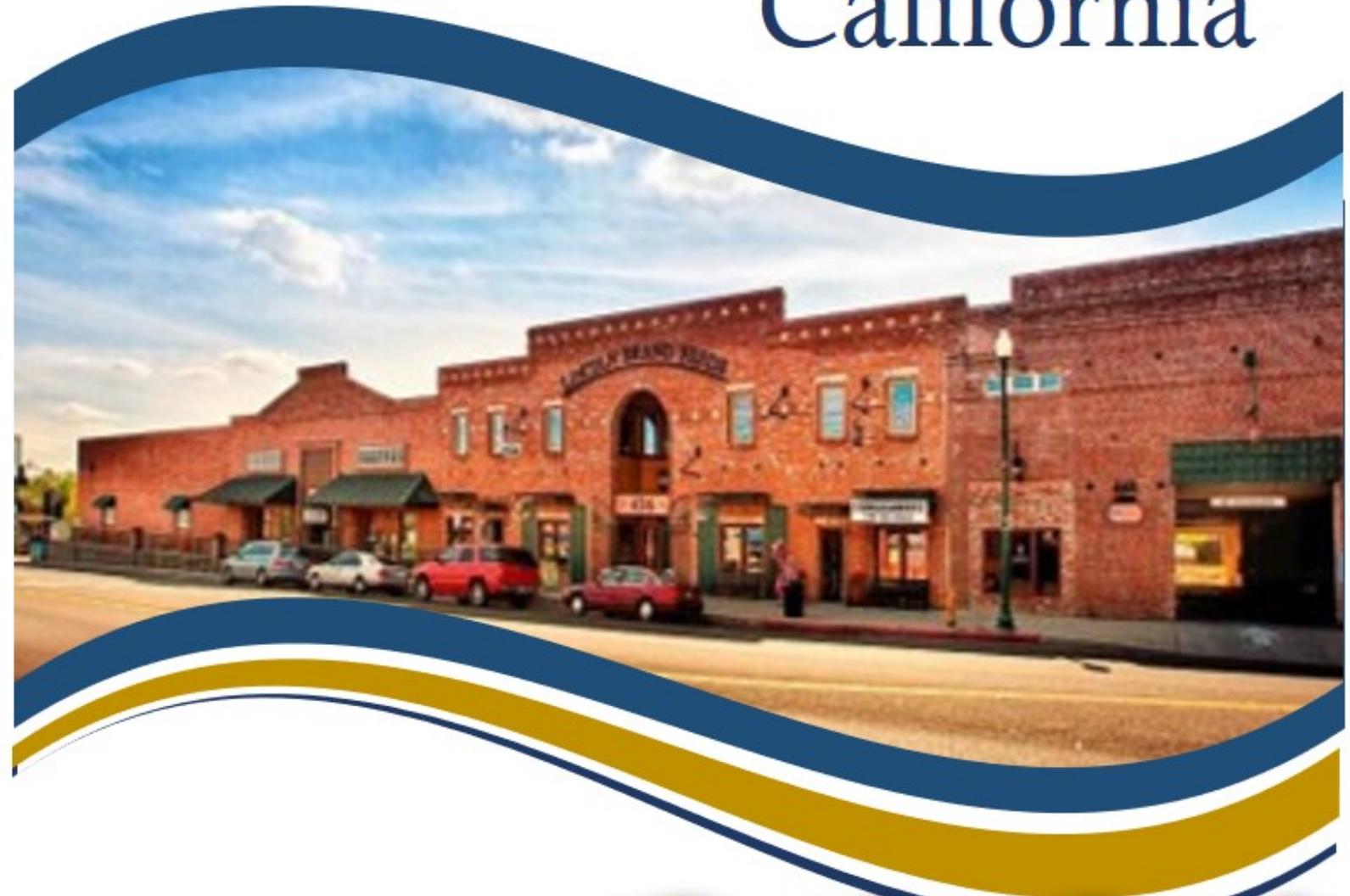




City of  
**Lincoln**  
California



**2020**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**Fiscal Year Ended June 30, 2020**

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CITY OF LINCOLN  
STATE OF CALIFORNIA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2020



PREPARED BY FINANCE DIVISION

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**CITY OF LINCOLN**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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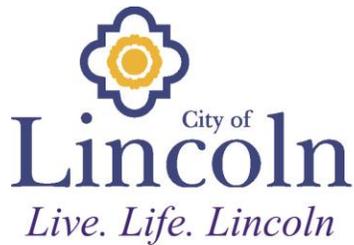
**CITY OF LINCOLN**  
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**INTRODUCTORY SECTION**





January 11, 2021

Honorable Mayor and Members of the City Council:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Lincoln (City) for the fiscal year ended June 30, 2020, in accordance with the Lincoln Municipal Code Section 2.20.030(C). The basic financial statements and supporting schedules have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) for local governments as established by the Governmental Accounting Standards Board (GASB).

Management assumes full responsibility for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal controls that have been established for this purpose. The cost of internal control should not exceed anticipated benefits, and therefore the objective of financial management is to provide reasonable, rather than absolute assurance that the financial statements are free of any material misstatements. It should also be noted that significant effort was initiated after the fiscal year end to implement policies and procedures to increase the accuracy of all financial information. Not all of the benefits associated with this effort will be realized until a future time.

The City contracted with Mann, Urrutia, and Nelson, CPAs & Associates to perform the annual independent audit. The independent auditor's report is included in the Financial Section of this report. The Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements.

### **Profile of the Government**

The City of Lincoln was incorporated in 1890 and is located 27 miles northeast of Sacramento in the northernmost region of south Placer County. The City occupies 22 square miles and serves a population of more than 48,000 people. Lincoln is a General Law City, formed under the State legislative process and structured under the provisions of the California constitution. City Council is the governing body of the City and is comprised of five elected officials, who are elected by district, each for four-year terms. Each of the Councilmembers takes an annual turn as Mayor. City voters also elect a City Treasurer who serves a four-year term.

Lincoln is operated under the Council-Manager form of government. The City Council appoints the City Manager, who is then responsible for implementing the City Council's policy direction and overall management of the City. The City provides a full range of services, including public safety (police and fire), sanitation, water and sewer service, library, recreational and cultural activities, public improvements, planning, zoning, general administrative services, and a municipal airport.

