, 2015</u>	<u>Change - Increase (Decrease)</u>
Miscellaneous	.14023%	.15160%	.01137 %
Safety	.07528%	.07420%	(.00108 %)

CITY OF LINCOLN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 12: PENSION PLANS (CONTINUED)

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

As of June 30, 2016, the City reported net pension liabilities for its proportionate share of the net pension liability of each Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 10,405,741
Safety	<u>5,093,112</u>
Total Net Pension Liability	<u>\$ 15,498,853</u>

For the year ended June 30, 2016, the City recognized pension expense of \$2,594,344. At June 30, 2016, 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 measurement date	\$ 2,325,521	\$ -
Changes of assumptions	-	(1,313,319)
Difference between expected and actual experience	-	(87,737)
Differences between projected and actual earnings on pension plan investments	-	(662,233)
Difference between City contributions and proportionate share of contributions	765,751	-
Adjustment due to differences in proportions	<u>-</u>	<u>(2,328,826)</u>
Total	<u>\$ 3,091,272</u>	<u>(\$ 4,392,115)</u>

\$2,325,521 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, 2017. 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>Year Ended June 30</u>		
2017	(\$	1,394,878)
2018	(1,411,291)
2019	(1,254,660)
2020		434,465
Thereafter		<u>-</u>
Total	(\$	<u>3,626,364</u>)

CITY OF LINCOLN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 12: PENSION PLANS (CONTINUED)

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

Actuarial Assumptions

The total pension liabilities in the June 30, 2014 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2014
Measurement Date	June 30, 2015
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Projected Salary Increase	Varies by entry-age and service
Mortality	Derived using CalPERS membership data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

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

Change of Assumptions

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50 percent used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65 percent used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

Discount Rate

The discount rate used to measure the total pension liability was 7.65 percent for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at the CalPERS website under the GASB 68 section.

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

CITY OF LINCOLN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 12: PENSION PLANS (CONTINUED)

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

Discount Rate (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 cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long term (11-60 years) using a building block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

<u>Asset Class</u>	New Strategic Allocation	Real Return Years 1-10(a)	Real Return Years 11+(b)
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	10.0%	6.83%	6.95%
Real Estate	10.0%	4.50%	5.13%
Infrastructure and Forest land	2.0%	4.50%	5.09%
Liquidity	<u>2.0%</u>	-0.55%	-1.05%
Total	<u>100%</u>		

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

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

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

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

	1% Decrease <u>6.65%</u>	Discount Rate <u>7.65%</u>	1% Increase <u>8.65%</u>
Miscellaneous	\$ 15,663,688	\$10,405,741	\$ 6,064,694
Safety	8,471,096	5,093,112	2,323,225

CITY OF LINCOLN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 12: PENSION PLANS (CONTINUED)

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

Pension Plan Fiduciary Net Position

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

NOTE 13: OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. Plan Description

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

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

B. Funding Policy

The contribution requirements of plan members and the City are established and may be amended by the City Council. The required contribution is based on projected pay-as-you-go financing requirements. For the year ended June 30, 2016, the City contributed \$528,613 to the plan, which represents 35.3 percent of the cost of current year premiums for eligible retired plan members and their spouses.

C. Annual OPEB Cost and Net OPEB Obligation

The City's annual other postemployment benefits (OPEB) cost is calculated based on the annual required contribution (ARC) an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year.

CITY OF LINCOLN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

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

C. Annual OPEB Cost and Net OPEB Obligation (Continued)

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

Annual required contribution	\$ 1,538,072
Interest on net OPEB Obligation	266,803
Adjustment to Annual Required Contribution	(307,152)
Annual OPEB Cost	1,497,723
Contributions made:	
Pay as you go contribution	(528,612)
Increase (decrease) in Net OPEB Obligation	<u>969,111</u>
Net OPEB Obligation (Asset) Beginning	4,687,145
Prior Period Adjustment	(875,681)
Net OPEB Obligation (Asset) Beginning, Restated	<u>3,811,464</u>
Net OPEB Obligation (Asset) Ending	<u>\$ 4,780,575</u>

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2014	\$ 1,096,921	36.0%	\$ 4,068,627
June 30, 2015	1,089,491	123.6%*	3,811,466*
June 30, 2016	1,497,723	35.3%	4,780,575

*re-stated for July 2014 contribution to Trust

D. Funded Status and Funding Progress

As of July 1, 2015, the most recent actuarial valuation date, the plan was 17.8 percent funded. The actuarial accrued liability was \$14,625,627 and the actuarial value of assets was \$2,608,191, resulting in an unfunded actuarial accrued liability (UAAL) of \$12,017,436. The covered payroll (annual payroll of employees covered by the plan) was \$11,856,063, and the ratio of the UAAL to the covered payroll was 101.4 percent.

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

CITY OF LINCOLN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

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

E. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. In the July 1, 2015 actuarial valuation, the projected unit credit actuarial method was used. The actuarial assumptions included a 7 percent investment rate of return (net of administrative expenses). The annual healthcare-cost trend rates range from 8 percent in 2015 to 5 percent in 2018 and future years. The assumptions also include a 7 percent discount rate. The UAAL is being amortized as a level dollar basis over a 30-year open period.

NOTE 14: ENDOWMENTS

The City's permanent funds account for the financial activities and balances of donor-restricted endowments for open space and wetland preservation and maintenance. Interest earned on the funds may be used pursuant to California Government Code for purposes that meet the criteria of the endowments. It is the City's policy for the City Council to authorize all approved expenditures according to the trust. At June 30, 2016, the nonspendable amount was \$356,659 and the spendable amount was \$154,782.

NOTE 15: RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disaster.

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

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

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

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

CITY OF LINCOLN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 15: RISK MANAGEMENT (CONTINUED)

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 participants as of June 30, 2016 were as follows:

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

The City's investment in the NCCSIF of \$467,811 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
For the Year Ended June 30, 2016

NOTE 16: OTHER INFORMATION

A. Commitments and Contingencies

At June 30, 2016, the City had construction contracts outstanding of approximately \$6,284,163.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the appreciable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

As of June 30, 2016, the City was overseeing the construction of a regional sewer pipe line between the City of Lincoln and Placer County. The cost of this construction is being reimbursed by the County of Placer and upon completion title will remain with the County of Placer.

B. Successor Agency Trust for Assets of Former Redevelopment Agency

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

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 Due from Other Agencies and consist of \$4,141,801 due to the Water Connections fund, and \$239,187 due to the Wastewater Operations fund.

Capital assets activity for the year ended June 30, 2016, was as follows:

	Balance July 1, 2015	Additions	Retirements	Balance June 30, 2016
Capital Assets, Not Being Depreciated				
Land	\$ 2,837,713	\$ -	\$ -	\$ 2,837,713
Total Capital Assets, Not Being Depreciated	<u>2,837,713</u>	<u>-</u>	<u>-</u>	<u>2,837,713</u>
Capital Assets, Being Depreciated				
Buildings	179,708	-	-	179,708
Land improvements	<u>1,554,047</u>	<u>-</u>	<u>-</u>	<u>1,554,047</u>
Total Capital Assets, Being Depreciated	<u>1,733,755</u>	<u>-</u>	<u>-</u>	<u>1,733,755</u>
Less Accumulated Depreciation for:				
Buildings	(32,569)	(4,493)	-	(37,062)
Land improvements	<u>(510,937)</u>	<u>(77,705)</u>	<u>-</u>	<u>(588,642)</u>
Total Accumulated Depreciation	<u>(543,506)</u>	<u>(82,198)</u>	<u>-</u>	<u>(625,704)</u>
Total Capital Assets, Being Depreciated, Net	<u>1,190,249</u>	<u>(82,198)</u>	<u>-</u>	<u>1,108,051</u>
Capital Assets, Net	<u>\$ 4,027,962</u>	<u>(\$ 82,198)</u>	<u>\$ -</u>	<u>\$ 3,945,764</u>

CITY OF LINCOLN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 16: OTHER INFORMATION (CONTINUED)

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

The following is a summary of changes in long-term liabilities for the year ended June 30, 2016:

<u>Type of Indebtedness</u>	<u>Balance</u>			<u>Amounts</u>	
	<u>July 1, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u>	<u>Due Within</u>
				<u>June 30, 2016</u>	<u>One Year</u>
Bonds	\$10,830,000	\$ -	(\$ 640,000)	\$ 10,190,000	\$ 675,000
Less: Discount	(27,991)	-	5,076	(22,915)	(5,076)
Total	<u>\$10,802,009</u>	<u>\$ -</u>	<u>(\$ 634,924)</u>	<u>\$ 10,167,085</u>	<u>\$ 669,924</u>

Individual issues of debt payable outstanding at June 30, 2016, are as follows:

Bonds:

Lincoln Public Financing Authority Revenue Refunding Bonds Series 2000 issued December 2000 in the total amount of \$12,275,000, of which \$5,625,000 is considered a liability of the former Redevelopment Agency and is payable in annual installments of \$235,000 to \$580,000, with an interest rate of 4.25% to 5.90% and maturity on September 15, 2017. The bonds were used to refund the 1989 Refunding Revenue Bonds and the Lincoln Public Financing Authority Revenue Bonds Series 1994. \$ 570,000

Lincoln Public Financing Authority Tax Allocation Revenue Bonds Series 2004A, issued October 20, 2004 in the amount of \$8,720,000 and payable in annual installments of \$305,000 to \$925,000, with an interest rate of 3.50% to 4.80% and maturity on September 15, 2026. The bonds were used to finance redevelopment activities. 7,775,000

Lincoln Public Financing Authority Housing Set Aside Tax Allocation Revenue Bonds Series 2004B (Taxable), issued October 20, 2004 in the amount of \$2,370,000 and payable in annual installments of \$35,000 to \$160,000, with an interest rate of 5.00% to 5.70% and maturity on September 15, 2033. The bonds were used to finance low and moderate income housing activities. 1,845,000

Total Bonds \$10,190,000

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

<u>Year Ended</u>	<u>Bonds</u>			
	<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017		\$ 675,000	\$ 479,745	\$ 1,154,745
2018		710,000	441,460	1,151,460
2019		750,000	405,500	1,155,500
2020		785,000	372,170	1,157,170
2021		815,000	336,713	1,151,713
2022-2026		4,690,000	1,057,195	5,747,195
2027-2031		1,315,000	234,900	1,549,900
2032-2035		<u>450,000</u>	<u>39,615</u>	<u>489,615</u>
Total		<u>\$ 10,190,000</u>	<u>\$ 3,367,298</u>	<u>\$ 13,557,298</u>

CITY OF LINCOLN
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 16: OTHER INFORMATION (CONTINUED)

C. Subsequent Events

Management has evaluated events subsequent to June 30, 2016 through December 23, 2016 the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

D. Special Assessment Debt with No City Commitment

The City reports the debt service transactions of various special assessment issues for which the City is not obligated in any manner, in Agency funds. The debt will be paid from and secured solely by the revenues of these special assessment districts and does not constitute an indebtedness of the City. At June 30, 2016, the principal amount of special assessment debt outstanding for which the City is not obligated was as follows:

<u>Assessment Debt</u>	<u>Project Description</u>	<u>Original Amount</u>	<u>Outstanding June 30, 2016</u>
Special Tax Bonds, Series 1998 Lincoln Airpark 98-1	Lincoln Airpark	\$ 3,380,000	\$ 1,620,000
Refunding Bond, Series 2011A Twelve Bridges Series 204	Twelve Bridges	28,305,000	21,635,000
Refunding Bond, Series 2011B Twelve Bridges Series 204	Twelve Bridges	13,495,000	10,498,000
Limited Obligation Improv. Bond Foskett Ranch Series 2004-3	Foskett Ranch	6,000,000	3,535,000
Special Tax Bonds, Series 2006 Lakeside CFO Series 2006-1	Lakeside	7,310,000	6,845,000
Special Tax Revenue Bonds 2007 Special Tax Revenue Bond 2007 A&B	Lincoln Crossing	102,870,000	91,380,200
Special Tax Revenue Bonds, Series 2009 CFD Sorrento Series 2009	Sorrento Project	2,190,000	2,005,000
Special Tax Revenue Bonds, Series 2013 Lakeside Series 2013	Lakeside	4,830,000	4,775,000
Special Tax Revenue Bonds, Series 2013 CFD Sorrento Series 2013	Sorrento Project	5,165,000	5,085,000
Special Tax Revenue Bonds, Series 2014 CFD Sorrento Series 2014	Sorrento Project	5,680,000	5,680,000

**Required Supplementary Information
(Unaudited)**

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CITY OF LINCOLN
Required Supplementary Information
City Pension Plans
Schedule of Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2016
Last 10 Years*

	2015	2016
Miscellaneous		
Proportion of the net pension liability	0.14023%	0.15160%
Proportionate share of the net pension liability	\$ 8,726,239	\$ 10,405,741
Covered employee payroll	5,845,420	5,845,420
Proportionate share of the net pension liability as a percentage of covered employee payroll	149.28%	178.02%
Plan fiduciary net position as a percentage of the total pension liability	80.82%	73.05%
Safety Plan		
Proportion of the net pension liability	0.07528%	0.07420%
Proportionate share of the net pension liability	\$ 4,684,520	\$ 5,093,111
Covered employee payroll	3,571,167	3,571,167
Proportionate share of the net pension liability as a percentage of covered employee payroll	131.18%	142.62%
Plan fiduciary net position as a percentage of the total pension liability	79.37%	79.33%

* The City implemented GASB 68 for fiscal year June 30, 2015, therefore only two years are shown.

CITY OF LINCOLN
Required Supplementary Information
City Pension Plans
Schedule of Contributions
For the Year Ended June 30, 2016
Last 10 Years*

	<u>2015**</u>	<u>2016</u>
Miscellaneous First Tier Plan		
Contractually required contribution (actuarially determined)	\$ 900,762	\$ 626,672
Contributions in relation to the actuarially determined contributions	<u>(900,762)</u>	<u>(1,302,620)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (675,948)</u>
Covered employee payroll	\$ 5,845,420	\$ 6,817,819
Contributions as a percentage of covered employee payroll	15.41%	19.11%
Safety Plan		
Contractually required contribution (actuarially determined)	\$ 1,274,969	\$ 716,077
Contributions in relation to the actuarially determined contributions	<u>(1,274,969)</u>	<u>(1,024,237)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (308,160)</u>
Covered employee payroll	\$ 3,571,167	\$ 4,136,014
Contributions as a percentage of covered employee payroll	35.70%	24.76%

* The City implemented GASB 68 for fiscal year June 30, 2015, therefore only two years are shown.

** The June 30, 2015 balances have been restated to agree to the actual contributions per the City records.

CITY OF LINCOLN
Required Supplementary Information
City Pension Plans
Notes to City Pension Plans
For the Year Ended June 30, 2016

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

Change of assumptions: The discount rate was changed from 7.50 percent (net of administrative expense) to 7.65 percent to correct for an adjustment to exclude administrative expense.