Residents of the City may actively participate in the local government process by serving on a City

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

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

commission, committee, or board. The commissions, committees, and boards act in an advisory capacity to the City Council in the development and implementation of government policy. Included are the Planning Commission, Economic Development Committee, Fiscal and Investment Oversight Committee, Airport Committee, Parks and Recreation Committee, and Library Board.

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

## **Major Initiatives**

As with most cities in the nation, the City of Lincoln faces ongoing unprecedented fiscal uncertainty related to the coronavirus crisis. On March 13, 2020, the Governor of California issued a stay-at-home order, which greatly restricted non-essential activities for the purpose of slowing the spread of the coronavirus. These stay-at-home restrictions have been effective in reducing the spread of the virus but have negatively impacted the national, regional, and local economies due to the loss of revenue associated with sales tax and gas tax, increases in unemployment, and a general decrease in spending. The extent of the impact the current crisis has on the economy and the City's finances is unknown at this time and will be largely dependent on the rate of recovery and any additional restrictions.

The demands placed on our residents, councilmembers, and staff have been extraordinary. Like the City, many of our residents have experienced severe financial setbacks, uncertainty, and disruption of their daily lives. Staff has been greatly impacted by the need to create a balance between sustaining normal service levels, while also serving in an emergency management and response capacity - not to mention the worry related to the safety of our essential workers, especially those that serve in public safety.

The economic and social impacts in both the short- and long-term are still undefined and unknown. It is likely that the extent of the impacts related to this crisis will not be known until studied and debated by scholars and historians many years from now.

Yet even in the face of uncertainty, it is still incumbent upon the City to fulfill the City's Mission:

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

Sustainable fiscal health remained the primary strategic priority during the 2019-20 FY and the areas of particular concern remain as follows:

1. **General Fund Revenues:** General Fund revenues remain insufficient to meet identified service level objectives for public safety. This is primarily related to lower per capita sales tax revenue when compared to like cities within the region, as well as low property tax exchange rates between the City and the County.

During the 2019/2020 Fiscal Year, the City continued to renegotiate several property tax sharing agreements that were previously entered into with Placer County. The Limited Term Property Tax Increment Agreement was successfully executed in November 2020. However, it should be noted that associated increases in General Fund revenue will not be realized until the 2020/2021 fiscal year.

The City also continues to encourage increased sales tax revenues through economic development efforts and the implementation of the “Love Lincoln, Shop Local” initiative. In addition, an array of special tax measures continues to be analyzed.

2. **Airport:** Consistent with prior years, the Airport still experiences financial difficulties. However, the annual cash operating deficit has been addressed through a variety of cost-cutting measures, including a reduction in labor costs. It is now a goal of City Council to develop a longer-term strategy to bring further fiscal stability to the airport. This effort will be initiated in the 2020-2021 Fiscal Year.
3. **Lighting and Landscaping Districts:** As with the previous fiscal year, the Lighting and Landscaping District No. 1 still has an overall positive fund balance. However, the Original Zone and numerous annexed zones within the district still continue to experience annual expenses that exceed revenues.

These deficits are required to be paid by the General Fund and the potential alternatives for addressing these deficits include: increased assessments to those zones that are currently paying less than their proportional share of expenses, adding in those properties that are not a part of the District, or decreasing expenses by decreasing services.

Increasing assessments in zones that are currently paying less than their proportional share requires voter approval. The City performed polling to determine the likelihood that property owners would approve an assessment increase. The survey data indicated that it is unlikely at this time that an assessment increase would be approved by the voters. As such, the City will be conducting public outreach and new polling in the 2020/2021 fiscal year to inform the decision to request an assessment increase from the voters.

4. **Pension Sustainability:** The City continues to focus on pension sustainability and benefit related cost control steps to ensure that the City Council’s strategic initiative of sustainable fiscal health is maintained. All recent information issued by California Public Employees Retirement System (CalPERS) indicates that future funding pension requirements will continue to increase.
5. **Comprehensive Business Process Improvement Initiative:** Implementation of the comprehensive business process improvement initiative is underway. Staff continued to implement the City’s new financial policies (Financial Reporting Policy, Budget Policy, Financial Close Policy, and a Grants Management Policy). Additionally, there was focused effort to improve the areas of grant management, payroll, and fixed assets.
6. **Joint Legislative Audit Committee (JLAC) Audit:** During FY 2018-19, the City was subject to a Joint Legislative Audit Committee (JLAC) Audit. The audit revealed several areas of concern related to the financial management. The only recommendations remaining to be implemented are related to interfund loans, and the adoption of the new Public Facility Element. Both recommendations are underway.

## Local Economy

The City of Lincoln’s economic health remains stable, but with the onset of Covid-19 in March 2020 and with the State moving in and out of lockdown, it is difficult to project what the economy will look like moving forward. However, things may be better than anticipated. The City always takes a more cautious approach in revenue and expense forecasting so that they stay in the best financial condition. The unemployment rate in Placer County increased to 13% in April 2020 and dropped back down to 5.8% by

October 2020. The Governor instituted two sales tax deferral programs shortly after the pandemic began, but not many businesses seemed to have participated in those programs. Online shopping seems to have increased as evidenced by the increase in revenue receipts from the County Pooled Taxes. The City's sales tax revenues did decrease in the third and fourth quarters due to the pandemic but the decreases were overcome by increase sales tax receipts in the first and second quarters of the fiscal year. The City does not anticipate a reduction in property tax revenue due to the Covid-19 pandemic.

As of the date of this Transmittal, building permit fee revenue is over the amount budgeted for the entire Fiscal Year 2020-2021. This is due to a higher-than-expected issuance of building permits for single family residential homes. Whether that pace continues remains to be seen. The City continues to monitor the changes in the economy so that it can make any adjustments needed in revenue and expenses to stay on track for a balanced budget.

### **Long-term Financial Planning**

Long-term financial planning continued to be a priority for the City during the 2020 fiscal year. Significant progress has been made in addressing financial concerns related to interfund loans, fund deficits, bond debt, and rate structures which has resulted in the successful resolution of several ongoing deficiencies.