NOTE 2: SCHEDULE OF CONTRIBUTIONS

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

Valuation Date	June 30, 2012
Actuarial cost method	Entry-Age Normal
Amortization method/period	For details, see June 30, 2012 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets
Inflation	2.75%
Salary increases	Varies by entry-age and service
Investment rate of return	7.50%, net of pension plan investment and administrative expense, including inflation
Retirement age	The probabilities of retirement are based on the 2010 CalPERS experience study for the period 1997 to 2007

CITY OF LINCOLN
Required Supplementary Information
City OPEB Plan - Schedule of Funding Progress
For the Year Ended June 30, 2016

SCHEDULE OF FUNDING PROGRESS

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

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Simplified Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage Of Covered Payroll ((b-a)/c)
July 1, 2011	\$ -	\$ 12,518,361	\$ 12,518,361	0.0%	\$ 10,673,967	117.3%
July 1, 2013	1,557,827	10,094,244	8,536,417	15.4%	9,801,620	87.1%
July 1, 2015	2,608,191	14,625,627	12,017,436	17.8%	11,856,063	101.4%

CITY OF LINCOLN
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
REVENUES				
Taxes	\$ 12,518,600	\$ 12,518,600	\$ 12,903,476	\$ 384,876
Licenses and permits	539,809	539,809	637,021	97,212
Fines and forfeitures	52,370	52,370	94,962	42,592
Use of money and property	119,300	119,300	182,303	63,003
Intergovernmental	157,500	157,500	222,982	65,482
Charges for services	1,359,553	1,611,193	1,634,768	23,575
Other revenues	278,500	338,500	306,398	(32,102)
Total Revenues	<u>15,025,632</u>	<u>15,337,272</u>	<u>15,981,910</u>	<u>644,638</u>
EXPENDITURES				
Current:				
General government:				
Administration allocation	2,216,677	2,216,677	2,120,113	96,564
City council	174,571	187,771	160,516	27,255
City treasurer	649	649	665	(16)
City attorney	160,000	160,000	193,055	(33,055)
City manager administration	25,000	82,000	74,197	7,803
Human resources	-	-	500	(500)
Economic development	288,333	226,823	191,882	34,941
Administrative services	30,000	60,000	12,800	47,200
Finance	262,774	262,774	360,875	(98,101)
Total General Government	<u>3,158,004</u>	<u>3,196,694</u>	<u>3,114,603</u>	<u>82,091</u>
Public safety:				
Fire administration	57,588	57,588	54,995	2,593
Fire operations	3,848,973	4,031,109	4,134,672	(103,563)
Police support services	-	-	1,495	(1,495)
Police operations	5,004,768	5,066,673	5,047,552	19,121
Total Public Safety	<u>8,911,329</u>	<u>9,155,370</u>	<u>9,238,714</u>	<u>(83,344)</u>
Public works and facilities:				
Parks	219,763	220,852	210,882	9,970
Facilities maintenance	148,508	148,508	143,050	5,458
Total Public Works and Facilities	<u>368,271</u>	<u>369,360</u>	<u>353,932</u>	<u>15,428</u>
Culture and recreation:				
Recreation administration	259,374	247,493	252,431	(4,938)
Adult sports	84,963	85,188	49,281	35,907
Youth sports	140,551	141,349	130,971	10,378
Community classes/facility rental	230,211	245,849	197,252	48,597
Aquatic programs	99,259	99,415	82,659	16,756
Total Culture and Recreation	<u>814,358</u>	<u>819,294</u>	<u>712,594</u>	<u>106,700</u>

Continued (Page 1 of 2)

CITY OF LINCOLN
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
EXPENDITURES				
Current:				
Urban redevelopment and housing:				
Development services administration	216,666	216,666	161,759	54,907
Planning	243,987	249,315	264,012	(14,697)
Engineering	-	-	545	(545)
Building	293,543	296,123	281,904	14,219
Total Urban Redevelopment and Housing	<u>754,196</u>	<u>762,104</u>	<u>708,220</u>	<u>53,884</u>
Education:				
Twelve bridges library	427,492	430,954	454,492	(23,538)
Total Education	<u>427,492</u>	<u>430,954</u>	<u>454,492</u>	<u>(23,538)</u>
Debt Service:				
Principal	141,116	141,116	141,116	-
Interest and other charges	12,651	12,651	12,651	-
Total Debt Service	<u>153,767</u>	<u>153,767</u>	<u>153,767</u>	<u>-</u>
Capital Outlay:				
Fire operations	30,000	30,000	-	30,000
Police operations	-	105,170	87,180	17,990
Parks	40,000	40,000	8,421	31,579
Total Capital Outlay	<u>70,000</u>	<u>175,170</u>	<u>95,601</u>	<u>79,569</u>
Total Expenditures	<u>14,657,417</u>	<u>15,062,713</u>	<u>14,831,923</u>	<u>230,790</u>
Excess of Revenues Over (Under) Expenditures	<u>368,215</u>	<u>274,559</u>	<u>1,149,987</u>	<u>875,428</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	465,000	465,000	445,000	(20,000)
Transfers out	(492,274)	(492,274)	(492,536)	(262)
Total Other Financing Sources (Uses)	<u>(27,274)</u>	<u>(27,274)</u>	<u>(47,536)</u>	<u>(20,262)</u>
Net Change in Fund Balance	340,941	247,285	1,102,451	855,166
Fund Balance - Beginning	<u>9,745,551</u>	<u>9,745,551</u>	<u>9,745,551</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 10,086,492</u>	<u>\$ 9,992,836</u>	<u>\$ 10,848,002</u>	<u>\$ 855,166</u>

Continued (Page 2 of 2)

CITY OF LINCOLN
Required Supplementary Information
Budgetary Comparison Schedule
Public Facility Element (PFE) - Major Special Revenue Fund
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property	\$ 130,650	\$ 130,650	\$ 166,173	\$ 35,523
Charges for services	1,795,650	1,795,650	1,879,343	83,693
Total Revenues	<u>1,926,300</u>	<u>1,926,300</u>	<u>2,045,516</u>	<u>119,216</u>
EXPENDITURES				
Current:				
General government	-	-	5,399	(5,399)
Public safety	870	870	912	(42)
Public works and facilities	1,780	1,780	1,889	(109)
Education	85,000	376,650	56,097	320,553
Debt service:				
Interest and other charges	20,248	20,248	40,876	(20,628)
Capital outlay	225,000	913,296	316,808	596,488
Total Expenditures	<u>332,898</u>	<u>1,312,844</u>	<u>421,981</u>	<u>890,863</u>
Excess of Revenues Over (Under) Expenditures	<u>1,593,402</u>	<u>613,456</u>	<u>1,623,535</u>	<u>1,010,079</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	397,867	397,867	147,014	(250,853)
Transfers out	(397,867)	(397,867)	(405,957)	(8,090)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(258,943)</u>	<u>(258,943)</u>
Net Change in Fund Balance	1,593,402	613,456	1,364,592	751,136
Fund Balance (Deficit) - Beginning	<u>(6,739,593)</u>	<u>(6,739,593)</u>	<u>(6,739,593)</u>	<u>-</u>
Fund Balance (Deficit) - Ending	<u>\$ (5,146,191)</u>	<u>\$ (6,126,137)</u>	<u>\$ (5,375,001)</u>	<u>\$ 751,136</u>

CITY OF LINCOLN
Required Supplementary Information
Budgetary Comparison Schedule
Water Connections - Major Special Revenue Fund
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property	\$ 290,100	\$ 290,100	\$ 525,891	\$ 235,791
Charges for services	<u>2,927,433</u>	<u>2,927,433</u>	<u>2,563,613</u>	<u>(363,820)</u>
Total Revenues	<u>3,217,533</u>	<u>3,217,533</u>	<u>3,089,504</u>	<u>(128,029)</u>
EXPENDITURES				
Current:				
Public works and facilities	1,234	1,234	31,031	(29,797)
Capital outlay	<u>500,000</u>	<u>1,157,060</u>	<u>521,873</u>	<u>635,187</u>
Total Expenditures	<u>501,234</u>	<u>1,158,294</u>	<u>552,904</u>	<u>605,390</u>
Net Change in Fund Balance	2,716,299	2,059,239	2,536,600	477,361
Fund Balance - Beginning	<u>34,317,767</u>	<u>34,317,767</u>	<u>34,317,767</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 37,034,066</u>	<u>\$ 36,377,006</u>	<u>\$ 36,854,367</u>	<u>\$ 477,361</u>

CITY OF LINCOLN
Required Supplementary Information
Budgetary Comparison Schedule
Special Assessment Districts - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Special assessments	\$ 3,428,315	\$ 3,428,315	\$ 3,450,789	\$ 22,474
Use of money and property	156,170	156,170	200,886	44,716
Other revenues	-	-	25,790	25,790
Total Revenues	<u>3,584,485</u>	<u>3,584,485</u>	<u>3,677,465</u>	<u>92,980</u>
EXPENDITURES				
Current:				
General government	34,050	34,050	57,126	(23,076)
Public safety	300	300	1,367	(1,067)
Public works and facilities	3,039,217	3,090,342	2,654,951	435,391
Capital outlay	3,492,500	3,537,500	880,833	2,656,667
Total Expenditures	<u>6,566,067</u>	<u>6,662,192</u>	<u>3,594,277</u>	<u>3,067,915</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,981,582)</u>	<u>(3,077,707)</u>	<u>83,188</u>	<u>3,160,895</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(78,151)	(78,151)	(58,804)	19,347
Total Other Financing Sources (Uses)	<u>(78,151)</u>	<u>(78,151)</u>	<u>(58,804)</u>	<u>19,347</u>
Net Change in Fund Balance	<u>(3,059,733)</u>	<u>(3,155,858)</u>	<u>24,384</u>	<u>3,180,242</u>
Fund Balance - Beginning	<u>10,997,143</u>	<u>10,997,143</u>	<u>10,997,143</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 7,937,410</u>	<u>\$ 7,841,285</u>	<u>\$ 11,021,527</u>	<u>\$ 3,180,242</u>

CITY OF LINCOLN
Required Supplementary Information
Notes to Budgetary Comparison Schedules
For the Year Ended June 30, 2016

NOTE 1: BUDGETARY BASIS OF ACCOUNTING

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

The following procedures are performed by the City in establishing the budgetary data reflected in the financial statements:

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

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

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

The City does not use encumbrance accounting under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

CITY OF LINCOLN
Required Supplementary Information
Notes to Budgetary Comparison Schedules
For the Year Ended June 30, 2016

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>	Excess of Expenditures Over <u>Appropriations</u>
City treasurer	\$ 649	\$ 665	\$ 16
City attorney	160,000	193,055	33,055
Human resources	-	500	500
Finance	262,774	360,875	98,101
Fire operations	4,031,109	4,134,672	103,563
Police support services	-	1,495	1,495
Recreation administration	247,493	252,431	4,938
Planning	249,315	264,012	14,697
Engineering	-	545	545
Twelve bridges library	430,954	454,492	23,538
Transfers out	492,274	492,536	262

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**Combining and Individual Fund
Statements and Schedules**

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Nonmajor Governmental Funds

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CITY OF LINCOLN
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Totals
ASSETS					
Cash and investments	\$ 22,830,005	\$ 1,567,914	\$ 3,958,774	\$ 495,486	\$ 28,852,179
Receivables:					
Accounts	8,192	-	-	-	8,192
Interest	3,064	226	5,765	70	9,125
Intergovernmental	798,055	-	-	-	798,055
Prepaid insurance	73,693	-	-	-	73,693
Restricted cash and investments	520,047	1,982,100	17,219,136	16,257	19,737,540
Loans receivable	3,270,298	-	-	-	3,270,298
Total Assets	<u>\$ 27,503,354</u>	<u>\$ 3,550,240</u>	<u>\$ 21,183,675</u>	<u>\$ 511,813</u>	<u>\$ 52,749,082</u>
LIABILITIES					
Accounts payable	\$ 581,317	\$ 125	\$ 170,593	\$ 239	\$ 752,274
Accrued salaries and benefits	60,526	-	8,566	-	69,092
Other accrued liabilities	-	-	-	133	133
Retention payable	138,631	-	-	-	138,631
Deposits payable	1,344,651	-	-	-	1,344,651
Due to other funds	785,128	1,715	-	-	786,843
Unearned revenue	2,260,711	-	-	-	2,260,711
Total Liabilities	<u>5,170,964</u>	<u>1,840</u>	<u>179,159</u>	<u>372</u>	<u>5,352,335</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	360,571	-	-	-	360,571
Total Deferred Inflows of Resources	<u>360,571</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>360,571</u>
FUND BALANCES					
Nonspendable	73,693	-	-	356,659	430,352
Restricted	16,535,245	3,548,400	21,004,516	154,782	41,242,943
Assigned	5,984,063	-	-	-	5,984,063
Unassigned	(621,182)	-	-	-	(621,182)
Total Fund Balances	<u>21,971,819</u>	<u>3,548,400</u>	<u>21,004,516</u>	<u>511,441</u>	<u>47,036,176</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 27,503,354</u>	<u>\$ 3,550,240</u>	<u>\$ 21,183,675</u>	<u>\$ 511,813</u>	<u>\$ 52,749,082</u>

CITY OF LINCOLN
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2016

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Totals
REVENUES					
Special assessments	\$ -	\$ -	\$ 2,970	\$ -	\$ 2,970
Licenses and permits	925,831	-	-	-	925,831
Use of money and property	416,407	28,041	92,658	8,582	545,688
Intergovernmental	4,418,786	-	-	-	4,418,786
Charges for services	1,253,772	-	151,500	-	1,405,272
Other revenues	8,161	-	1,374,356	-	1,382,517
Total Revenues	<u>7,022,957</u>	<u>28,041</u>	<u>1,621,484</u>	<u>8,582</u>	<u>8,681,064</u>
EXPENDITURES					
Current:					
General government	15,167	5,121	1	-	20,289
Public safety	115,082	-	-	-	115,082
Public works and facilities	3,279,747	14,765	809,802	-	4,104,314
Urban redevelopment and housing	2,618	-	-	-	2,618
Debt service:					
Principal	-	770,000	-	-	770,000
Interest and other charges	-	950,085	-	-	950,085
Capital outlay	2,864,118	-	545,654	-	3,409,772
Total Expenditures	<u>6,276,732</u>	<u>1,739,971</u>	<u>1,355,457</u>	<u>-</u>	<u>9,372,160</u>
Excess of Revenues Over (Under) Expenditures	<u>746,225</u>	<u>(1,711,930)</u>	<u>266,027</u>	<u>8,582</u>	<u>(691,096)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	376,033	1,669,497	-	-	2,045,530
Transfers out	(1,010,173)	-	-	-	(1,010,173)
Total Other Financing Sources (Uses)	<u>(634,140)</u>	<u>1,669,497</u>	<u>-</u>	<u>-</u>	<u>1,035,357</u>
Net Change in Fund Balances	112,085	(42,433)	266,027	8,582	344,261
Fund Balances - Beginning	<u>21,859,734</u>	<u>3,590,833</u>	<u>20,738,489</u>	<u>502,859</u>	<u>46,691,915</u>
Fund Balances - Ending	<u>\$ 21,971,819</u>	<u>\$ 3,548,400</u>	<u>\$ 21,004,516</u>	<u>\$ 511,441</u>	<u>\$ 47,036,176</u>

Nonmajor Governmental Funds

- **Special Revenue Funds**

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CITY OF LINCOLN
Nonmajor Special Revenue Funds

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

Park In-Lieu

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

Gas Tax

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

Street Fund

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

Supplemental Fees

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

Parks and Recreation Tax

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

Development Services

Accounts for monies received in relation to all aspects of developing property and/or projects within the City. The activities are accounted for within the Community Development and Public Works Departments. Monies are received from license and permit costs and additional fees for services within the City of Lincoln and the surrounding areas.

State Grants

Accounts for state grants received and used for capital projects.

Police Grants

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

Revitalization and Rehabilitation Loans

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

CITY OF LINCOLN
Nonmajor Special Revenue Funds

Community Development Block Grant (CDBG)

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

HOME Investment Partnership Program

Accounts for HOME Investment Partnership grants received for community services.

Cal Home Grants

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

Oak Tree Mitigation

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

Federal Grants

Accounts for Federal grant funds.

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CITY OF LINCOLN
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2016

	Park In-Lieu	Gas Tax	Street Fund	Supplemental Fees
ASSETS				
Cash and investments	\$ 1,515,558	\$ 4,071,499	\$ 1,836,254	\$ 2,349,770
Receivables:				
Accounts	-	-	8,192	-
Interest	192	454	509	369
Intergovernmental	-	-	73,696	-
Prepaid insurance	-	7,309	13,248	-
Restricted cash and investments	-	-	-	-
Loans receivable	-	-	-	-
	<u>1,515,750</u>	<u>4,079,262</u>	<u>1,931,899</u>	<u>2,350,139</u>
Total Assets	\$ 1,515,750	\$ 4,079,262	\$ 1,931,899	\$ 2,350,139
LIABILITIES				
Accounts payable	\$ -	\$ 2,843	\$ 106,666	\$ -
Accrued salaries and benefits	-	18,731	6,942	-
Retention payable	-	-	8,207	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	118,646	-
	<u>-</u>	<u>21,574</u>	<u>240,461</u>	<u>-</u>
Total Liabilities	-	21,574	240,461	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES				
Nonspendable	-	7,309	13,248	-
Restricted	1,515,750	4,050,379	1,678,190	-
Assigned	-	-	-	2,350,139
Unassigned	-	-	-	-
	<u>1,515,750</u>	<u>4,057,688</u>	<u>1,691,438</u>	<u>2,350,139</u>
Total Fund Balances	1,515,750	4,057,688	1,691,438	2,350,139
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,515,750	\$ 4,079,262	\$ 1,931,899	\$ 2,350,139

Parks and Recreation Tax	Development Services	State Grants	Police Grants	Revitalization and Rehabilitation Loans	Community Development Block Grant (CDBG)	HOME Investment Partnership Program	Cal Home Grants
\$ 319,696	\$ 5,896,557	\$ 1,939,670	\$ 1,643	\$ 824,719	\$ 82,454	\$ 236,096	\$ 163,238
-	-	-	-	-	-	-	-
32	867	295	1	118	22	20	22
-	-	-	-	-	-	-	-
-	53,136	-	-	-	-	-	-
-	-	-	-	-	520,047	-	-
-	-	-	-	10,505	523,457	2,076,357	659,979
<u>\$ 319,728</u>	<u>\$ 5,950,560</u>	<u>\$ 1,939,965</u>	<u>\$ 1,644</u>	<u>\$ 835,342</u>	<u>\$ 1,125,980</u>	<u>\$ 2,312,473</u>	<u>\$ 823,239</u>
\$ -	\$ 363,062	\$ 25,510	\$ -	\$ 705	\$ 680	\$ -	\$ -
-	32,815	-	1,839	-	-	-	-
-	-	12,827	-	-	-	-	-
-	1,344,651	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,308	452,820	1,687,937	-	-	-	-	-
<u>1,308</u>	<u>2,193,348</u>	<u>1,726,274</u>	<u>1,839</u>	<u>705</u>	<u>680</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	53,136	-	-	-	-	-	-
318,420	70,152	213,691	-	834,637	1,125,300	2,312,473	823,239
-	3,633,924	-	-	-	-	-	-
-	-	-	(195)	-	-	-	-
<u>318,420</u>	<u>3,757,212</u>	<u>213,691</u>	<u>(195)</u>	<u>834,637</u>	<u>1,125,300</u>	<u>2,312,473</u>	<u>823,239</u>
<u>\$ 319,728</u>	<u>\$ 5,950,560</u>	<u>\$ 1,939,965</u>	<u>\$ 1,644</u>	<u>\$ 835,342</u>	<u>\$ 1,125,980</u>	<u>\$ 2,312,473</u>	<u>\$ 823,239</u>

CITY OF LINCOLN
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2016

	Oak Tree Mitigation	Federal Grants	Totals
ASSETS			
Cash and investments	\$ 3,592,851	\$ -	\$ 22,830,005
Receivables:			
Accounts	-	-	8,192
Interest	163	-	3,064
Intergovernmental	-	724,359	798,055
Prepaid insurance	-	-	73,693
Restricted cash and investments	-	-	520,047
Loans receivable	-	-	3,270,298
Total Assets	\$ 3,593,014	\$ 724,359	\$ 27,503,354
LIABILITIES			
Accounts payable	\$ -	\$ 81,851	\$ 581,317
Accrued salaries and benefits	-	199	60,526
Retention payable	-	117,597	138,631
Deposits payable	-	-	1,344,651
Due to other funds	-	785,128	785,128
Unearned revenue	-	-	2,260,711
Total Liabilities	-	984,775	5,170,964
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	-	360,571	360,571
Total Deferred Inflows of Resources	-	360,571	360,571
FUND BALANCES			
Nonspendable	-	-	73,693
Restricted	3,593,014	-	16,535,245
Assigned	-	-	5,984,063
Unassigned	-	(620,987)	(621,182)
Total Fund Balances	3,593,014	(620,987)	21,971,819
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 3,593,014	\$ 724,359	\$ 27,503,354

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CITY OF LINCOLN
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2016

	Park In-Lieu	Gas Tax	Street Fund	Supplemental Fees
REVENUES				
Licenses and permits	\$ -	\$ -	\$ -	\$ -
Use of money and property	25,718	67,470	43,471	42,509
Intergovernmental	-	1,009,970	99,996	-
Charges for services	116,247	-	-	113,720
Other revenues	-	-	8,079	-
Total Revenues	<u>141,965</u>	<u>1,077,440</u>	<u>151,546</u>	<u>156,229</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works and facilities	-	565,997	1,201,422	-
Urban redevelopment and housing	-	-	-	-
Capital outlay	-	10,023	521,138	-
Total Expenditures	<u>-</u>	<u>576,020</u>	<u>1,722,560</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>141,965</u>	<u>501,420</u>	<u>(1,571,014)</u>	<u>156,229</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	96,086	279,947	-
Transfers out	-	-	(131,732)	(445,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>96,086</u>	<u>148,215</u>	<u>(445,000)</u>
Net Change in Fund Balances	<u>141,965</u>	<u>597,506</u>	<u>(1,422,799)</u>	<u>(288,771)</u>
Fund Balances - Beginning	<u>1,373,785</u>	<u>3,460,182</u>	<u>3,114,237</u>	<u>2,638,910</u>
Fund Balances (Deficits) - Ending	<u>\$ 1,515,750</u>	<u>\$ 4,057,688</u>	<u>\$ 1,691,438</u>	<u>\$ 2,350,139</u>

Parks and Recreation Tax	Development Services	State Grants	Police Grants	Revitalization and Rehabilitation Loans	Community Development Block Grant (CDBG)	HOME Investment Partnership Program	Cal Home Grants
\$ -	\$ 925,831	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4,965	105,283	35,950	1	15,027	(11,100)	49,507	5,938
-	-	311,960	114,618	-	-	-	60,000
83,499	865,231	-	-	-	-	-	-
-	82	-	-	-	-	-	-
<u>88,464</u>	<u>1,896,427</u>	<u>347,910</u>	<u>114,619</u>	<u>15,027</u>	<u>(11,100)</u>	<u>49,507</u>	<u>65,938</u>
-	-	-	-	-	12,557	2,610	-
-	-	-	115,082	-	-	-	-
-	1,549,130	(37,719)	-	-	-	-	-
-	-	-	-	2,618	-	-	-
-	-	337,358	-	-	78,341	-	-
<u>-</u>	<u>1,549,130</u>	<u>299,639</u>	<u>115,082</u>	<u>2,618</u>	<u>90,898</u>	<u>2,610</u>	<u>-</u>
<u>88,464</u>	<u>347,297</u>	<u>48,271</u>	<u>(463)</u>	<u>12,409</u>	<u>(101,998)</u>	<u>46,897</u>	<u>65,938</u>
-	-	-	-	-	-	-	-
-	(153,493)	(279,948)	-	-	-	-	-
<u>-</u>	<u>(153,493)</u>	<u>(279,948)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
88,464	193,804	(231,677)	(463)	12,409	(101,998)	46,897	65,938
229,956	3,563,408	445,368	268	822,228	1,227,298	2,265,576	757,301
<u>\$ 318,420</u>	<u>\$ 3,757,212</u>	<u>\$ 213,691</u>	<u>\$ (195)</u>	<u>\$ 834,637</u>	<u>\$ 1,125,300</u>	<u>\$ 2,312,473</u>	<u>\$ 823,239</u>

CITY OF LINCOLN
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2016

	Oak Tree Mitigation	Federal Grants	Totals
REVENUES			
Licenses and permits	\$ -	\$ -	\$ 925,831
Use of money and property	31,667	1	416,407
Intergovernmental	-	2,822,242	4,418,786
Charges for services	75,075	-	1,253,772
Other revenues	-	-	8,161
Total Revenues	106,742	2,822,243	7,022,957
EXPENDITURES			
Current:			
General government	-	-	15,167
Public safety	-	-	115,082
Public works and facilities	845	72	3,279,747
Urban redevelopment and housing	-	-	2,618
Capital outlay	-	1,917,258	2,864,118
Total Expenditures	845	1,917,330	6,276,732
Excess of Revenues Over (Under) Expenditures	105,897	904,913	746,225
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	376,033
Transfers out	-	-	(1,010,173)
Total Other Financing Sources (Uses)	-	-	(634,140)
Net Change in Fund Balances	105,897	904,913	112,085
Fund Balances - Beginning	3,487,117	(1,525,900)	21,859,734
Fund Balances (Deficits) - Ending	\$ 3,593,014	\$ (620,987)	\$ 21,971,819

CITY OF LINCOLN
Budgetary Comparison Schedule
Park In-Lieu - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property	\$ 20,500	\$ 20,500	\$ 25,718	\$ 5,218
Charges for services	114,670	114,670	116,247	1,577
Total Revenues	<u>135,170</u>	<u>135,170</u>	<u>141,965</u>	<u>6,795</u>
EXPENDITURES				
Current:				
Public works and facilities	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	135,170	135,170	141,965	6,795
Fund Balance - Beginning	<u>1,373,785</u>	<u>1,373,785</u>	<u>1,373,785</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 1,508,955</u>	<u>\$ 1,508,955</u>	<u>\$ 1,515,750</u>	<u>\$ 6,795</u>

CITY OF LINCOLN
Budgetary Comparison Schedule
Gas Tax - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property	\$ 48,100	\$ 48,100	\$ 67,470	\$ 19,370
Intergovernmental	959,964	959,964	1,009,970	50,006
Total Revenues	<u>1,008,064</u>	<u>1,008,064</u>	<u>1,077,440</u>	<u>69,376</u>
EXPENDITURES				
Current:				
Public works and facilities	705,936	964,837	565,997	398,840
Capital outlay	140,000	145,000	10,023	134,977
Total Expenditures	<u>845,936</u>	<u>1,109,837</u>	<u>576,020</u>	<u>533,817</u>
Excess of Revenues Over (Under) Expenditures	<u>162,128</u>	<u>(101,773)</u>	<u>501,420</u>	<u>603,193</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	96,086	96,086
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>96,086</u>	<u>96,086</u>
Net Change in Fund Balance	162,128	(101,773)	597,506	699,279
Fund Balance - Beginning	<u>3,460,182</u>	<u>3,460,182</u>	<u>3,460,182</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 3,622,310</u>	<u>\$ 3,358,409</u>	<u>\$ 4,057,688</u>	<u>\$ 699,279</u>

CITY OF LINCOLN
Budgetary Comparison Schedule
Street Fund - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property	70,300	70,300	43,471	(26,829)
Intergovernmental	2,058,299	2,058,299	99,996	(1,958,303)
Other Revenues	600	600	8,079	7,479
Total Revenues	<u>2,129,199</u>	<u>2,129,199</u>	<u>151,546</u>	<u>(1,977,653)</u>
EXPENDITURES				
Current:				
Public works and facilities	1,324,479	1,356,566	1,201,422	155,144
Capital outlay	612,154	1,006,670	521,138	485,532
Total Expenditures	<u>1,936,633</u>	<u>2,363,236</u>	<u>1,722,560</u>	<u>640,676</u>
Excess of Revenues Over (Under) Expenditures	<u>192,566</u>	<u>(234,037)</u>	<u>(1,571,014)</u>	<u>(1,336,977)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	279,947	279,947
Transfers out	(34,939)	(34,939)	(131,732)	(96,793)
Total Other Financing Sources (Uses)	<u>(34,939)</u>	<u>(34,939)</u>	<u>148,215</u>	<u>183,154</u>
Net Change in Fund Balance	157,627	(268,976)	(1,422,799)	(1,153,823)
Fund Balance - Beginning	<u>3,114,237</u>	<u>3,114,237</u>	<u>3,114,237</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 3,271,864</u>	<u>\$ 2,845,261</u>	<u>\$ 1,691,438</u>	<u>\$ (1,153,823)</u>

CITY OF LINCOLN
Budgetary Comparison Schedule
Supplemental Fees - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property	\$ 43,800	\$ 43,800	\$ 42,509	\$ (1,291)
Charges for services	91,000	91,000	113,720	22,720
Total Revenues	<u>134,800</u>	<u>134,800</u>	<u>156,229</u>	<u>21,429</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>134,800</u>	<u>134,800</u>	<u>156,229</u>	<u>21,429</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(353,000)	(353,000)	(445,000)	(92,000)
Total Other Financing Sources (Uses)	<u>(353,000)</u>	<u>(353,000)</u>	<u>(445,000)</u>	<u>(92,000)</u>
Net Change in Fund Balance	<u>(218,200)</u>	<u>(218,200)</u>	<u>(288,771)</u>	<u>(70,571)</u>
Fund Balance - Beginning	<u>2,638,910</u>	<u>2,638,910</u>	<u>2,638,910</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 2,420,710</u>	<u>\$ 2,420,710</u>	<u>\$ 2,350,139</u>	<u>\$ (70,571)</u>

CITY OF LINCOLN
Budgetary Comparison Schedule
Parks and Recreation Tax - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property	\$ 2,550	\$ 2,550	\$ 4,965	\$ 2,415
Charges for services	44,380	44,380	83,499	39,119
Total Revenues	<u>46,930</u>	<u>46,930</u>	<u>88,464</u>	<u>41,534</u>
EXPENDITURES				
Current:				
Public works and facilities	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	46,930	46,930	88,464	41,534
Fund Balance - Beginning	<u>229,956</u>	<u>229,956</u>	<u>229,956</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 276,886</u>	<u>\$ 276,886</u>	<u>\$ 318,420</u>	<u>\$ 41,534</u>

CITY OF LINCOLN
Budgetary Comparison Schedule
Development Services - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
REVENUES				
Licenses and permits	\$ 649,300	\$ 649,300	\$ 925,831	\$ 276,531
Use of money and property	65,000	65,000	105,283	40,283
Intergovernmental	3,122	3,122	-	(3,122)
Charges for services	473,170	486,170	865,231	379,061
Other revenues	-	-	82	82
Total Revenues	<u>1,190,592</u>	<u>1,203,592</u>	<u>1,896,427</u>	<u>692,835</u>
EXPENDITURES				
Current:				
Public works and facilities	1,475,161	1,487,694	1,549,130	(61,436)
Total Expenditures	<u>1,475,161</u>	<u>1,487,694</u>	<u>1,549,130</u>	<u>(61,436)</u>
Excess of Revenues Over (Under) Expenditures	<u>(284,569)</u>	<u>(284,102)</u>	<u>347,297</u>	<u>631,399</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(153,493)	(153,493)	(153,493)	-
Total Other Financing Sources (Uses)	<u>(153,493)</u>	<u>(153,493)</u>	<u>(153,493)</u>	<u>-</u>
Net Change in Fund Balance	(438,062)	(437,595)	193,804	631,399
Fund Balance - Beginning	<u>3,563,408</u>	<u>3,563,408</u>	<u>3,563,408</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 3,125,346</u>	<u>\$ 3,125,813</u>	<u>\$ 3,757,212</u>	<u>\$ 631,399</u>

CITY OF LINCOLN
Budgetary Comparison Schedule
State Grants - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property	\$ 20,000	\$ 20,000	\$ 35,950	\$ 15,950
Intergovernmental	1,098,579	1,273,217	311,960	(961,257)
Total Revenues	<u>1,118,579</u>	<u>1,293,217</u>	<u>347,910</u>	<u>(945,307)</u>
EXPENDITURES				
Current:				
Public works and facilities	22,817	164,925	(37,719)	202,644
Capital outlay	1,075,762	1,125,762	337,358	788,404
Total Expenditures	<u>1,098,579</u>	<u>1,290,687</u>	<u>299,639</u>	<u>991,048</u>
Excess of Revenues Over (Under) Expenditures	<u>20,000</u>	<u>2,530</u>	<u>48,271</u>	<u>45,741</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(279,948)	(279,948)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(279,948)</u>	<u>(279,948)</u>
Net Change in Fund Balance	20,000	2,530	(231,677)	(234,207)
Fund Balance - Beginning	445,368	445,368	445,368	-
Fund Balance - Ending	<u>\$ 465,368</u>	<u>\$ 447,898</u>	<u>\$ 213,691</u>	<u>\$ (234,207)</u>

CITY OF LINCOLN
Budgetary Comparison Schedule
Police Grants - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
REVENUES				
Use of money	\$ -	\$ -	\$ 1	\$ 1
Intergovernmental	100,000	100,000	114,618	14,618
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>114,619</u>	<u>14,619</u>
EXPENDITURES				
Current:				
Public safety	100,000	100,000	115,082	(15,082)
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>115,082</u>	<u>(15,082)</u>
Net Change in Fund Balance	-	-	(463)	(463)
Fund Balance - Beginning	<u>268</u>	<u>268</u>	<u>268</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 268</u>	<u>\$ 268</u>	<u>\$ (195)</u>	<u>\$ (463)</u>

CITY OF LINCOLN
Budgetary Comparison Schedule
Revitalization and Rehabilitation Loans - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property	\$ 14,200	\$ 14,200	\$ 15,027	\$ 827
Total Revenues	<u>14,200</u>	<u>14,200</u>	<u>15,027</u>	<u>827</u>
EXPENDITURES				
Current:				
Urban redevelopment and housing	<u>5,000</u>	<u>5,000</u>	<u>2,618</u>	<u>2,382</u>
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>2,618</u>	<u>2,382</u>
Net Change in Fund Balance	9,200	9,200	12,409	3,209
Fund Balance - Beginning	<u>822,228</u>	<u>822,228</u>	<u>822,228</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 831,428</u>	<u>\$ 831,428</u>	<u>\$ 834,637</u>	<u>\$ 3,209</u>

CITY OF LINCOLN
Budgetary Comparison Schedule
Community Development Block Grant (CDBG) - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property	\$ 12,500	\$ 12,500	\$ (11,100)	\$ (23,600)
Total Revenues	<u>12,500</u>	<u>12,500</u>	<u>(11,100)</u>	<u>(23,600)</u>
EXPENDITURES				
Current:				
General government	112,019	112,019	12,557	99,462
Capital Outlay	-	100,000	78,341	21,659
Total Expenditures	<u>112,019</u>	<u>212,019</u>	<u>90,898</u>	<u>121,121</u>
Net Change in Fund Balance	(99,519)	(199,519)	(101,998)	97,521
Fund Balance - Beginning	<u>1,227,298</u>	<u>1,227,298</u>	<u>1,227,298</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 1,127,779</u>	<u>\$ 1,027,779</u>	<u>\$ 1,125,300</u>	<u>\$ 97,521</u>