With the initiation of stay-at-home orders in March of 2020, the City had to review its revenue projections especially for sales taxes and gas taxes as well as review its budgeted expenditures. Operating, capital, and park and street maintenance expenditures will be reviewed on an ongoing basis as the effects of Covid-19 become clearer. The City will continue to make progress with its Business Process Improvement Initiative with the primary focus being to be better at long-term strategy planning, the development of long-range forecasting, revenue initiative analysis, and economic development.

### **Acknowledgements**

Preparation of this report was made possible by the efforts of the dedicated and talented staff in the City's Finance Department. I extend a special thank you to them and to staff in the other City departments who also assisted in the process.

Respectfully submitted,



Jennifer Hanson  
City Manager



## **Elected Officials and Administrative Staff**

### Elected Officials

<b>Dan Karleskint</b>	<b>Mayor</b>
<b>Peter Gilbert</b>	<b>Vice Mayor</b>
<b>Holly Andreatta</b>	<b>Councilmember</b>
<b>Paul Joiner</b>	<b>Councilmember</b>
<b>Alyssa Silhi</b>	<b>Councilmember</b>
<b>Gerald Harner</b>	<b>City Treasurer</b>

### City Attorney

<b>Kristine Mollenkopf</b>	<b>City Attorney</b>
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### City Manager

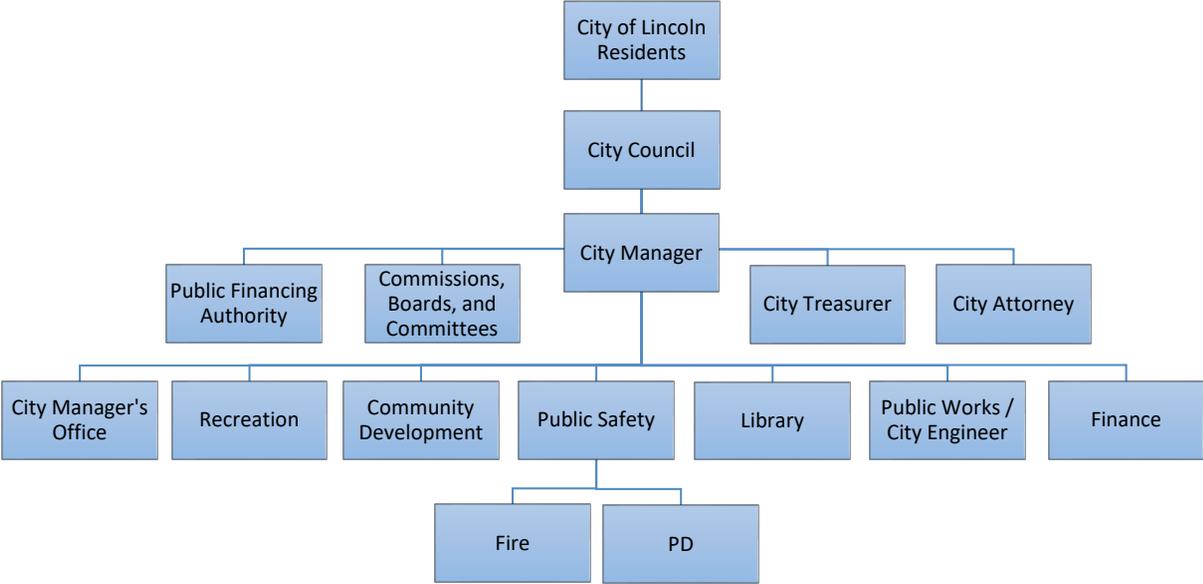
<b>Jennifer Hanson</b>	<b>City Manager</b>
<b>Gwen Scanlon</b>	<b>City Clerk</b>

### Department Heads

<b>Gary LeCheminant</b>	<b>Finance Director</b>
<b>Ray Leftwich</b>	<b>Public Works Director / City Engineer</b>
<b>Kathryn Hunt</b>	<b>Library Director</b>
<b>Doug Lee</b>	<b>Public Safety Chief</b>
<b>Steve Prosser</b>	<b>Community Development Director</b>

Please send all written correspondence to the following address:

City of Lincoln, 600 Sixth Street, Lincoln, CA 95648



FINANCIAL SECTION





## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lincoln (the City) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lincoln, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 4, 2021, on our consideration of the City of Lincoln's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Lincoln's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Lincoln's internal control over financial reporting and compliance.

Sacramento, California  
January 4, 2021

**CITY OF LINCOLN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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, 2020. We encourage readers to consider the information presented here in conjunction with the City's basic financial statements following this section.

**FINANCIAL HIGHLIGHTS**

- At the end of the fiscal year, the General Fund reported total assets of \$20,905,270 and total liabilities of \$916,591, and a total fund balance of \$19,917,680. Of the total fund balance, the unassigned fund balance of the General Fund totaled \$5,239,923 or 27% of total General Fund expenditures at year-end.
- The assets of the City of Lincoln exceeded its liabilities at June 30, 2020 by \$818,590,591 (net position). Of this amount, \$697,858,299 is invested in capital assets, net of related debt; \$77,081,425 is restricted for debt service, capital projects, insurance, grants, taxes, and fees; and \$43,650,867 is unrestricted.
- The City's total net position decreased by \$6,901,152, of which \$10,768,706 of the decrease was attributable to governmental activities and \$3,867,554 to business-type activities. This change in net position includes a prior period restatement of \$1,043,673 increase to net position.
- As of June 30, 2020, the City's governmental funds reported combined ending fund balances of \$100,465,189, a decrease of \$4,382,685 from the prior year's balance of \$104,847,874. Nonspendable, restricted, committed and assigned fund balances totaled \$95,666,802, whereas unassigned fund balance totaled \$4,798,387.

**OVERVIEW OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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

***Government-Wide Financial Statements***

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

The Statement of Net Position presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Lincoln is strengthening or weakening.

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

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

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

The government-wide financial statements can be found on pages 15 - 16 of this report.

**CITY OF LINCOLN**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2020

***Fund Financial Statements***

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

Governmental funds

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

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

The City of Lincoln maintains numerous individual governmental funds. Financial data is presented individually for each of the City's major governmental funds in both the governmental fund balance sheet as well as the governmental fund statement of revenues, expenditures, and changes in fund balance. The City's major funds include the General Fund, Public Facility Element (PFE) fund, Water Connections fund, Special Assessment Districts fund, Development Services fund, and Low/Moderate Income Housing fund. Data for the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 17 - 22 of this report.