CITY OF LINCOLN
Budgetary Comparison Schedule
HOME Investment Partnership Program - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property	\$ 23,600	\$ 23,600	\$ 49,507	\$ 25,907
Total Revenues	<u>23,600</u>	<u>23,600</u>	<u>49,507</u>	<u>25,907</u>
EXPENDITURES				
Current:				
General government	-	-	2,610	(2,610)
Total Expenditures	<u>-</u>	<u>-</u>	<u>2,610</u>	<u>(2,610)</u>
Net Change in Fund Balance	23,600	23,600	46,897	23,297
Fund Balance - Beginning	<u>2,265,576</u>	<u>2,265,576</u>	<u>2,265,576</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 2,289,176</u>	<u>\$ 2,289,176</u>	<u>\$ 2,312,473</u>	<u>\$ 23,297</u>

CITY OF LINCOLN
Budgetary Comparison Schedule
Cal Home Grants - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property	\$ 2,300	\$ 2,300	\$ 5,938	\$ 3,638
Intergovernmental	60,000	60,000	60,000	-
Total Revenues	<u>62,300</u>	<u>62,300</u>	<u>65,938</u>	<u>3,638</u>
EXPENDITURES				
Current:				
General government	820,000	820,000	-	820,000
Total Expenditures	<u>820,000</u>	<u>820,000</u>	<u>-</u>	<u>820,000</u>
Net Change in Fund Balance	(757,700)	(757,700)	65,938	823,638
Fund Balance - Beginning	<u>757,301</u>	<u>757,301</u>	<u>757,301</u>	<u>-</u>
Fund Balance - Ending	<u>\$ (399)</u>	<u>\$ (399)</u>	<u>\$ 823,239</u>	<u>\$ 823,638</u>

CITY OF LINCOLN
Budgetary Comparison Schedule
Oak Tree Mitigation - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property	\$ 24,200	\$ 24,200	\$ 31,667	\$ 7,467
Charges for services	-	75,000	75,075	75
Total Revenues	<u>24,200</u>	<u>99,200</u>	<u>106,742</u>	<u>7,542</u>
EXPENDITURES				
Current:				
Public works and facilities	-	-	845	(845)
Total Expenditures	<u>-</u>	<u>-</u>	<u>845</u>	<u>(845)</u>
Net Change in Fund Balance	24,200	99,200	105,897	6,697
Fund Balance - Beginning	<u>3,487,117</u>	<u>3,487,117</u>	<u>3,487,117</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 3,511,317</u>	<u>\$ 3,586,317</u>	<u>\$ 3,593,014</u>	<u>\$ 6,697</u>

CITY OF LINCOLN
Budgetary Comparison Schedule
Federal Grants - Major Special Revenue Fund
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property	\$ -	\$ -	\$ 1	\$ 1
Intergovernmental	2,714,686	2,926,058	2,822,242	(103,816)
Total Revenues	<u>2,714,686</u>	<u>2,926,058</u>	<u>2,822,243</u>	<u>(103,815)</u>
EXPENDITURES				
Current:				
Public works and facilities	62,700	62,700	72	62,628
Capital outlay	2,651,986	3,041,986	1,917,258	1,124,728
Total Expenditures	<u>2,714,686</u>	<u>3,104,686</u>	<u>1,917,330</u>	<u>1,187,356</u>
Net Change in Fund Balance	-	(178,628)	904,913	1,083,541
Fund Balance - Beginning	<u>(1,525,900)</u>	<u>(1,525,900)</u>	<u>(1,525,900)</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ (1,525,900)</u></u>	<u><u>\$ (1,704,528)</u></u>	<u><u>\$ (620,987)</u></u>	<u><u>\$ 1,083,541</u></u>

Nonmajor Governmental Funds

- **Debt Service Funds**

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CITY OF LINCOLN
Nonmajor Debt Service Funds

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

Lincoln Public Financing Authority Series 2006-1

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

Lincoln Public Financing Authority Series 2000

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

Lincoln Public Financing Authority Series 2003

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

CITY OF LINCOLN
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2016

	Lincoln Public Financing Authority Series 2006-1	Lincoln Public Financing Authority Series 2000	Lincoln Public Financing Authority Series 2003	Totals
ASSETS				
Cash and investments	\$ -	\$ 1,567,914	\$ -	\$ 1,567,914
Receivables:				
Interest	1	225	-	226
Restricted cash and investments	944,578	317,020	720,502	1,982,100
Total Assets	\$ 944,579	\$ 1,885,159	\$ 720,502	\$ 3,550,240
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 125	\$ 125
Due to other funds	1,715	-	-	1,715
Total Liabilities	1,715	-	125	1,840
FUND BALANCES				
Restricted	942,864	1,885,159	720,377	3,548,400
Total Fund Balances	942,864	1,885,159	720,377	3,548,400
Total Liabilities and Fund Balances	\$ 944,579	\$ 1,885,159	\$ 720,502	\$ 3,550,240

CITY OF LINCOLN
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended June 30, 2016

	Lincoln Public Financing Authority Series 2006-1	Lincoln Public Financing Authority Series 2000	Lincoln Public Financing Authority Series 2003	Totals
REVENUES				
Use of money and property	\$ 11	\$ 28,029	\$ 1	\$ 28,041
Total Revenues	<u>11</u>	<u>28,029</u>	<u>1</u>	<u>28,041</u>
EXPENDITURES				
Current:				
General government	-	5,121	-	5,121
Public works and facilities	7,358	-	7,407	14,765
Debt service:				
Principal	345,000	50,000	375,000	770,000
Interest and other charges	599,575	15,033	335,477	950,085
Total Expenditures	<u>951,933</u>	<u>70,154</u>	<u>717,884</u>	<u>1,739,971</u>
Excess of Revenues Over (Under) Expenditures	<u>(951,922)</u>	<u>(42,125)</u>	<u>(717,883)</u>	<u>(1,711,930)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	944,575	-	724,922	1,669,497
Total Other Financing Sources (Uses)	<u>944,575</u>	<u>-</u>	<u>724,922</u>	<u>1,669,497</u>
Net Change in Fund Balances	(7,347)	(42,125)	7,039	(42,433)
Fund Balances - Beginning	<u>950,211</u>	<u>1,927,284</u>	<u>713,338</u>	<u>3,590,833</u>
Fund Balances - Ending	<u>\$ 942,864</u>	<u>\$ 1,885,159</u>	<u>\$ 720,377</u>	<u>\$ 3,548,400</u>

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Nonmajor Governmental Funds

- **Capital Projects Funds**

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CITY OF LINCOLN
Nonmajor Capital Projects Funds

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

Lincoln Public Financing Authority City Hall Series 2006

Accounts for construction of the City administration facility.

Capital Projects

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

Twelve Bridges Capital Project

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

Hwy 65 Bypass

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

Aiken Ranch Financial District Improvement

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

Lakeside CFD Improvement Area

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

Lincoln Crossing

Accounts for monies provided and used for Lincoln crossing improvements.

Foskett Ranch Series 2004-3

Accounts for monies provided and used for Foskett Ranch improvements.

CITY OF LINCOLN
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2016

	Lincoln Public Financing Authority City Hall Series 2006	Capital Projects	Twelve Bridges Capital Project	Hwy 65 Bypass
ASSETS				
Cash and investments	\$ 154,869	\$ 2,973,043	\$ 243,684	\$ 228,983
Receivables:				
Interest	21	213	4,469	70
Restricted cash and investments	-	3,683,467	10,573,471	-
	<u>154,890</u>	<u>6,656,723</u>	<u>10,821,624</u>	<u>229,053</u>
Total Assets	\$ 154,890	\$ 6,656,723	\$ 10,821,624	\$ 229,053
LIABILITIES				
Accounts payable	\$ -	\$ 170,593	\$ -	\$ -
Retention payable	-	8,566	-	-
	<u>-</u>	<u>179,159</u>	<u>-</u>	<u>-</u>
Total Liabilities	-	179,159	-	-
FUND BALANCES				
Restricted	<u>154,890</u>	<u>6,477,564</u>	<u>10,821,624</u>	<u>229,053</u>
Total Fund Balances	154,890	6,477,564	10,821,624	229,053
Total Liabilities and Fund Balances	\$ 154,890	\$ 6,656,723	\$ 10,821,624	\$ 229,053

Aiken Ranch Financial District Improvement	Lakeside CFD Improvement Area	Lincoln Crossing	Foskett Ranch Series 2004-3	Total
\$ 7,953	\$ 131,251	\$ 1,332	\$ 217,659	\$ 3,958,774
1	-	991	-	5,765
-	600,409	2,361,789	-	17,219,136
<u>\$ 7,954</u>	<u>\$ 731,660</u>	<u>\$ 2,364,112</u>	<u>\$ 217,659</u>	<u>\$ 21,183,675</u>
\$ -	\$ -	\$ -	\$ -	\$ 170,593
-	-	-	-	8,566
-	-	-	-	179,159
<u>7,954</u>	<u>731,660</u>	<u>2,364,112</u>	<u>217,659</u>	<u>21,004,516</u>
<u>7,954</u>	<u>731,660</u>	<u>2,364,112</u>	<u>217,659</u>	<u>21,004,516</u>
<u>\$ 7,954</u>	<u>\$ 731,660</u>	<u>\$ 2,364,112</u>	<u>\$ 217,659</u>	<u>\$ 21,183,675</u>

CITY OF LINCOLN
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2016

	Lincoln Public Financing Authority City Hall Series 2006	Capital Projects	Twelve Bridges Capital Project	Hwy 65 Bypass
REVENUES				
Special assessments	\$ -	\$ -	\$ 2,970	\$ -
Use of money and property	2,723	40,976	36,378	5,090
Charges for services	-	151,500	-	-
Other revenues	-	1,374,356	-	-
Total Revenues	<u>2,723</u>	<u>1,566,832</u>	<u>39,348</u>	<u>5,090</u>
EXPENDITURES				
Current:				
General government	-	-	-	1
Public ways and facilities	-	15	-	-
Capital outlay	-	297,899	-	247,755
Total Expenditures	<u>-</u>	<u>297,914</u>	<u>-</u>	<u>247,756</u>
Excess of Revenues Over (Under) Expenditures	<u>2,723</u>	<u>1,268,918</u>	<u>39,348</u>	<u>(242,666)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfer out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	2,723	1,268,918	39,348	(242,666)
Fund Balances - Beginning	<u>152,167</u>	<u>5,208,646</u>	<u>10,782,276</u>	<u>471,719</u>
Fund Balances - Ending	<u>\$ 154,890</u>	<u>\$ 6,477,564</u>	<u>\$ 10,821,624</u>	<u>\$ 229,053</u>

Aiken Ranch Financial District Improvement	Lakeside CFD Improvement Area	Lincoln Crossing	Foskett Ranch Series 2004-3	Total
\$ -	\$ -	\$ -	\$ -	\$ 2,970
140	152	7,198	1	92,658
-	-	-	-	151,500
-	-	-	-	1,374,356
140	152	7,198	1	1,621,484
-	-	-	-	1
-	809,787	-	-	809,802
-	-	-	-	545,654
-	809,787	-	-	1,355,457
140	(809,635)	7,198	1	266,027
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
140	(809,635)	7,198	1	266,027
7,814	1,541,295	2,356,914	217,658	20,738,489
<u>\$ 7,954</u>	<u>\$ 731,660</u>	<u>\$ 2,364,112</u>	<u>\$ 217,659</u>	<u>\$ 21,004,516</u>

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Nonmajor Governmental Funds

- **Permanent Funds**

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CITY OF LINCOLN
Nonmajor Permanent Funds

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

Stormwater Retention Maintenance

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

Suncal Open Space Endowment

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

Brookview Open Space Maintenance Trust

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

Sterling Point Endowment

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

WWTRF Tertiary Storage Basin Maintenance

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

Lincoln Aircenter

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

CITY OF LINCOLN
Combining Balance Sheet
Nonmajor Permanent Funds
June 30, 2016

	<u>Stormwater Retention Maintenance</u>	<u>Suncal Open Space Endowment</u>	<u>Brookview Open Space Maintenance Trust</u>	<u>Sterling Point Endowment</u>
ASSETS				
Cash and investments	\$ 33,625	\$ 252,212	\$ -	\$ 61,960
Receivables:				
Interest	5	35	-	9
Restricted cash and investments	-	-	16,257	-
Total Assets	<u>\$ 33,630</u>	<u>\$ 252,247</u>	<u>\$ 16,257</u>	<u>\$ 61,969</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 239	\$ -
Other accrued liabilities	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>239</u>	<u>-</u>
FUND BALANCES				
Nonspendable	25,439	221,220	5,000	50,000
Restricted	8,191	31,027	11,018	11,969
Total Fund Balances	<u>33,630</u>	<u>252,247</u>	<u>16,018</u>	<u>61,969</u>
Total Liabilities and Fund Balances	<u>\$ 33,630</u>	<u>\$ 252,247</u>	<u>\$ 16,257</u>	<u>\$ 61,969</u>

WWTRF Tertiary Storage Basin Maintenance	Lincoln Aircenter	Totals
\$ 62,684	\$ 85,005	\$ 495,486
9	12	70
-	-	16,257
<u>\$ 62,693</u>	<u>\$ 85,017</u>	<u>\$ 511,813</u>
\$ -	\$ -	\$ 239
-	133	133
-	133	372
50,000	5,000	356,659
12,693	79,884	154,782
<u>62,693</u>	<u>84,884</u>	<u>511,441</u>
<u>\$ 62,693</u>	<u>\$ 85,017</u>	<u>\$ 511,813</u>

CITY OF LINCOLN
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Permanent Funds
For the Year Ended June 30, 2016

	<u>Stormwater Retention Maintenance</u>	<u>Suncal Open Space Endowment</u>	<u>Brookview Open Space Maintenance Trust</u>	<u>Sterling Point Endowment</u>
REVENUES				
Use of money and property	\$ 591	\$ 4,435	\$ 2	\$ 1,090
Total Revenues	<u>591</u>	<u>4,435</u>	<u>2</u>	<u>1,090</u>
EXPENDITURES				
Current:				
Public works and facilities	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	591	4,435	2	1,090
Fund Balances - Beginning	<u>33,039</u>	<u>247,812</u>	<u>16,016</u>	<u>60,879</u>
Fund Balances - Ending	<u>\$ 33,630</u>	<u>\$ 252,247</u>	<u>\$ 16,018</u>	<u>\$ 61,969</u>

WWTRF Tertiary Storage Basin Maintenance	Lincoln Aircenter	Totals
<u>\$ 1,103</u>	<u>\$ 1,361</u>	<u>\$ 8,582</u>
<u>1,103</u>	<u>1,361</u>	<u>8,582</u>
<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>
<u>1,103</u>	<u>1,361</u>	<u>8,582</u>
<u>61,590</u>	<u>83,523</u>	<u>502,859</u>
<u>\$ 62,693</u>	<u>\$ 84,884</u>	<u>\$ 511,441</u>

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Internal Service Funds

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CITY OF LINCOLN
Internal Service Funds

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

Internal Services

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

Vehicle/Equipment Replacement

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

Facility Maintenance

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

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
Internal Service Funds
June 30, 2016

	Internal Services	Vehicle/ Equipment Replacement	Facility Maintenance
ASSETS			
Current Assets:			
Cash and investments	\$ 1,962,844	\$ 582,977	\$ 505,014
Receivables:			
Accounts, net	1,260	-	-
Interest	161	76	92
Intergovernmental	9,192	-	-
Prepaid insurance	133,204	-	-
	2,106,661	583,053	505,106
Total Current Assets			
Noncurrent Assets:			
Capital assets:			
Non-depreciable	-	9,765	-
Depreciable, net	70,230	-	-
	70,230	9,765	-
Total Noncurrent Assets			
	2,176,891	592,818	505,106
Total Assets			
LIABILITIES			
Current Liabilities:			
Accounts payable	141,765	-	413
Accrued salaries and benefits	153,691	-	-
Compensated absences payable	353,668	-	-
	649,124	-	413
Total Current Liabilities			
Noncurrent Liabilities:			
Compensated absences payable	77,342	-	-
	77,342	-	-
Total Noncurrent Liabilities			
	726,466	-	413
Total Liabilities			
NET POSITION			
Net investment in capital assets	70,230	9,765	-
Unrestricted	1,380,195	583,053	504,693
	\$ 1,450,425	\$ 592,818	\$ 504,693
Total Net Position			

<u>Technology Fund</u>	<u>Total</u>
\$ 46,633	\$ 3,097,468
-	1,260
-	329
-	9,192
-	133,204
46,633	3,241,453
-	9,765
-	70,230
-	79,995
46,633	3,321,448
-	142,178
-	153,691
-	353,668
-	649,537
-	77,342
-	77,342
-	726,879
-	79,995
46,633	2,514,574
\$ 46,633	\$ 2,594,569