Proprietary funds

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

Enterprise funds report the same functions presented as business-type activities in the government-wide statements. Whereas internal service funds, which predominantly benefit governmental rather than business-type functions, are included within governmental activities in the government-wide financial statements.

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

The basic proprietary fund financial statements can be found on pages 23 - 28 of this report.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of the reporting City government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. 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 29 - 30 of this report.

**CITY OF LINCOLN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the City's financial statements. Each note is in sequence with the financial statements and can be found on pages 31 - 73 of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's pension liability and other post-employment benefits (OPEB) liability. The City of Lincoln adopts an annual appropriated budget for all of its funds. Budgetary information on the City's major governmental funds, which include the General Fund, Public Facility Element (PFE) fund, Water Connections fund, Special Assessment Districts, and Development Services fund can be found on pages 78 - 83. These schedules demonstrate compliance with the adopted budget.

The combining statements referred to earlier in connection with non-major governmental funds, internal service funds, and fiduciary funds are presented immediately following the required supplementary information, which is found on pages 88 - 118.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

A comparative analysis of the government-wide data follows.

**Statement of Net Position**  
**As of June 30, 2020 and 2019**  
(in thousands)

	Governmental Activities			Business-Type Activities			Total Government		
	2020	2019	Net Change	2020	2019	Net Change	2020	2019	Net Change
<b>ASSETS</b>									
Current and other assets	\$ 118,743	\$ 122,398	\$ (3,655)	\$ 50,561	\$ 52,940	\$ (2,379)	\$ 169,304	\$ 175,338	\$ (6,034)
Capital assets	<u>362,246</u>	<u>367,179</u>	<u>(4,933)</u>	<u>353,011</u>	<u>347,504</u>	<u>5,507</u>	<u>715,257</u>	<u>714,683</u>	<u>574</u>
Total Assets	<u>480,989</u>	<u>489,577</u>	<u>(8,588)</u>	<u>403,572</u>	<u>400,444</u>	<u>3,128</u>	<u>884,561</u>	<u>890,021</u>	<u>(5,460)</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>14,356</u>	<u>6,588</u>	<u>7,768</u>	<u>4,054</u>	<u>1,786</u>	<u>2,268</u>	<u>18,410</u>	<u>8,374</u>	<u>10,036</u>
<b>LIABILITIES</b>									
Long-term liabilities	54,561	45,189	9,372	11,121	8,452	2,669	65,682	53,641	12,041
Other liabilities	<u>10,904</u>	<u>10,434</u>	<u>470</u>	<u>6,408</u>	<u>7,532</u>	<u>(1,124)</u>	<u>17,312</u>	<u>17,966</u>	<u>(654)</u>
Total Liabilities	<u>65,465</u>	<u>55,623</u>	<u>9,842</u>	<u>17,529</u>	<u>15,984</u>	<u>1,545</u>	<u>82,994</u>	<u>71,607</u>	<u>11,387</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>1,016</u>	<u>911</u>	<u>105</u>	<u>369</u>	<u>385</u>	<u>(16)</u>	<u>1,385</u>	<u>1,296</u>	<u>89</u>
<b>NET POSITION</b>									
Net investment in capital assets	344,847	348,742	(3,895)	353,011	347,504	5,507	697,859	696,247	1,612
Restricted	69,876	82,496	(12,620)	7,205	9,304	(2,099)	77,081	91,800	(14,719)
Unrestricted	<u>14,139</u>	<u>8,392</u>	<u>5,747</u>	<u>29,512</u>	<u>29,053</u>	<u>459</u>	<u>43,651</u>	<u>37,445</u>	<u>6,206</u>
Total Net Position	<u>\$ 428,862</u>	<u>\$ 439,630</u>	<u>\$ (10,768)</u>	<u>\$ 389,728</u>	<u>\$ 385,861</u>	<u>\$ 3,867</u>	<u>\$ 818,591</u>	<u>\$ 825,492</u>	<u>\$ (6,901)</u>

By far, the largest portion of the City's net position is unspendable (\$697,858,299 or 85%) and reflects its investment in capital assets (e.g. infrastructure, land, buildings, equipment), less any related debt. The City's remaining net position consists of restricted funds of \$77,081,425 which are resources subject to external restrictions, and unrestricted net position totaling \$43,650,867. Governmental activities decreased the City's net position by \$10,768,706 and business-type activities increased the City's net position by \$3,867,554.

**CITY OF LINCOLN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**Changes in Net Position**  
**As of June 30, 2020 and 2019**  
**(in thousands)**