CITY OF LINCOLN
Combining Statement of Revenues, Expenses, and
Changes in Net Position
Internal Service Fund
For the Year Ended June 30, 2016

	<u>Internal Services</u>	<u>Vehicle/ Equipment Replacement</u>	<u>Facility Maintenance</u>
OPERATING REVENUES			
Charges for services	\$ 5,708,376	\$ -	\$ -
Other revenues	4,587	31,382	-
Total Operating Revenues	<u>5,712,963</u>	<u>31,382</u>	<u>-</u>
OPERATING EXPENSES			
Salaries and benefits	3,235,870	-	-
Services and supplies	1,864,666	-	13,339
Depreciation	6,785	-	-
Total Operating Expenses	<u>5,107,321</u>	<u>-</u>	<u>13,339</u>
Operating Income (Loss)	<u>605,642</u>	<u>31,382</u>	<u>(13,339)</u>
NONOPERATING REVENUES (EXPENSES)			
Interest income	20,351	9,872	9,411
Total Nonoperating Revenues (Expenses)	<u>20,351</u>	<u>9,872</u>	<u>9,411</u>
Income (Loss) before Capital Contributions and Transfers	625,993	41,254	(3,928)
Capital contributions	(93,685)	-	(44,629)
Transfers in	-	-	-
Transfers out	(224,128)	-	(147,014)
Change in Net Position	308,180	41,254	(195,571)
Total Net Position - Beginning	<u>1,142,245</u>	<u>551,564</u>	<u>700,264</u>
Total Net Position - Ending	<u>\$ 1,450,425</u>	<u>\$ 592,818</u>	<u>\$ 504,693</u>

Technology Fund	Total
\$ -	\$ 5,708,376
-	35,969
-	5,744,345
-	3,235,870
178,108	2,056,113
-	6,785
178,108	5,298,768
(178,108)	445,577
613	40,247
613	40,247
(177,495)	485,824
-	(138,314)
224,128	224,128
-	(371,142)
46,633	200,496
-	2,394,073
<u>\$ 46,633</u>	<u>\$ 2,594,569</u>

CITY OF LINCOLN
Combining Statement of Cash Flows
Internal Service Fund
For the Year Ended June 30, 2016

	<u>Internal Services</u>	<u>Vehicle/ Equipment Replacement</u>	<u>Facility Maintenance</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 5,711,953	\$ 31,382	\$ -
Payments to suppliers	(1,913,288)	-	(12,926)
Payments to employees	(3,097,987)	-	(954)
Net Cash Provided (Used) by Operating Activities	<u>700,678</u>	<u>31,382</u>	<u>(13,880)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Intergovernmental revenues received	1,068	-	-
Transfers from other funds	-	-	-
Transfers to other funds	(224,128)	-	(147,014)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(223,060)</u>	<u>-</u>	<u>(147,014)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(28,377)	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(28,377)</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	20,254	9,826	9,355
Net Cash Provided (Used) by Investing Activities	<u>20,254</u>	<u>9,826</u>	<u>9,355</u>
Net Increase (Decrease) in Cash and Cash Equivalents	469,495	41,208	(151,539)
Balances - Beginning	<u>1,493,349</u>	<u>541,769</u>	<u>656,553</u>
Balances - Ending	<u>\$ 1,962,844</u>	<u>\$ 582,977</u>	<u>\$ 505,014</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 605,642	\$ 31,382	\$ (13,339)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	6,785	-	-
Decrease (Increase) in:			
Accounts receivable	(1,010)	-	-
Prepaid insurance	(8,982)	-	-
Increase (Decrease) in:			
Accounts payable	(39,640)	-	413
Accrued salaries and benefits	58,634	-	(954)
Compensated absences payable	79,249	-	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 700,678</u>	<u>\$ 31,382</u>	<u>\$ (13,880)</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Contribution of capital assets to governmental activities	\$ (93,685)	\$ -	\$ (44,629)

<u>Technology Fund</u>	<u>Total</u>
\$ -	\$ 5,743,335
(178,108)	(2,104,322)
-	(3,098,941)
(178,108)	540,072
-	1,068
224,128	224,128
-	(371,142)
224,128	(145,946)
-	(28,377)
-	(28,377)
613	40,048
613	40,048
46,633	405,797
-	2,691,671
<u>\$ 46,633</u>	<u>\$ 3,097,468</u>
\$ (178,108)	\$ 445,577
-	6,785
-	(1,010)
-	(8,982)
-	(39,227)
-	57,680
-	79,249
<u>\$ (178,108)</u>	<u>\$ 540,072</u>
\$ -	\$ (138,314)

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Fiduciary Funds

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CITY OF LINCOLN

Fiduciary Funds

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

Private Purpose Trust Funds

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

Successor Agency to the Redevelopment Agency of the City of Lincoln

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

Agency Funds

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

Little League Fund

Accounts for monies held as agent for Little League activities.

Markham Ravine Neighborhood Trust

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

Lincoln Airpark 98-1

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

Twelve Bridges Series 2011

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

Foskett Ranch Series 2004-3

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

Lakeside CFD Series 2006

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

CITY OF LINCOLN
Fiduciary Funds

Special Tax Revenue Bond 2007 A&B

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

CFD Sorrento Series 2009

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

CFD Sorrento 2005-1 Series 2013

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

CFD Sorrento 2005-1 Series 2014-1

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

CITY OF LINCOLN
Combining Statement of Fiduciary Net Position
Private Purpose Trust Funds
June 30, 2016

Successor Agency to the Redevelopment Agency
of the City of Lincoln

	Low/Moderate Income Housing	Redevelopment Agency	Capital Projects	Debt Service	Total Private Purpose Trust Funds
ASSETS					
Current Assets:					
Cash and investments	\$ 671,961	\$ 1,455,032	\$ 312	\$ -	\$ 2,127,305
Receivables:					
Interest	-	134	138	-	272
Due from other funds	18,769	-	-	-	18,769
Prepaid insurance	-	3,061	-	-	3,061
Advances to other funds	871,819	-	-	-	871,819
Restricted cash and investments	20,573	1,041,085	-	-	1,061,658
Loans receivable	3,274,089	27,784	-	-	3,301,873
Capital assets:					
Non-depreciable	-	2,837,713	-	-	2,837,713
Depreciable, net	-	1,108,051	-	-	1,108,051
Total Assets	4,857,211	6,472,860	450	-	11,330,521
LIABILITIES					
Current Liabilities:					
Interest payable	-	178,683	-	-	178,683
Deposits payable	-	1,000	-	-	1,000
Due to other agencies	-	4,380,731	-	257	4,380,988
Due to other funds	-	18,769	-	-	18,769
Advances from other funds	-	871,819	-	-	871,819
Long-term debt:					
Due within one year	-	669,924	-	-	669,924
Due in more than one year	-	9,497,161	-	-	9,497,161
Total Liabilities	-	15,618,087	-	257	15,618,344
NET POSITION					
Net Position held in trust	4,857,211	(9,145,227)	450	(257)	(4,287,823)
Total Net Position	\$ 4,857,211	\$ (9,145,227)	\$ 450	\$ (257)	\$ (4,287,823)

CITY OF LINCOLN
Combining Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds
For the Year Ended June 30, 2016

	Successor Agency to the Redevelopment Agency of the City of Lincoln				Total Private Purpose Trust Funds
	Low/Moderate Income Housing	Redevelopment Agency	Capital Projects	Debt Service	
ADDITIONS					
Property taxes	\$ -	\$ 1,590,922	\$ -	\$ -	\$ 1,590,922
Interest and investment income	95,081	129,742	5,143	-	229,966
Other contributions	103,455	41,672	-	-	145,127
Total Additions	<u>198,536</u>	<u>1,762,336</u>	<u>5,143</u>	<u>-</u>	<u>1,966,015</u>
DEDUCTIONS					
Program expenses	-	410,123	994,356	257	1,404,736
Interest expense	-	517,050	-	-	517,050
Depreciation	-	82,198	-	-	82,198
Amortization	-	5,076	-	-	5,076
Total Deductions	<u>-</u>	<u>1,014,447</u>	<u>994,356</u>	<u>257</u>	<u>2,009,060</u>
Change in Net Position	198,536	747,889	(989,213)	(257)	(43,045)
Total Net Position - Beginning	<u>4,658,675</u>	<u>(9,893,116)</u>	<u>989,663</u>	<u>-</u>	<u>(4,244,778)</u>
Total Net Position - Ending	<u>\$ 4,857,211</u>	<u>\$ (9,145,227)</u>	<u>\$ 450</u>	<u>\$ (257)</u>	<u>\$ (4,287,823)</u>

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CITY OF LINCOLN
Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2016

	Little League	Markham Ravine Neighborhood Trust	Lincoln Airpark 98-1	Twelve Bridges Series 2011	Foskett Ranch Series 2004-3
ASSETS					
Cash and investments	\$ 43,027	\$ -	\$ 455,902	\$ 6,984,138	\$ 551,457
Receivables:					
Interest	6	-	62	942	68
Special assessments	-	-	1,718	38,438	1,361
Restricted cash and investments	-	-	220,784	5,624,356	364,190
Total Assets	\$ 43,033	\$ -	\$ 678,466	\$ 12,647,874	\$ 917,076
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ 5,550	\$ -	\$ -
Other accrued liabilities	-	394	-	-	-
Due to other agencies	-	329	-	-	-
Due to property owners	-	-	672,916	12,647,874	917,076
Agency obligations	43,033	(723)	-	-	-
Total Liabilities	\$ 43,033	\$ -	\$ 678,466	\$ 12,647,874	\$ 917,076

Lakeside CFD Series 2006	Special Tax Revenue Bond 2007 A&B	CFD Sorrento Series 2009	CFD Sorrento 2005-1 Series 2013	CFD Sorrento 2005-1 Series 2014-1	Totals
\$ 611,019	\$ 13,711,185	\$ 1,604,277	\$ (572,627)	\$ -	\$ 23,388,378
72	1,765	87	-	2	3,004
1,183	65,046	975	-	-	108,721
<u>1,128,411</u>	<u>7,576,323</u>	<u>228,167</u>	<u>507,119</u>	<u>(109,048)</u>	<u>15,540,302</u>
<u>\$ 1,740,685</u>	<u>\$ 21,354,319</u>	<u>\$ 1,833,506</u>	<u>\$ (65,508)</u>	<u>\$ (109,046)</u>	<u>\$ 39,040,405</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,550
-	-	-	-	-	394
-	-	-	-	-	329
1,707,084	21,354,319	1,833,506	(65,508)	-	39,067,267
<u>33,601</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(109,046)</u>	<u>(33,135)</u>
<u>\$ 1,740,685</u>	<u>\$ 21,354,319</u>	<u>\$ 1,833,506</u>	<u>\$ (65,508)</u>	<u>\$ (109,046)</u>	<u>\$ 39,040,405</u>

CITY OF LINCOLN
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2016

	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
LITTLE LEAGUE				
ASSETS				
Cash and investments	\$ 42,274	\$ 753	\$ -	\$ 43,027
Receivables:				
Interest	2	4	-	6
Total Assets	\$ 42,276	\$ 757	\$ -	\$ 43,033
LIABILITIES				
Agency obligations	\$ 42,276	\$ 757	\$ -	\$ 43,033
Total Liabilities	\$ 42,276	\$ 757	\$ -	\$ 43,033
MARKHAM RAVINE NEIGHBORHOOD TRUST				
ASSETS				
Cash and investments	\$ -	\$ -	\$ -	\$ -
Total Assets	\$ -	\$ -	\$ -	\$ -
LIABILITIES				
Other accrued liabilities	\$ -	\$ 394	\$ -	\$ 394
Due to other agencies	331	-	(2)	329
Agency obligations	(331)	-	(392)	(723)
Total Liabilities	\$ -	\$ 394	\$ (394)	\$ -
LINCOLN AIRPARK 98-1				
ASSETS				
Cash and investments	\$ 443,778	\$ 12,124	\$ -	\$ 455,902
Receivables:				
Interest	25	37	-	62
Special assessments	257	1,461	-	1,718
Restricted cash and investments	220,783	1	-	220,784
Total Assets	\$ 664,843	\$ 13,623	\$ -	\$ 678,466
LIABILITIES				
Accounts payable	\$ -	\$ 5,550	\$ -	\$ 5,550
Due to property owners	664,843	8,073	-	672,916
Total Liabilities	\$ 664,843	\$ 13,623	\$ -	\$ 678,466

Continued (Page 1 of 4)

CITY OF LINCOLN
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2016

	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
TWELVE BRIDGES SERIES 2011				
ASSETS				
Cash and investments	\$ 6,739,974	\$ 244,164	\$ -	\$ 6,984,138
Receivables:				
Interest	374	568	-	942
Special assessments	61,844	-	(23,406)	38,438
Restricted cash and investments	5,304,267	320,089	-	5,624,356
Total Assets	\$ 12,106,459	\$ 564,821	\$ (23,406)	\$ 12,647,874
LIABILITIES				
Due to property owners	\$ 12,106,459	\$ 541,415	\$ -	\$ 12,647,874
Total Liabilities	\$ 12,106,459	\$ 541,415	\$ -	\$ 12,647,874
FOSKETT RANCH SERIES 2004-3				
ASSETS				
Cash and investments	\$ 489,632	\$ 61,825	\$ -	\$ 551,457
Receivables:				
Interest	27	41	-	68
Special assessments	4,320	-	(2,959)	1,361
Restricted cash and investments	414,190	-	(50,000)	364,190
Total Assets	\$ 908,169	\$ 61,866	\$ (52,959)	\$ 917,076
LIABILITIES				
Due to property owners	\$ 908,169	\$ 8,907	\$ -	\$ 917,076
Total Liabilities	\$ 908,169	\$ 8,907	\$ -	\$ 917,076
LAKESIDE CFD SERIES 2006				
ASSETS				
Cash and investments	\$ 516,584	\$ 94,435	\$ -	\$ 611,019
Receivables:				
Interest	29	43	-	72
Special assessments	2,215	-	(1,032)	1,183
Restricted cash and investments	1,128,590	-	(179)	1,128,411
Total Assets	\$ 1,647,418	\$ 94,478	\$ (1,211)	\$ 1,740,685
LIABILITIES				
Due to property owners	\$ 1,620,989	\$ 86,095	\$ -	\$ 1,707,084
Agency obligations	26,429	7,172	-	33,601
Total Liabilities	\$ 1,647,418	\$ 93,267	\$ -	\$ 1,740,685

Continued (Page 2 of 4)

CITY OF LINCOLN
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2016

	Balance	Additions	Deductions	Balance
	June 30, 2015	June 30, 2015	June 30, 2015	June 30, 2016
SPECIAL TAX REVENUE BOND 2007 A & B				
ASSETS				
Cash and investments	\$ 12,370,136	\$ 1,341,049	\$ -	\$ 13,711,185
Receivables:				
Interest	698	1,067	-	1,765
Special assessments	94,841	-	(29,795)	65,046
Restricted cash and investments	7,576,962	-	(639)	7,576,323
Total Assets	\$ 20,042,637	\$ 1,342,116	\$ (30,434)	\$ 21,354,319
LIABILITIES				
Accounts payable	\$ 2,800	\$ -	\$ (2,800)	\$ -
Due to property owners	20,039,837	1,314,482	-	21,354,319
Total Liabilities	\$ 20,042,637	\$ 1,314,482	\$ (2,800)	\$ 21,354,319
CFD SORRENTO SERIES 2009				
ASSETS				
Cash and investments	\$ 624,582	\$ 979,695	\$ -	\$ 1,604,277
Receivables:				
Interest	35	52	-	87
Special assessments	1,923	-	(948)	975
Restricted cash and investments	228,167	-	-	228,167
Total Assets	\$ 854,707	\$ 979,747	\$ (948)	\$ 1,833,506
LIABILITIES				
Due to property owners	\$ 854,707	\$ 978,799	\$ -	\$ 1,833,506
Total Liabilities	\$ 854,707	\$ 978,799	\$ -	\$ 1,833,506
CFD SORRENTO 2005-1 SERIES 2013				
ASSETS				
Cash and investments	\$ -	\$ -	\$ (572,627)	\$ (572,627)
Restricted cash and investments	507,119	-	-	507,119
Total Assets	\$ 507,119	\$ -	\$ (572,627)	\$ (65,508)
LIABILITIES				
Due to other agencies	\$ 2,750	\$ -	\$ (2,750)	\$ -
Due to property owners	504,369	-	(569,877)	(65,508)
Total Liabilities	\$ 507,119	\$ -	\$ (572,627)	\$ (65,508)

Continued (Page 3 of 4)