	<u>Governmental Activities</u>			<u>Business-Type Activities</u>			<u>Total Government</u>		
	<u>2020</u>	<u>2019</u>	<u>Net Change</u>	<u>2020</u>	<u>2019</u>	<u>Net Change</u>	<u>2020</u>	<u>2019</u>	<u>Net Change</u>
<b>REVENUES:</b>									
Program Revenues									
Charges for services	\$ 19,346	\$ 12,598	\$ 6,748	\$ 34,477	\$ 35,386	\$ (909)	\$ 53,823	\$ 47,984	\$ 5,839
Operating grants and contributions	5,185	5,264	(79)	459	398	61	5,644	5,662	(18)
Capital grants and contributions	1,119	1,354	(235)	1,637	1,288	349	2,756	2,642	114
General Revenues									
Property taxes	11,103	10,527	576	-	-	-	11,103	10,527	576
Sales taxes	4,210	4,158	52	1,297	128	1,169	5,507	4,286	1,221
Franchise taxes	924	906	18	-	-	-	924	906	18
Other taxes	260	347	(87)	-	-	-	260	347	(87)
Investment earnings	4,910	3,987	923	2,329	2,191	138	7,239	6,178	1,061
Other revenues	1,123	2,486	(1,363)	2,323	99	2,224	3,446	2,585	861
Gain on sale of asset	-	-	-	34	19	15	34	19	15
Total Revenues	<u>48,180</u>	<u>41,627</u>	<u>6,553</u>	<u>42,556</u>	<u>39,509</u>	<u>3,047</u>	<u>90,736</u>	<u>81,136</u>	<u>9,600</u>
<b>EXPENSES:</b>									
General government	5,111	1,517	3,594	-	-	-	5,111	1,517	3,594
Public safety	13,881	12,568	1,313	-	-	-	13,881	12,568	1,313
Public works and facilities	24,586	28,443	(3,857)	-	-	-	24,586	28,443	(3,857)
Culture & recreation	1,018	1,044	(26)	-	-	-	1,018	1,044	(26)
Urban redevelopment and housing	768	810	(42)	-	-	-	768	810	(42)
Education	1,164	490	674	-	-	-	1,164	490	674
Interest	586	587	(1)	-	-	-	586	587	(1)
Water	-	-	-	15,417	18,975	(3,558)	15,417	18,975	(3,558)
Wastewater	-	-	-	15,161	15,998	(837)	15,161	15,998	(837)
Solid waste	-	-	-	6,292	5,713	579	6,292	5,713	579
Airport	-	-	-	1,385	1,570	(185)	1,385	1,570	(185)
Transit	-	-	-	763	832	(69)	763	832	(69)
Total Expenses	<u>47,114</u>	<u>45,459</u>	<u>1,655</u>	<u>39,018</u>	<u>43,088</u>	<u>(4,070)</u>	<u>86,132</u>	<u>88,547</u>	<u>(2,415)</u>
Change in net position before transfers and special items	<u>1,066</u>	<u>(3,832)</u>	<u>4,898</u>	<u>3,538</u>	<u>(3,579)</u>	<u>7,117</u>	<u>4,604</u>	<u>(7,411)</u>	<u>12,015</u>
Transfers	841	2,023	(1,182)	(841)	(2,023)	1,182	-	-	-
Special items	<u>(12,549)</u>	<u>-</u>	<u>(12,549)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,549)</u>	<u>-</u>	<u>(12,549)</u>
Change in net position	(10,642)	(1,809)	(8,833)	2,697	(5,602)	8,299	(7,945)	(7,411)	(534)
Net Position Beginning, as restated	<u>439,504</u>	<u>441,439</u>	<u>(1,935)</u>	<u>387,031</u>	<u>391,462</u>	<u>(4,431)</u>	<u>826,535</u>	<u>832,901</u>	<u>(6,366)</u>
Net Position Ending	<u>\$ 428,862</u>	<u>\$ 439,630</u>	<u>\$ (10,768)</u>	<u>\$ 389,728</u>	<u>\$ 385,860</u>	<u>\$ 3,868</u>	<u>\$ 818,590</u>	<u>\$ 825,490</u>	<u>\$ (6,900)</u>

**Governmental Activities**

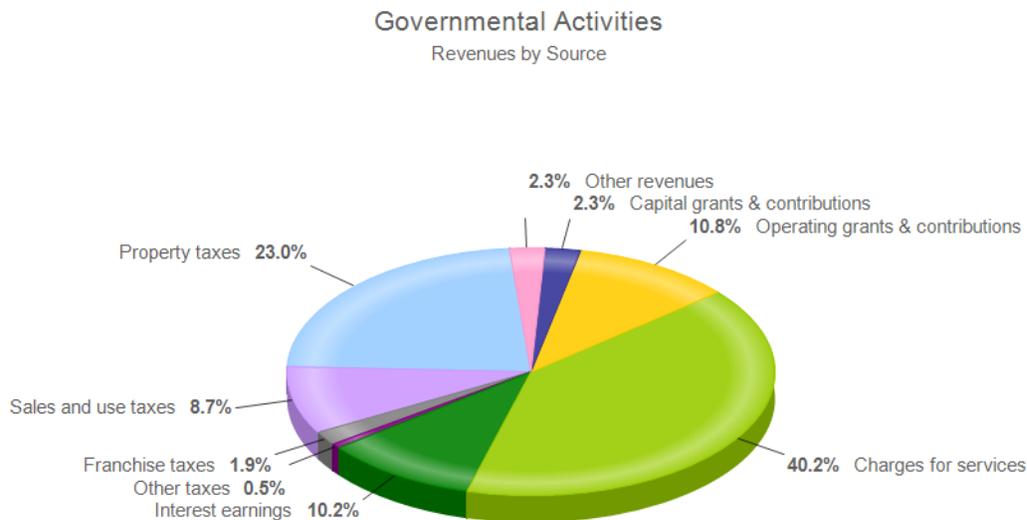
Governmental activities decreased the City's net position by \$10,641,757 or 191% as of June 30, 2020.

**CITY OF LINCOLN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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

- Charges for services increased \$6.7 million primarily due to an increase of \$2.4 million in the Public Facility Element special revenue fund related to community services for parks, police, fire, library, transportation, and facilities, an increase of \$1.7 million in the PCWA connection fee fund for water connection fees collected, an increase of \$472 thousand in the development services fund mostly from community development staff fees, and overall increases to service fees for public works and culture and recreation.
- Interest and investment earnings increased \$923 thousand primarily as a result of changes in market values and an overall increase to cash invested during the fiscal year as compared to the prior fiscal year.
- Other revenues decreased \$1.36 million primarily due to capital funding in the prior year from the Twelve Bridges Assessment District and miscellaneous reimbursements for shared services with Western Placer School District that did not reoccur in fiscal year 2019-20.
- General government expenses increased by \$3.6 million primarily due to an increase of \$587 thousand to administrative cost allocations and a reduction made to prior year general government expenses for capital addition reductions in excess of expenditures reported as capital outlay in the governmental funds.
- Public safety expenses increased by \$1.3 million primarily due to an increase of \$979 thousand to salaries and benefits and \$260 thousand to supplies and materials.
- Public works and facilities expenses decreased by \$3.8 million due primarily to a decrease in depreciation and capital related expenses as offset by an increase in utility costs of \$1.58 million, professional services of \$282 thousand, and administrative cost allocations of \$222 thousand.
- Special items causing a reduction to net position of \$12.5 million was the result of unspent bond proceeds in agency funds that were returned during the year for the Twelve Bridges and Lincoln Crossing capital projects.

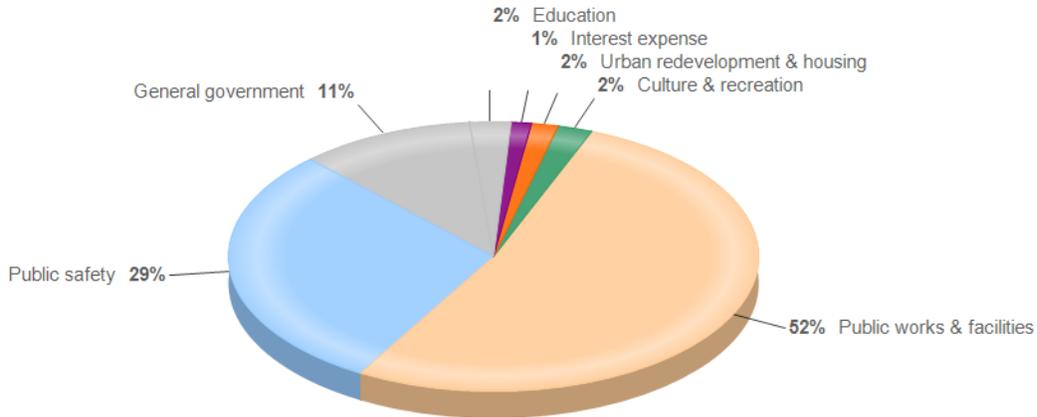
The following charts show governmental activities revenues by source and expenses by function.



**CITY OF LINCOLN**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2020

**Governmental Activities**

Expenses by Function



**Business-Type Activities**

Business-type activities increased the City's net position by \$5,142,446 or 191% as of June 30, 2020.

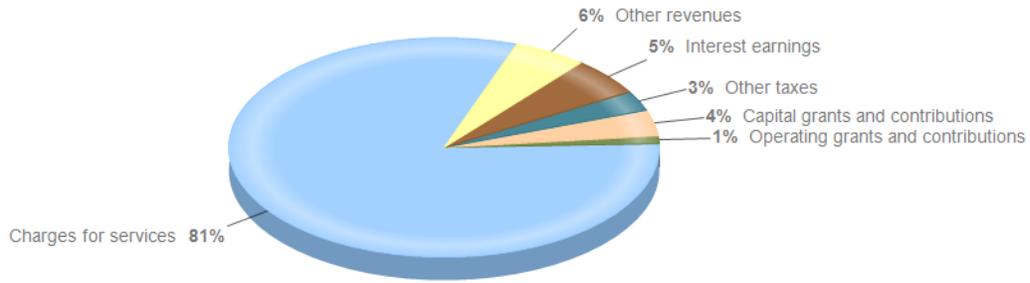
Key elements accounting for the changes in revenues and expenses for business-type activities are as follows:

- Charges for services decreased by \$.9 million primarily due to water rate reductions based on adopted rate structure fee schedules.
- Sales tax revenues increased by \$1.2 million primarily due to an increase of \$1.17 million in the SB325 transportation tax.
- Other revenues increased by \$2.2 million primarily as a result of \$2.175 million in credits associated with municipal utility charges for the City's use of water, sewer, and solid waste services.
- Water expenses decreased by \$3.6 million primarily due to customer refunds issued in the prior fiscal year pursuant to a settlement agreement.
- Wastewater expenses decreased by \$.8 million primarily due to support services costs being lower than last year.

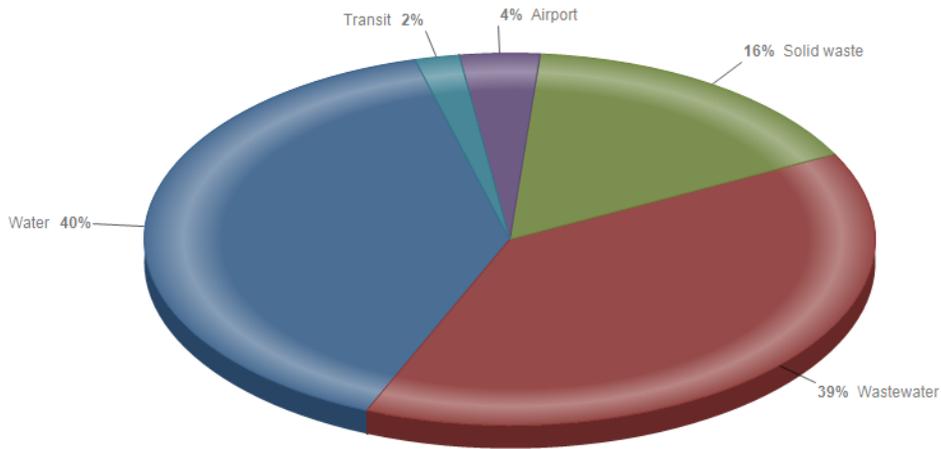
**CITY OF LINCOLN**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2020

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

**Business-Type Activities**  
Revenues by Source



**Business-Type Activities**  
Expenses by Enterprise



**CITY OF LINCOLN**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2020

**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. Each fund functions as its own entity with its own set of financial statements for analyses of revenues, expenses, assets, liabilities, and fund balance.

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

***Governmental Funds***

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

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$100,465,189, a decrease of \$4,382,685, or 4% over the prior year balance. The decreased fund balance is the result of expenditures exceeding revenues and net transfers in and the return of unused bond funds to the agency funds. When comparing total revenues and expenditures against the prior year, net revenues increased.

Nonspendable fund balances totaled \$5,742,926, restricted fund balances totaled \$75,718,003, committed fund balances totaled \$7,096,007, assigned fund balances totaled \$7,109,866, and unassigned fund balances totaled \$4,798,387. The General Fund has a positive unassigned fund balance of \$5,239,923. The Federal Grants fund has a negative unassigned fund balance of \$321,838 up from a negative \$1,044,920. The accumulated negative fund balance in the Federal Grants fund is the result of delayed grant reimbursements, which were subsequently received in the next fiscal year. The Twelve Bridges capital projects fund has a negative unassigned fund balance of \$7,459, which is the result of a return of unused funds to the Twelve Bridges Series 2011 agency fund. The balance will be restored in the upcoming year through transfers from the Twelve Bridges Series 2011 agency fund. The Lincoln Crossing capital projects fund has a negative unassigned fund balance of \$112,239, which is the result of a return of unused bond funds to the Lincoln Crossing CFD agency fund. The balance will be restored in the upcoming year through transfers from the Lincoln Crossing CFD agency fund.