CITY OF LINCOLN
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2016

	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
CFD SORRENTO 2005-1 SERIES 2014-1				
ASSETS				
Restricted cash and investments	\$ 592,163	\$ -	\$ (701,211)	\$ (109,048)
Receivables:				
Interest	2	-	-	2
Total Assets	\$ 592,165	\$ -	\$ (701,211)	\$ (109,046)
LIABILITIES				
Agency obligations	592,165	-	(701,211)	(109,046)
Total Liabilities	\$ 592,165	\$ -	\$ (701,211)	\$ (109,046)
TOTAL AGENCY FUNDS				
ASSETS				
Cash and investments	\$ 21,819,123	\$ 2,734,045	\$ (1,273,838)	\$ 23,279,330
Receivables:				
Interest	1,192	1,812	-	3,004
Special assessments	165,400	1,461	(58,140)	108,721
Restricted cash and investments	15,380,078	320,090	(50,818)	15,649,350
Total Assets	\$ 37,365,793	\$ 3,057,408	\$ (1,382,796)	\$ 39,040,405
LIABILITIES				
Accounts payable	\$ 2,800	\$ 5,550	\$ (2,800)	\$ 5,550
Other accrued liabilities	-	394	-	394
Due to other agencies	3,081	-	(2,752)	329
Due to property owners	36,699,373	2,937,771	(569,877)	39,067,267
Agency obligations	660,539	7,929	(701,603)	(33,135)
Total Liabilities	\$ 37,365,793	\$ 2,951,644	\$ (1,277,032)	\$ 39,040,405

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STATISTICAL SECTION

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CITY OF LINCOLN

Statistical Section

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

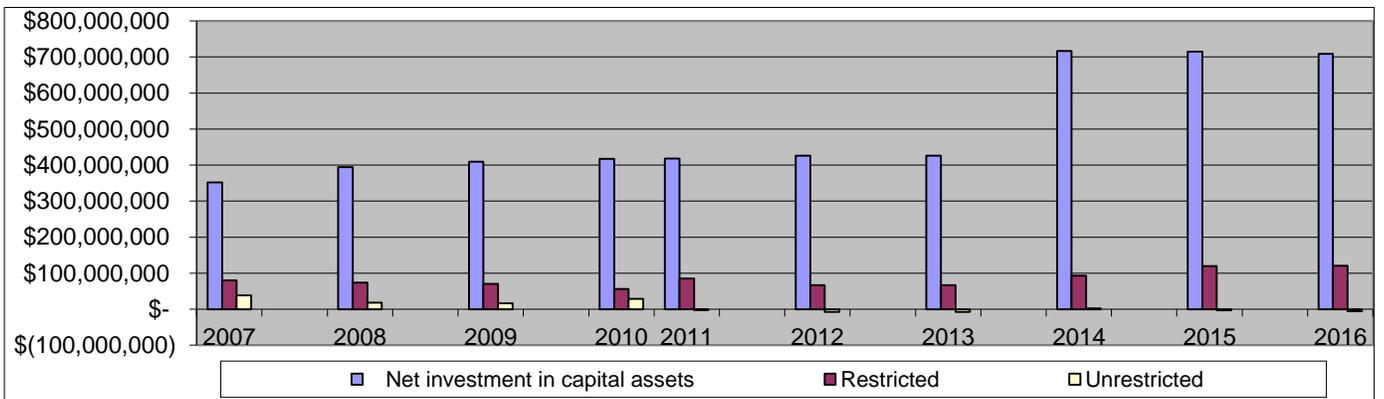
These schedules contain service and infrastructure data to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

Sources:

Unless otherwise stated, the information in this section is derived from the comprehensive annual financial reports for the relevant year.

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

	Fiscal Year Ended June 30,			
	2007	2008	2009	2010
Governmental Activities				
Net investment in capital assets	\$ 261,793,043	\$ 294,937,121	\$ 308,606,157	\$ 316,134,425
Restricted	80,161,807	73,577,655	70,016,244	56,455,609
Unrestricted	25,892,420	7,649,218	5,219,572	16,288,802
Total Governmental Activities Net Position	\$ 367,847,270	\$ 376,163,994	\$ 383,841,973	\$ 388,878,836
Business-type Activities				
Net investment in capital assets	\$ 89,880,781	\$ 98,927,946	\$ 100,630,330	\$ 101,091,339
Restricted	-	-	-	-
Unrestricted	12,768,350	10,823,306	11,443,010	12,439,997
Total Business-Type Activities Net Position	\$ 102,649,131	\$ 109,751,252	\$ 112,073,340	\$ 113,531,336
Primary Government				
Net investment in capital assets	\$ 351,673,824	\$ 393,865,067	\$ 409,236,487	\$ 417,225,764
Restricted	80,161,807	73,577,655	70,016,244	56,455,609
Unrestricted	38,660,770	18,472,524	16,662,582	28,728,799
Total Primary Government Net Position	\$ 470,496,401	\$ 485,915,246	\$ 495,915,313	\$ 502,410,172
		<i>% change from prior year</i>	<i>3.3%</i>	<i>2.1%</i>
			<i>1.3%</i>	



2011	2012	2013	2014	2015	2016
\$ 316,648,571	\$ 325,101,751	\$ 325,101,751	\$ 367,327,505	\$ 367,624,105	\$ 359,758,260
85,179,081	66,398,405	66,398,405	78,880,674	105,113,762	106,251,051
(17,608,936)	(26,688,143)	(26,688,143)	(16,019,760)	(22,118,189)	(21,706,971)
<u>\$ 384,218,716</u>	<u>\$ 364,812,013</u>	<u>\$ 364,812,013</u>	<u>\$ 430,188,419</u>	<u>\$ 450,619,678</u>	<u>\$ 444,302,340</u>
\$ 101,243,804	\$ 101,133,414	\$ 101,133,414	\$ 349,214,909	\$ 347,013,821	\$ 349,180,869
-	-	-	14,406,184	14,504,672	14,312,412
15,806,202	18,834,287	18,834,287	18,376,045	18,881,017	15,639,418
<u>\$ 117,050,006</u>	<u>\$ 119,967,701</u>	<u>\$ 119,967,701</u>	<u>\$ 381,997,138</u>	<u>\$ 380,399,510</u>	<u>\$ 379,132,699</u>
\$ 417,892,375	\$ 426,235,165	\$ 426,235,165	\$ 716,542,414	\$ 714,637,926	\$ 708,939,129
85,179,081	66,398,405	66,398,405	93,286,858	119,618,434	120,563,463
(1,802,734)	(7,853,856)	(7,853,856)	2,356,285	(3,237,172)	(6,067,553)
<u>\$ 501,268,722</u>	<u>\$ 484,779,714</u>	<u>\$ 484,779,714</u>	<u>\$ 812,185,557</u>	<u>\$ 831,019,188</u>	<u>\$ 823,435,039</u>
-0.2%	-3.3%	0.0%	67.5%	2.3%	-0.9%

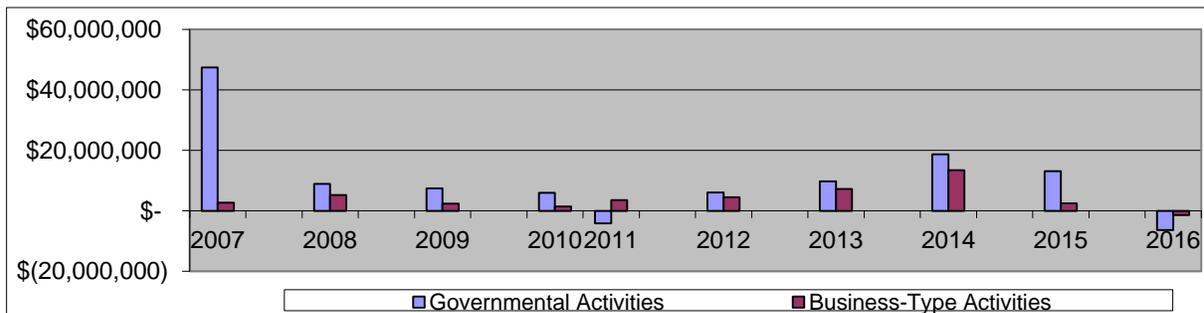
CITY OF LINCOLN
Changes in Net Position
Last Ten Fiscal Years
(Full Accrual Basis of Accounting)

	Fiscal Year Ended June 30,			
	2007	2008	2009	2010
Expenses				
Governmental Activities:				
General government	\$ 5,934,488	\$ 3,338,046	\$ 3,103,629	\$ 2,672,943
Public safety	9,321,876	11,021,601	12,158,513	10,847,388
Public works and facilities	11,648,924	12,308,543	7,931,581	13,720,906
Culture and recreation	1,213,474	1,137,484	1,110,552	1,059,559
Urban redevelopment and housing	684,389	872,134	842,254	1,979,294
Education	474,949	990,075	1,162,534	877,314
Interest on long-term debt	2,363,861	2,284,708	2,079,556	1,932,458
Total Governmental Activities	31,641,961	31,952,591	28,388,619	33,089,862
Business-Type Activities:				
Water	12,573,785	9,251,012	9,561,253	9,330,009
Wastewater operations	6,122,532	5,231,985	5,491,924	5,915,385
Solid waste	3,668,061	4,211,966	4,380,483	4,427,701
Airport	2,137,445	2,279,738	2,191,656	2,071,412
Transit	863,988	1,035,816	1,033,824	1,075,578
Total Business-Type Activities	25,365,811	22,010,517	22,659,140	22,820,085
Total Primary Government Expenses	\$ 57,007,772	\$ 53,963,108	\$ 51,047,759	\$ 55,909,947
Program Revenues				
Governmental Activities:				
Charges for Services:				
General government	\$ 395,839	\$ 165,923	\$ 161,624	\$ 3,787,376
Public Safety	1,163,497	668,673	552,752	592,754
Public works and facilities	15,474,292	6,912,437	5,436,917	1,549,410
Culture and recreation	3,011,148	1,386,841	1,260,374	1,048,639
Urban redevelopment and housing	-	5,600	7,920	174,016
Education	332,073	99,604	37,747	55,307
Operating Grants and Contributions	4,886,915	4,740,064	10,130,229	11,351,298
Capital Grants and Contributions	19,200,884	4,417,019	1,399,632	3,396,988
Total Governmental Activities Program Revenues	44,464,648	18,396,161	18,987,195	21,955,788
Business-Type Activities:				
Charges for Services:				
Water	22,246,238	13,238,191	11,699,450	11,164,332
Wastewater operations	4,199,846	5,677,253	6,427,678	6,785,503
Solid waste	4,542,292	4,253,409	4,838,459	4,842,441
Airport	1,493,308	1,600,082	1,361,802	1,294,419
Transit	52,454	44,745	31,741	27,941
Operating Grants and Contributions	1,420,586	1,775,927	652,139	1,195,343
Capital Grants and Contributions	7,144,753	3,229,166	1,192,629	896,587
Total Business-Type Activities Program Revenues	41,099,477	29,818,773	26,203,898	26,206,566
Total Primary Government Program Revenues	\$ 85,564,125	\$ 48,214,934	\$ 45,191,093	\$ 48,162,354

2011	2012	2013	2014	2015	2016
\$ 2,816,650	\$ 2,574,813	\$ 2,583,219	\$ 2,534,252	\$ 2,465,172	\$ 3,936,661
10,484,408	9,006,804	8,973,076	8,676,336	9,111,739	11,437,055
11,295,372	10,423,827	8,083,773	7,502,426	19,030,793	21,087,881
870,049	591,312	743,858	714,789	745,314	839,156
1,093,409	178,613	666,038	512,756	568,277	786,381
712,886	486,019	420,772	559,449	490,309	545,475
1,884,470	1,361,643	1,074,815	1,073,464	1,012,610	988,938
<u>29,157,244</u>	<u>24,623,031</u>	<u>22,545,551</u>	<u>21,573,472</u>	<u>33,424,214</u>	<u>39,621,547</u>
8,798,950	7,821,110	8,410,782	9,626,761	12,418,348	12,618,263
4,920,695	5,144,059	10,647,682	7,567,116	10,760,685	12,813,685
3,952,669	4,369,551	4,460,008	4,576,457	5,087,810	7,355,610
1,993,639	939,595	2,009,793	2,122,836	1,632,005	1,563,378
1,145,903	1,818,658	979,330	855,631	980,587	796,960
<u>20,811,856</u>	<u>20,092,973</u>	<u>26,507,595</u>	<u>24,748,801</u>	<u>30,879,435</u>	<u>35,147,896</u>
<u>\$ 49,969,100</u>	<u>\$ 44,716,004</u>	<u>\$ 49,053,146</u>	<u>\$ 46,322,273</u>	<u>\$ 64,303,649</u>	<u>\$ 74,769,443</u>
\$ 126,476	\$ 586,097	\$ 1,222,290	\$ 1,970,636	\$ 1,054,510	\$ 1,384,406
348,360	260,351	555,899	634,161	569,572	746,075
3,636,128	4,436,027	10,939,600	10,979,608	9,447,200	9,179,640
959,300	918,670	1,506,132	971,265	909,070	1,252,263
8,920	-	-	568,277	786,381	-
22,429	38,321	37,835	159,415	7,480	32,185
4,129,716	3,455,701	3,614,352	3,248,047	1,673,308	651,321
151,718	1,680,280	881,562	7,957,869	14,184,897	3,255,890
<u>9,383,047</u>	<u>11,375,447</u>	<u>18,757,670</u>	<u>26,489,278</u>	<u>28,632,418</u>	<u>16,501,780</u>
10,002,881	11,000,418	10,221,213	11,018,047	12,615,858	13,400,117
7,084,463	7,220,843	7,237,746	7,297,551	7,517,029	7,692,439
4,843,540	4,848,401	5,025,078	5,272,082	5,825,523	6,219,021
1,244,251	1,449,562	1,558,585	1,785,214	1,261,533	1,253,203
43,255	51,090	51,068	47,195	39,289	2,589
1,428,826	1,142,591	6,154,480	1,549,590	1,188,545	2,058,693
480,434	543,189	2,641,668	5,590,940	4,254,405	2,125,839
<u>25,127,650</u>	<u>26,256,094</u>	<u>32,889,838</u>	<u>32,560,619</u>	<u>32,702,182</u>	<u>32,751,901</u>
<u>\$ 34,510,697</u>	<u>\$ 37,631,541</u>	<u>\$ 51,647,508</u>	<u>\$ 59,049,897</u>	<u>\$ 61,334,600</u>	<u>\$ 49,253,681</u>

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

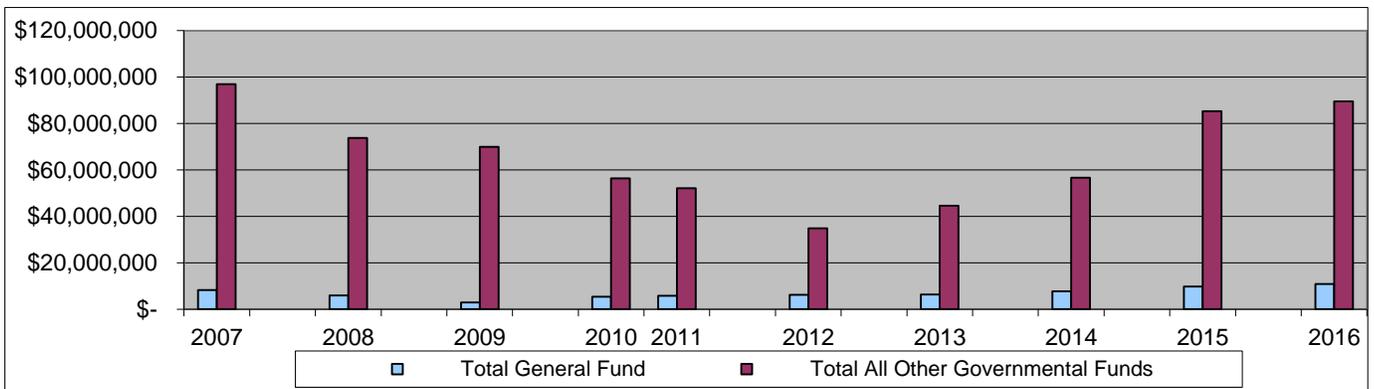
	Fiscal Year Ended June 30,			
	2007	2008	2009	2010
Net (Expense)/Revenue				
Governmental Activities	\$ 12,822,687	\$ (13,556,430)	\$ (9,401,424)	\$ (11,134,074)
Business-Type Activities	15,733,666	7,808,256	3,544,758	3,386,481
Total Primary Government Net Expense	\$ 28,556,353	\$ (5,748,174)	\$ (5,856,666)	\$ (7,747,593)
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes:				
Property taxes	\$ 11,104,412	\$ 11,911,470	\$ 11,035,176	\$ 9,628,569
Sales and use taxes	1,944,926	2,226,163	1,905,089	1,971,789
Franchise taxes	-	-	-	-
Other local taxes	770,972	629,413	635,042	988,427
Interest and investment earnings	5,767,170	3,798,947	995,126	2,261,095
Miscellaneous	151,349	390,049	219,821	192,290
Gain on sale of capital assets	-	-	-	-
Transfers	14,891,647	3,511,923	1,981,900	2,040,473
Extraordinary gain	-	-	-	-
Total Governmental Activities	34,630,476	22,467,965	16,772,154	17,082,643
Business-Type Activities				
Taxes:				
Property taxes	52,030	64,113	91,060	68,526
Sales and use taxes	-	-	-	-
Interest and investment earnings	731,368	573,296	450,245	(193,548)
Miscellaneous	1,100,621	251,704	217,925	237,010
Gain on sale of capital assets	-	-	-	-
Transfers	(14,891,647)	(3,511,923)	(1,981,900)	(2,040,473)
Total Business-Type Activities	(13,007,628)	(2,622,810)	(1,222,670)	(1,928,485)
Total Primary Government	\$ 21,622,848	\$ 19,845,155	\$ 15,549,484	\$ 15,154,158
Change in Net Position				
Governmental Activities	\$ 47,453,163	\$ 8,911,535	\$ 7,370,730	\$ 5,948,569
Business-Type Activities	2,726,038	5,185,446	2,322,088	1,457,996
Total Primary Government	\$ 50,179,201	\$ 14,096,981	\$ 9,692,818	\$ 7,406,565