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

General Fund

The General Fund is the chief operating fund of the City of Lincoln. Fiscal year 2019-20 increased the City's General Fund balance by \$2,802,302 to an ending fund balance of \$19,917,680. The unassigned fund balance of the General Fund was \$5,239,923. The committed fund balance at year-end was \$7,096,007 which contains reserves of \$4,674,039 for operating, \$2,094,818 for OPEB, and \$327,150 for capital replacement. The nonspendable fund balance at year-end of \$5,306,135 is invested in the City's insurance programs with a JPA - Northern California Cities Self-Insurance Fund and an interfund advance to the Airport enterprise fund of \$4,906,406. The City's unassigned fund balance increased by \$2.9 million.

General Fund revenues exceeded expenditures by \$2,173,113 while other financing sources resulted in an addition of \$629,189 thus resulting in a year-end gain of \$2,802,302. This gain is due to a stable increase in all revenue sources and the year closing with expenses significantly less than what was budgeted.

**CITY OF LINCOLN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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 27% of total General Fund expenditures, up from 23% in the prior year due to a steady increase in revenues and a reduction of expenses in comparison to what was budgeted for the year due to cost cutting and deferral of any unnecessary expenses.

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

**Revenues Classified by Source**  
**General Fund**  
**For the Years Ended June 30, 2020 and 2019**

	<b>2020</b>		<b>2019</b>		<b>Increase (Decrease)</b>	
	<b>Amount</b>	<b>% of Total</b>	<b>Amount</b>	<b>% of Total</b>	<b>Amount</b>	<b>Percent</b>
Taxes and assessments	\$ 16,497,580	77 %	\$ 15,938,260	79 %	\$ 559,320	4 %
Licenses and permits	1,126,967	5 %	901,957	4 %	225,010	25 %
Intergovernmental	346,621	2 %	316,939	2 %	29,682	9 %
Fines and forfeitures	56,661	- %	68,102	- %	(11,441)	(17)%
Use of money and property	797,919	4 %	636,348	3 %	161,571	25 %
Charges for services	2,052,334	10 %	2,053,541	10 %	(1,207)	- %
Other revenues	568,685	3 %	360,436	2 %	208,249	58 %
Issuance of lease proceeds	-	- %	153	- %	-	- %
	<u>\$ 21,446,767</u>	<u>101 %</u>	<u>\$ 20,275,736</u>	<u>100 %</u>	<u>\$ 1,171,184</u>	<u>6 %</u>

Total General Fund revenues increased by \$1,171,184 or 6% from the prior fiscal year and are driven by a combination of factors:

- Taxes and assessments modestly increased by \$559,320 or 4%, which is within the normal range of 2-4%.
- Licenses and permits increased by \$225,010 or 25% resulting largely from increased building and related permitting activities.
- Use of money and property increased by \$161,571 or 25% because market value increases and larger invested cash balances during the year.
- Other revenues increased by \$208,249 due primarily to a donation from UAIC of \$245,348.

**Expenditures by Function**  
**General Fund**  
**For the Years Ended June 30, 2020 and 2019**

	<b>2020</b>		<b>2019</b>		<b>Increase (Decrease)</b>	
	<b>Amount</b>	<b>% of Total</b>	<b>Amount</b>	<b>% of Total</b>	<b>Amount</b>	<b>Percent</b>
General government	\$ 3,781,808	20 %	\$ 3,037,505	18 %	\$ 744,303	25 %
Public safety	11,796,385	61 %	10,841,360	63 %	955,025	9 %
Public works & facilities	1,105,561	6 %	832,697	5 %	272,864	33 %
Culture & recreation	954,402	5 %	971,921	6 %	(17,519)	(2)%
Urban development & housing	721,220	4 %	670,892	4 %	50,328	8 %
Education	630,410	3 %	565,894	3 %	64,516	11 %
Capital outlay	245,348	1 %	164,456	1 %	80,892	100 %
Debt principal	27,261	- %	8,697	- %	18,564	213 %
Debt interest	11,259	- %	3,275	- %	7,984	244 %
	<u>\$ 19,273,654</u>	<u>100 %</u>	<u>\$ 17,096,697</u>	<u>100 %</u>	<u>\$ 2,176,957</u>	<u>13 %</u>

**CITY OF LINCOLN**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2020

The above General Fund expenditures remain categorically consistent and increased by \$2,176,957 or 13% from the prior fiscal year primarily due to rising salary, benefit, and retirement costs, as well as increased insurance costs.

Public Facility Element (PFE) Fund

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

The PFE fund has a total fund balance of \$6,198,317 at the end of the fiscal year. This is improvement from the fund balance of \$2,051,106 as of June 30, 2019. This improvement over the prior year is the result of revenue receipts in excess of expenses during the year for all PFE funds with the exception of the Library PFE. Parks had the largest fund balance gains with an increase of revenue over expenses of \$1,592,000.

Water Connections Fund

This fund is used to account for water connection fees collected from developers and property owners that are required by the California Government Code to be expended for capacity expansion. The fund balance of the Water Connections fund at the end of the fiscal year was \$41,810,934, or an increase of 6% from prior fiscal year.

Special Assessment Districts Fund

The Special Assessment Districts fund is used to account for special assessments collected from property owners to be expended for improvements and maintenance to public property within the Districts. Total Special Assessment Districts fund balance at year-end was \$7,997,520, or a 1% increase from the prior fiscal year.

Development Services Fund

This fund is used to account for monies received in relation to property development and other projects within the City of Lincoln. Ending fund balance totaled \$4,976,096.

Low/Moderate Income Housing Fund

This fund is used to account for the housing loans established as part of the former Redevelopment Agency of the City of Lincoln. Ending fund balance totaled \$1,696,907.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

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

The final General Fund budget for the fiscal year ending June 30, 2020 projected revenue of \$20,641,215 and expenditures of \$20,117,921, and an increase in fund balance of \$523,294. The General Fund's actual performance for the year however, ended with revenues totaling \$21,446,767 or \$805,552 more than projected and expenditures totaling \$19,273,654, or \$844,267 less than budgeted, resulting in an annual operating surplus of \$2,173,113.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

***Capital Assets***

The City's capital assets include construction in progress, land, buildings and facilities, machinery and equipment, park facilities, and roads. As of June 30, 2020, the City's total investment in capital assets for its governmental and business-type activities totaled \$715,256,961 (net of accumulated depreciation) which increased over the prior fiscal year by \$574,071 or 0.1%, which is the result of current year asset investments exceeding annual depreciation.