2011	2012	2013	2014	2015	2016
\$ (19,774,197)	\$ (13,247,584)	\$ (3,787,881)	\$ 4,915,806	\$ (4,791,796)	\$ (23,119,767)
4,315,794	6,163,121	6,382,243	7,811,818	1,822,747	(2,395,995)
<u>\$ (15,458,403)</u>	<u>\$ (7,084,463)</u>	<u>\$ 2,594,362</u>	<u>\$ 12,727,624</u>	<u>\$ (2,969,049)</u>	<u>\$ (25,515,762)</u>
\$ 9,742,282	\$ 8,309,198	\$ 7,511,360	\$ 7,668,875	\$ 9,020,576	\$ 8,983,948
1,968,627	2,218,295	2,252,003	2,419,729	2,598,143	2,844,841
-	-	-	-	837,267	852,458
849,872	990,613	975,649	191,278	259,982	222,229
1,121,897	733,848	565,913	1,208,941	764,002	1,661,188
557,398	478,529	1,717,469	401,427	2,105,907	1,714,705
-	-	-	717,066	1,858,685	-
1,357,294	2,195,637	525,888	1,159,153	489,374	523,060
-	4,329,643	-	-	-	-
<u>15,597,370</u>	<u>19,255,763</u>	<u>13,548,282</u>	<u>13,766,469</u>	<u>17,933,936</u>	<u>16,802,429</u>
40,349	43,204	47,684	259,982	222,229	-
-	-	-	850,659	412,877	492,068
335,266	282,286	262,287	550,349	372,555	735,107
184,555	209,841	1,079,475	168,876	125,745	239,418
-	-	-	4,935,797	(39,829)	83,688
<u>(1,357,294)</u>	<u>(2,195,637)</u>	<u>(525,888)</u>	<u>(1,159,153)</u>	<u>(489,374)</u>	<u>(523,060)</u>
<u>(797,124)</u>	<u>(1,660,306)</u>	<u>863,558</u>	<u>5,606,510</u>	<u>604,203</u>	<u>1,027,221</u>
<u>\$ 14,800,246</u>	<u>\$ 17,595,457</u>	<u>\$ 14,411,840</u>	<u>\$ 19,372,979</u>	<u>\$ 18,538,139</u>	<u>\$ 17,829,650</u>
\$ (4,176,827)	\$ 6,008,179	\$ 9,760,401	\$ 18,682,275	\$ 13,142,140	\$ (6,317,338)
3,518,670	4,502,815	7,245,801	13,418,328	2,426,950	(1,368,774)
<u>\$ (658,157)</u>	<u>\$ 10,510,994</u>	<u>\$ 17,006,202</u>	<u>\$ 32,100,603</u>	<u>\$ 15,569,090</u>	<u>\$ (7,686,112)</u>

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

	Fiscal Year Ended June 30,			
	2007	2008	2009	2010
General Fund				
Reserved and Designated	\$ 3,059,045	\$ 3,286,125	\$ 2,880,860	\$ 2,880,860
Unreserved	5,256,512	2,688,528	-	2,540,251
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	<u>\$ 8,315,557</u>	<u>\$ 5,974,653</u>	<u>\$ 2,880,860</u>	<u>\$ 5,421,111</u>
All Other Governmental Funds				
Reserved	\$ 42,354,064	\$ 47,210,444	\$ 47,888,812	\$ 43,364,354
Unreserved, reported in				
Special revenue funds	18,105,451	(8,090,513)	(11,049,197)	(16,545,750)
Capital project funds	36,340,919	34,508,966	32,934,551	29,397,051
Permanent funds	122,995	134,277	146,506	144,382
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total All Other Governmental Funds	<u>\$ 96,923,429</u>	<u>\$ 73,763,174</u>	<u>\$ 69,920,672</u>	<u>\$ 56,360,037</u>



Notes:

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

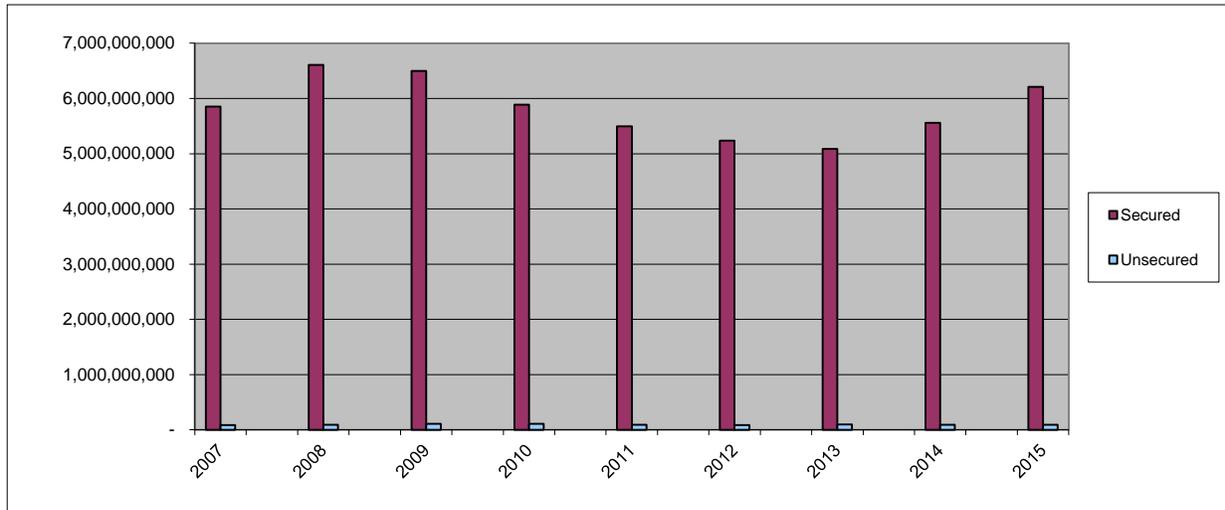
2011 (a)	2012	2013	2014	2015	2016
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
149,424	100,250	613,502	136,582	361,627	387,438
86,096	-	-	-	43	96
1,460,000	2,524,334	2,050,459	3,703,541	3,803,726	3,929,856
4,132,105	3,533,294	3,715,005	3,819,021	5,580,155	6,530,612
<u>\$ 5,827,625</u>	<u>\$ 6,157,878</u>	<u>\$ 6,378,966</u>	<u>\$ 7,659,144</u>	<u>\$ 9,745,551</u>	<u>\$ 10,848,002</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
35,794,414	33,014,706	32,810,398	31,238,435	33,945,218	437,032
51,397,385	33,380,699	33,745,233	41,992,206	65,041,829	99,829,860
2,124,330	-	-	-	-	-
-	-	5,214,476	5,650,033	6,126,672	5,984,063
(37,233,469)	(31,519,259)	(27,173,388)	(22,256,636)	(19,846,487)	(16,713,886)
<u>\$ 52,082,660</u>	<u>\$ 34,876,146</u>	<u>\$ 44,596,719</u>	<u>\$ 56,624,038</u>	<u>\$ 85,267,232</u>	<u>\$ 89,537,069</u>

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

	Fiscal Year Ended June 30,			
	2007	2008	2009	2010
Revenues				
Taxes and assessments	\$ 13,896,857	\$ 14,863,744	\$ 13,613,879	\$ 12,573,987
Licenses and permits	3,017,918	1,593,525	1,235,966	7,766,334
Fines and penalties	182,577	214,105	207,324	172,751
Use of money and property	6,006,258	3,970,684	1,377,206	2,239,808
Intergovernmental	7,024,618	6,995,606	8,812,824	5,848,961
Charges for services	17,622,446	7,919,761	6,544,271	6,384,352
Contributions from property owners	12,306,766	-	-	1,634,852
Other revenue	289,377	683,415	2,291,103	539,519
Total Revenues	60,346,817	36,240,840	34,082,573	37,160,564
Expenditures				
Current				
General government	5,844,044	3,242,267	3,008,223	2,598,301
Public safety	9,070,904	10,582,460	11,431,573	10,192,862
Public works and facilities	11,217,289	11,894,916	6,979,895	12,119,189
Culture and recreation	1,208,758	1,124,925	1,063,421	978,406
Urban redevelopment and housing	635,104	740,714	740,432	1,938,707
Education	474,349	976,424	1,159,032	876,907
Debt Service				
Principal	810,000	840,000	850,000	1,140,000
Interest and bond issuance costs	2,434,880	2,288,246	2,084,218	1,927,946
Capital Outlay	58,547,303	33,675,842	15,683,974	8,442,931
Total Expenditures	90,242,631	65,365,794	43,000,768	40,215,249
Excess (Deficiency) of Revenues Over Expenditures	(29,895,814)	(29,124,954)	(8,918,195)	(3,054,685)
Other Financing Sources (Uses)				
Bond proceeds	14,446,543	-	-	-
Transfers in	44,122,301	9,129,680	6,661,106	12,335,882
Transfers out	(29,254,097)	(5,617,757)	(4,679,206)	(10,197,886)
Proceeds from sale of capital assets	-	-	-	-
Debt proceeds	-	-	-	-
Total Other Financing Sources (Uses)	29,314,747	3,511,923	1,981,900	2,137,996
Net Change in fund balance before prior period adjustments and extraordinary items	(581,067)	(25,613,031)	(6,936,295)	(916,689)
Prior period adjustment	7,468,997	111,872	-	(10,103,695)
Extraordinary item				
Assets transferred to/liabilities assumed by Successor Agency/Housing Successor	-	-	-	-
Net Change in Fund Balance	\$ 6,887,930	\$ (25,501,159)	\$ (6,936,295)	\$ (11,020,384)
Debt service as a percentage of noncapital expenditures	10.2%	9.9%	10.7%	9.7%

	2011	2012	2013	2014	2015	2016
\$	13,018,727	\$ 14,494,396	\$ 14,136,484	\$ 13,492,395	\$ 16,082,063	\$ 16,357,235
	1,092,144	655,747	1,342,696	1,565,818	1,604,400	1,562,852
	129,884	115,085	79,606	48,509	74,132	94,962
	1,141,512	805,847	563,366	1,197,057	747,630	1,620,941
	3,268,014	6,294,565	4,697,951	3,526,877	10,012,367	4,641,768
	4,599,914	2,476,782	9,904,756	10,787,334	6,943,205	7,482,996
	-	-	-	-	-	-
	695,524	478,529	1,717,469	401,427	2,105,694	1,714,705
	<u>23,945,719</u>	<u>25,320,951</u>	<u>32,442,328</u>	<u>31,019,417</u>	<u>37,569,491</u>	<u>33,475,459</u>
	2,740,006	2,549,256	2,574,534	2,321,201	2,846,091	3,197,417
	9,746,718	8,478,042	8,723,479	8,116,557	8,881,517	9,356,075
	8,942,799	7,691,014	5,223,957	4,819,786	5,265,925	7,146,117
	812,219	571,875	741,632	646,189	657,331	712,594
	666,240	144,653	665,834	512,755	558,746	710,838
	712,472	490,327	418,188	558,740	487,553	510,589
	1,150,000	1,180,000	700,000	771,784	880,524	911,116
	1,893,176	1,555,009	1,083,203	1,082,887	1,024,729	1,003,612
	<u>2,690,016</u>	<u>2,091,332</u>	<u>2,706,542</u>	<u>4,049,046</u>	<u>7,850,556</u>	<u>5,224,887</u>
	<u>29,353,646</u>	<u>24,751,508</u>	<u>22,837,369</u>	<u>22,878,945</u>	<u>28,452,972</u>	<u>28,773,245</u>
	<u>(5,407,927)</u>	<u>569,443</u>	<u>9,604,959</u>	<u>8,140,472</u>	<u>9,116,519</u>	<u>4,702,214</u>
	-	-	-	-	-	-
	9,663,693	4,930,996	3,808,876	7,833,725	8,416,800	2,637,544
	<u>(8,126,629)</u>	<u>(2,735,359)</u>	<u>(3,591,758)</u>	<u>(3,601,414)</u>	<u>(7,601,327)</u>	<u>(1,967,470)</u>
	-	-	-	726,942	1,899,900	-
	-	-	-	568,873	-	-
	<u>1,537,064</u>	<u>2,195,637</u>	<u>217,118</u>	<u>5,528,126</u>	<u>2,715,373</u>	<u>670,074</u>
	(3,870,863)	2,765,080	9,822,077	13,668,598	11,831,892	5,372,288
	-	(13,087,464)	119,584	(361,101)	18,897,709	-
	-	(6,553,877)	(6,553,877)	-	-	-
\$	<u>(3,870,863)</u>	<u>(16,876,261)</u>	<u>3,387,784</u>	<u>13,307,497</u>	<u>30,729,601</u>	<u>5,372,288</u>
	11.4%	12.1%	8.9%	9.8%	9.2%	8.1%

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



Fiscal Year Ending June 30	Secured	Unsecured	SBE Nonunitary	Taxable Assessed Value	% Change	Direct Rate
2007	5,850,690,035	84,252,015	586,271	5,935,528,321	35.775%	1.012%
2008	6,608,202,986	94,844,051	413,659	6,703,460,696	12.938%	1.013%
2009	6,498,781,868	106,544,242	252,489	6,605,578,599	-1.460%	1.147%
2010	5,885,076,051	109,793,652	250,900	5,995,120,603	-9.242%	1.170%
2011	5,492,966,752	92,626,121	250,900	5,585,843,773	-6.827%	1.021%
2012	5,236,867,717	86,074,985	250,900	5,323,193,602	-4.702%	1.026%
2013	5,086,007,045	96,083,909	250,900	5,182,341,854	-2.646%	1.026%
2014	5,558,822,669	91,995,204	197,100	5,651,014,973	9.044%	1.026%
2015	6,210,620,359	91,857,194	197,100	6,302,674,653	11.532%	1.025%
2016	6,700,348,821	89,368,958	197,100	6,789,914,879	7.731%	1.032%

Notes:

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

Source:

California Municipal Statistics and Placer County Auditor-Controller

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

	Fiscal Year Ended June 30,			
	2007	2008	2009	2010
City of Lincoln General purpose	1.000	1.000	1.000	1.000
	1.000	1.000	1.000	1.000
Western Placer Unified School District	0.012	0.013	0.147	0.170
	1.012	1.013	1.147	1.170

Notes:

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

(2) In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of school district bonds.

Source:

California Municipal Statistics

2011	2012	2013	2014	2015	2016
1.000	1.000	1.000	1.000	1.000	1.000
1.000	1.000	1.000	1.000	1.000	1.000
0.021	0.026	0.026	0.026	0.025	0.030
1.021	1.026	1.026	1.026	1.025	1.030

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

Property Owner	Primary Land Use	Rank	2015/16	
			Taxable Assessed Value	% of Total City Taxable Assessed Value
Sierra Pacific Industries	Industrial	1	54,465,208	0.81%
OK&B	Warehouse	2	35,389,719	0.53%
Elliot Homes Inc.	Residential Properties	3	19,463,478	0.29%
JPS Development LLC	Shopping Center	4	19,044,372	0.28%
Buzz Oates Enterprises II	Warehouse	5	18,462,601	0.28%
Target Corporation	Commercial Store	6	17,663,480	0.26%
Auburn Creek Investors	Apartments	7	16,915,433	0.25%
Shadowbriar Investments Inc.	Undeveloped	8	16,207,176	0.24%
Lowes HIW Inc.	Commercial Store	9	15,000,000	0.22%
Sterling Point Station	Shopping Center	10	14,871,703	0.22%
			227,483,170	3.40%
2015-2016 Local Secured Assessed Valuation:			\$ 6,700,348,821	

Property Owner	Primary Land Use	Rank	2006/07	
			Taxable Assessed Value	% of Total City Taxable Assessed Value
Centex Homes	Residential Properties	1	80,387,825	1.37%
Mahsterling Pointe LLC	Shopping Center	2	49,061,500	0.84%
Sierra Pacific Industries	Industrial	3	44,876,687	0.77%
D. R. Horton, Inc. Sacramento	Residential Properties	4	43,991,012	0.75%
Roseville Grove I LLC	Industrial	5	38,078,043	0.65%
GHC Twelve Bridges LLC	Residential Properties	6	35,026,362	0.60%
MW Housing Partners III LP	Residential Properties	7	33,263,469	0.57%
JTS Communities Inc.	Residential Properties	8	30,041,926	0.51%
Pulte Home Corporation	Residential Properties	9	24,037,312	0.41%
Del Webb California Corp.	Residential Properties	10	19,462,847	0.33%
			398,226,983	6.81%
2006-2007 Local Secured Assessed Valuation:			\$ 5,850,690,035	

Source:
California Municipal Statistics

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>Collections within the Fiscal Year of the Levy</u>	
		<u>Amount</u>	<u>Percent of Levy</u>
2006/2007	4,418,402	4,301,403	97.35%
2007/2008	4,957,971	4,770,011	96.21%
2008/2009	4,867,571	4,654,481	95.62%
2009/2010	4,308,789	4,162,135	96.60%
2010/2011	4,039,416	3,940,526	97.55%
2011/2012	3,911,676	3,839,152	98.15%
2012/2013	3,817,958	3,766,886	98.66%
2013/2014	4,132,295	4,093,648	99.06%
2014/2015	4,689,175	4,648,015	99.12%
2015/2016	5,046,671	5,004,975	99.17%

Notes:

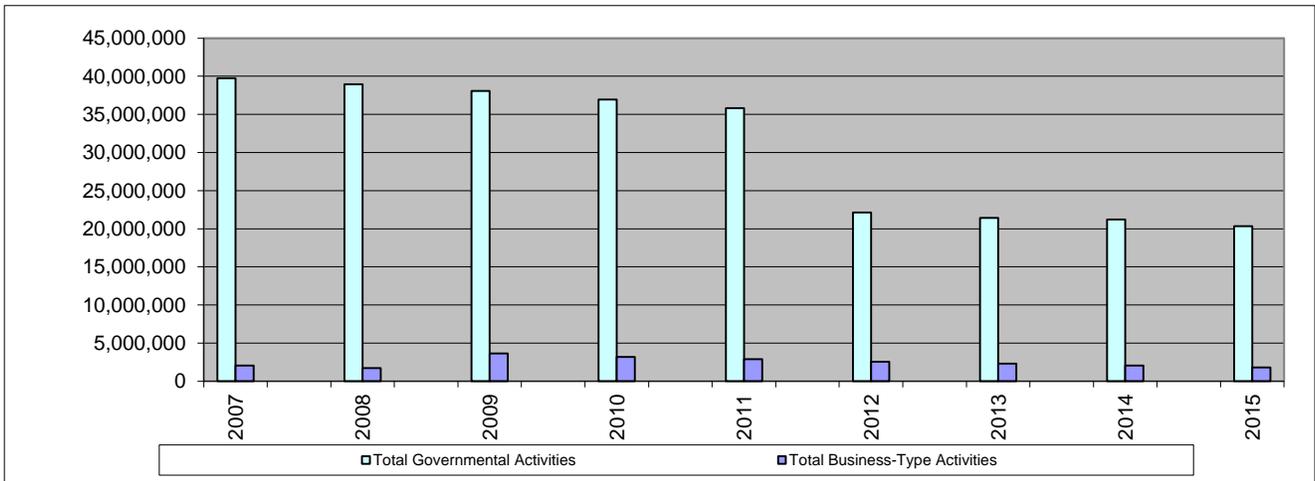
Current tax collections beginning in 1993 have been reduced by a mandatory tax reallocation imposed by the State of California. Placer County uses an estimate for the delinquency rate and compiles delinquency as a lump sum. Subsequent collections are not broken out by fiscal year from the County; thus,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

Source:

Placer County Auditor-Controller

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

Fiscal Year Ending June 30	Governmental Activities			Business-Type Activities		
	Bonds	Capital Lease	Total Governmental Activities	Loans	Bonds	Capital Lease
2007	39,764,046	-	39,764,046	189,363	1,840,000	17,330
2008	38,931,732	-	38,931,732	174,826	1,545,000	-
2009	38,089,415	-	38,089,415	159,235	1,270,000	2,203,029
2010	36,957,099	-	36,957,099	142,514	1,020,000	2,031,293
2011	35,814,783	-	35,814,783	124,580	795,000	1,957,869
2012	22,120,687	-	22,120,687	105,345	590,000	1,880,905
2013	21,423,295	-	21,423,295	84,716	410,000	1,800,232
2014	20,710,903	512,089	21,222,992	62,591	260,000	1,715,670
2015	19,968,511	376,565	20,345,076	38,861	125,000	1,627,033
2016	19,201,119	235,449	19,436,568	13,410	-	1,534,122



Notes:

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

Source:

City of Lincoln Annual Financial Reports

Total Business-Type Activities	Total Primary Government	Percentage of Personal Income (1)	Percentage of Assessed Value (2)	Per Capita (1)
2,046,693	41,810,739	4337.80%	0.70%	1,118
1,719,826	40,651,558	4829.77%	0.61%	1,022
3,632,264	41,721,679	4492.16%	0.63%	1,041
3,193,807	40,150,906	4889.98%	0.67%	977
2,877,449	38,692,232	5612.78%	0.69%	895
2,576,250	24,696,937	9270.11%	0.46%	567
2,294,948	23,718,243	10329.86%	0.46%	541
2,038,261	23,261,253	n/a	0.41%	515
1,790,894	22,135,970	n/a	0.35%	474
1,547,532	20,984,100	n/a	0.31%	443

CITY OF LINCOLN
Direct and Overlapping Bonded Debt
As of June 30, 2016

2015-16 Assessed Valuation	<u>\$ 6,302,674,653</u>		
	<u>Total Debt</u> 6/30/2016	<u>% Applicable (1)</u>	<u>City's Share of</u> <u>Debt 6/30/16</u>
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Western Placer Unified School District	\$ 22,389,254	84.589%	\$ 18,938,846
Western Placer Unified School District Community Facilities District No. 1	11,909,462	100.00%	11,909,462
City of Lincoln Community Facilities Districts	117,870,000	100.00%	117,870,000
City of Lincoln 1915 Act Bonds (Estimate)	35,668,000	100.00%	35,668,000
California Statewide Communities Development Authority Assessment Districts	2,405,986	100.00%	<u>2,405,986</u>
Total Overlapping Tax and Assessment Debt			<u>186,792,294</u>
OVERLAPPING GENERAL FUND DEBT:			
Placer County General Fund Obligations	33,919,000	10.605%	3,597,110
Placer County Office of Education Certificates of Participation	1,480,000	10.605%	156,954
Sierra Joint Community College District Certificates of Participation	7,254,000	8.019%	581,698
Western Placer Unified School District Certificates of Participation	127,825,000	84.589%	108,125,889
Placer Mosquito and Vector Control District Certificates of Participati	3,705,000	10.605%	<u>392,915</u>
Total Overlapping General Fund Debt			112,854,566
OVERLAPPING TAX INCREMENT DEBT	10,190,000	100.00%	<u>10,190,000</u>
Total Overlapping Debt			<u>309,836,860</u>
DIRECT GENERAL FUND DEBT:			
City of Lincoln General Fund Obligations	19,260,000	100.00%	<u>19,260,000</u>
Total Direct General Fund Debt			<u>19,260,000</u>
Total Combined Debt			<u>\$ 329,096,860 (2)</u>

Ratios to 2015-16 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	2.75%
Total Direct Debt	28.00%
Combined Total Debt	4.85%

Ratios to Redevelopment Incremental Valuation (\$244,745,928):

Total Overlapping Tax Increment Debt	4.16%
--------------------------------------	-------

Notes:

- (1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Source:

California Municipal Statistics

CITY OF LINCOLN
Computation of Legal Bonded Debt Margin
June 30, 2016

Secured Property Assessed Value, Net of Exempt Real Property	\$ 6,700,348,821	
Bonded debt limit (3.75% of assessed value) (a)		\$ 251,263,081
Amount of Debt Subject to Limit:		
Total bonded debt	20,984,100	
Less total bonds not subject to limit (b)	<u>(1,782,981)</u>	
Amount of Debt Subject to Limit		<u>19,201,119</u>
Legal Debt Margin		<u>\$ 232,061,962</u>

Fiscal Year Ending June 30	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a % of Debt Limit
2007	219,400,876	39,764,046	219,400,876	18.12%
2008	247,807,612	38,931,732	247,807,612	15.71%
2009	243,704,320	38,089,415	243,704,320	15.63%
2010	220,690,352	36,957,099	220,690,352	16.75%
2011	205,986,253	35,814,783	205,986,253	17.39%
2012	196,382,539	22,120,687	196,382,539	11.26%
2013	190,725,264	21,423,295	190,725,264	11.23%
2014	208,455,850	20,710,903	187,744,947	9.94%
2015	232,898,263	19,968,511	212,929,752	8.57%
2016	251,263,081	19,201,119	232,061,962	7.64%

Notes:

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

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

Source:

City of Lincoln Finance Department

CITY OF LINCOLN
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year Ending June 30	Population	Total Personal Income	Per Capita Personal Income	Annualized Unemployment Rate (%)
2007	37,400	1,813,666,579	48,494	9.0%
2008	39,758	1,963,376,670	49,383	11.9%
2009	40,060	1,874,205,719	46,785	18.5%
2010	41,111	1,963,372,899	47,758	20.2%
2011	43,248	2,171,709,392	50,215	19.1%
2012	43,572	2,289,433,433	52,544	16.9%
2013	43,818	2,450,062,116	55,915	14.20%
2014	45,206	(a)	(a)	12.00%
2015	46,688	(a)	(a)	11.22%
2016	47,339	(a)	(a)	11.30%

Notes:

(a) Information not available.

Source:

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

**CITY OF LINCOLN
Principal Employers
Current Year**

		<u>2015/16</u>
<u>Employer</u>	<u>Business Description</u>	<u>Number of Employees</u>
Thunder Valley Casion	Casino	1,000 - 4,999
Sierra Pacific Industries	Lumber-Manufacturers	250 - 499
BZ Plumbing Co. Inc.	Plumbing Contractors	100 - 249
Gladding McBean LLC	Brick-Clay Common & Face	100 - 249
Home Depot	Home Centers	100 - 249
Kerry McCaffrey Construction	General Contractors	100 - 249
Lincoln City Hall	Government Offices - City	100 - 249
Lincoln High School	Schools	100 - 249
Lincoln Meadows Care Center	Skilled Nursing Care Facilities	100 - 249
Lowe's Home Improvement	Home Centers	100 - 249
Rogers Family CO	Coffee Mills (Mfrs)	100 - 249
Safeway	Grocers-Retail	100 - 249
Veri Fone Inc.	Credit Card/Supl-Mfrs	100 - 249

Notes:

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

Source:

Employment Development Department Labor Market Information Division

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

	Fiscal Year Ending June 30			
	2007	2008	2009	2010
City Manager				
Administration	2.00	2.50	2.50	2.50
Human Resources	2.00	2.50	2.50	2.00
Economic Development	0.75	0.25	0.25	0.25
Records Management	3.00	3.00	3.00	3.00
Administrative Services				
Administration	2.00	4.00	3.00	3.00
Finance	11.00	11.50	11.50	9.00
Information Technology	2.00	2.00	2.00	2.00
Central Services	2.00	2.50	2.50	2.00
Development Services (a)				
Administration	2.00	2.00	1.70	1.00
Planning	8.00	8.45	6.10	5.80
Building	11.00	9.45	6.50	4.50
Development & Engineering	9.00	7.95	8.00	4.00
Financial Analysis	-	-	-	-
Public Services				
Administration	11.00	8.95	7.50	9.00
Engineering	-	-	-	-
Water	10.45	9.75	12.80	9.40
Wastewater	5.00	4.95	6.00	4.00
Solid Waste	14.50	11.45	16.10	14.40
Streets	6.55	6.65	8.10	5.20
Transit	5.00	4.95	6.50	6.50
Airport	3.00	2.95	3.00	3.00
Parks & Facilities	7.00	6.00	11.00	7.00
Fleet Maintenance	8.00	7.00	7.50	6.00
Police				
Administration	4.00	6.00	7.00	5.00
Communications	8.00	9.00	9.00	7.00
Operations	39.00	40.00	39.00	32.00
Fire				
Administration	2.00	3.00	3.00	3.00
Operations	25.00	24.00	24.00	21.00
Library	8.50	11.00	10.50	6.70
Recreation (b)	5.00	6.00	7.00	6.00
Redevelopment	1.25	1.25	1.25	2.95
Total Full-Time Equivalents	218.00	219.00	228.80	187.20

Notes:

(a) A 2011 reorganization changed the Community Development Department to Development Services Department and the Public Works Department to Public Services Department. For comparison purposes, divisions are reported in this table under the department where they are currently located and departments are listed by their current names.

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

Source:

City of Lincoln Original Budget Documents

2011	2012	2013	2014	2015	2016
2.75	2.75	1.75	2.00	2.80	2.00
2.00	2.00	2.00	1.00	2.50	2.00
1.00	-	-	1.00	1.00	1.00
3.00	3.00	3.00	2.80	2.00	2.00
3.00	3.00	2.00	3.00	3.00	3.00
8.00	9.00	10.00	10.00	9.00	9.00
1.00	1.00	1.00	1.00	1.00	-
2.00	2.00	2.00	1.00	2.00	2.00
0.45	4.25	3.25	7.30	1.00	5.00
3.35	1.00	1.00	3.00	3.50	3.50
4.00	4.00	4.00	3.00	4.00	2.00
4.05	1.00	1.00	2.00	3.00	1.00
0.95	-	-	-	-	-
5.00	6.00	7.00	12.00	8.50	1.00
-	-	-	2.00	-	-
7.45	8.10	8.10	10.00	6.50	10.94
3.75	3.50	3.50	6.50	6.50	7.83
13.55	10.25	12.15	13.90	13.40	13.53
4.15	4.15	4.25	6.20	6.20	6.30
7.65	7.00	4.00	4.50	7.00	2.00
2.25	2.50	2.00	2.00	2.00	2.00
4.95	6.00	5.00	5.50	6.50	5.00
4.95	5.00	5.00	5.00	5.50	5.00
6.00	5.00	2.50	5.50	2.50	2.50
6.00	6.00	6.00	6.00	6.00	6.00
27.00	21.00	19.50	16.50	19.50	19.50
3.00	3.00	2.00	3.00	2.00	2.00
21.00	19.50	19.00	18.00	18.00	18.00
5.65	2.00	2.00	3.50	3.90	3.90
5.50	4.00	4.00	4.00	4.00	4.00
-	-	-	-	-	-
163.40	146.00	137.00	161.20	152.80	142.00

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

	Fiscal Year Ending June 30			
	2007	2008	2009	2010
Business Licenses				
Annual business license	740	585	576	498**
Environment and Utilities				
Gallons of wastewater treated per year (in millions)	1,022	1,093	1,077	1,117
Gallons of wastewater discharged per year (in millions)	885	820	847	1,024
Fire				
Fires per year	92	141	133	115
Emergency medical calls per year	1,208	1,805	2,065	2,059
Hazardous materials incidents per year	23	56	58	55
Non-emergency service calls per year	817	1,137	865	836
Police				
911 calls per year	n/a	n/a	4,501	9,253
Cases investigated per year	3,524	2,963	2,792	2,291
Arrests per year	1,325	1,293	989	735
Building Permits				
New single family dwellings	678	192	126	116
Commercial (new and tenant improvements)	n/a	n/a	n/a	n/a
All other	n/a	n/a	n/a	n/a

Notes:

n/a = information not available

**new licenses applied for

Source:

City of Lincoln

2011	2012	2013	2014	2015	2016
1,916	-	1,120	1,182	1,938	1,988
1,239	1,135	1,144	1,095	1,062	1,178
1,144	999	843	1,063	813	969
114	134	137	121	142	149
2,047	2,212	2,465	2,667	2,637	2,637
45	35	45	49	40	41
1,027	857	933	969	749	1,250
9,597	10,187	10,998	8,710	8,852	10,577
2,134	1,890	1,898	1,142	1,866	1,872
602	458	429	314	479	403
56	138	314	280	233	188
n/a	n/a	n/a	n/a	135	146
n/a	n/a	n/a	n/a	2,313	2,820