**CITY OF LINCOLN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**CAPITAL ASSETS (NET OF DEPRECIATION)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2020	2019	2020	2019	2020	2019
Land and easements	\$ 15,154,594	\$ 15,154,594	\$ 1,591,640	\$ 1,591,640	\$ 16,746,234	\$ 16,746,234
Construction in progress	14,134,321	15,551,329	15,025,610	7,163,208	29,159,931	22,714,537
Buildings & improvements	76,018,141	79,072,458	12,151,347	12,614,125	88,169,488	91,686,583
Furniture & equipment	3,665,261	4,247,285	7,681,130	6,143,432	11,346,391	10,390,717
Infrastructure	<u>253,273,450</u>	<u>253,153,671</u>	<u>316,561,467</u>	<u>319,991,148</u>	<u>569,834,917</u>	<u>573,144,819</u>
Total	<u>\$362,245,767</u>	<u>\$367,179,337</u>	<u>\$353,011,194</u>	<u>\$347,503,553</u>	<u>\$715,256,961</u>	<u>\$714,682,890</u>

Governmental activities decreased by \$4,933,570 or 1.3% and business-type activities increased by 5,507,641 or 1.6%. Additional information on the City's capital assets can be found in Note 5 of this report.

**Long-term Debt**

As of June 30, 2020, the City of Lincoln had total debt outstanding of \$20,402,646. This amount is comprised of \$16,012,191 in bond debt, 1,386,471 in capital leases, and \$3,003,984 in compensated absences.

**CITY'S OUTSTANDING DEBT**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2020	2019	2020	2019	2020	2019
Bonds, net	\$ 16,012,191	\$ 16,993,319	\$ -	\$ -	\$ 16,012,191	\$ 16,993,319
Capital leases	1,386,471	1,443,636	-	-	1,386,471	1,443,636
Compensated absences	<u>2,440,100</u>	<u>2,234,840</u>	<u>563,884</u>	<u>450,144</u>	<u>3,003,984</u>	<u>2,684,984</u>
Total	<u>\$ 19,838,762</u>	<u>\$ 20,671,795</u>	<u>\$ 563,884</u>	<u>\$ 450,144</u>	<u>\$ 20,402,646</u>	<u>\$ 21,121,939</u>

The City's total debt decreased by \$719,293 or 3% during the fiscal year due to the continuance of scheduled debt service payments and the inception of one capital lease. Additional information about the City's long-term debt can be found in Note 7 to the financial statements.

**City's Pension and OPEB Liabilities**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2020	2019	2020	2019	2020	2019
Net pension liability	\$ 17,183,322	\$ 15,781,679	\$ 5,412,694	\$ 5,206,687	\$ 22,596,016	\$ 20,988,366
Net OPEB liability	<u>20,686,357</u>	<u>11,667,024</u>	<u>5,156,305</u>	<u>2,562,159</u>	<u>25,842,662</u>	<u>14,229,183</u>
Total	<u>\$ 37,869,679</u>	<u>\$ 27,448,703</u>	<u>\$ 10,568,999</u>	<u>\$ 7,768,846</u>	<u>\$ 48,438,678</u>	<u>\$ 35,217,549</u>

The City's net pension liability and net OPEB liability increased by \$13,221,129 or 38%. Additional information on the City's net pension liability and net OPEB obligation can be found in notes 12 and 13, respectively.

**CITY OF LINCOLN**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2020

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

The City of Lincoln's economic health remains stable but with the onset of COVID-19 in March 2020 and with the State moving in and out of lockdown, it is difficult to project what the economy will look like moving forward, but things may be better than anticipated. However, the City always takes a more cautious approach in revenue and expense forecasting so that they stay in the best financial condition. The unemployment rate in Placer County shot up to 13% in April 2020 and dropped back down to 5.8% by October 2020. The Governor instituted two sales tax deferral programs shortly after the pandemic began, but not many businesses seemed to have participated in those programs. Online shopping seems to have picked up the slack from the drop in sales tax revenue from brick and mortar establishments. In fact, the latest data available from the City's sales tax consultant for the third quarter of 2020 shows sales tax revenue on a year-over-year comparison up 10% on an adjusted basis. The City does not anticipate a drop in property tax revenue due to the COVID-19 pandemic.

As of the date of this transmittal, building permit fee revenue is over the amount budgeted for the entire Fiscal Year 2020-2021. Whether that pace continues remains to be seen. The City began looking at utility rates for Solid Waste, Water, and Sewer during Fiscal Year 2019-2020. The Solid Waste rates will stay the same at least until June 30, 2022. There will be a 95% reduction in the Water Capital Replacement charge beginning on January 1, 2021. The final Sewer rates are still being examined. The City continues to monitor the changes in the economy so that it can make any adjustments needed in revenue and expenses to stay on track for a balanced budget.

**REQUESTS FOR INFORMATION**

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

**CITY OF LINCOLN**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b><u>ASSETS</u></b>			
Cash and investments (Note 2)	\$ 95,502,078	\$ 49,173,719	\$ 144,675,797
Accounts receivable, net	3,210,694	7,249,050	10,459,744
Interest receivable	42,177	21,617	63,794
Taxes receivable	656,284	-	656,284
Intergovernmental receivable	1,656,991	-	1,656,991
Prepaid items	635,629	126,787	762,416
Inventory	-	37,189	37,189
Internal balances	6,394,313	(6,394,313)	-
Advances to Successor Agency (Note 19)	3,796,707	-	3,796,707
Restricted cash and cash equivalents (Note 2)	363,149	346,590	709,739
Loans receivable, net of allowance (Note 3)	6,484,610	-	6,484,610
Capital assets (Note 5)			
Land and construction in progress	29,288,915	16,617,250	45,906,165
Other capital assets, net of depreciation	<u>332,956,852</u>	<u>336,393,944</u>	<u>669,350,796</u>
Total capital assets	<u>362,245,767</u>	<u>353,011,194</u>	<u>715,256,961</u>
<b>Total Assets</b>	<u>480,988,399</u>	<u>403,571,833</u>	<u>884,560,232</u>
<b><u>Deferred Outflows of Resources</u></b>			
Changes in the net pension liability (Note 12)	4,788,098	1,390,219	6,178,317
Changes in net OPEB liability (Note 13)	<u>9,567,635</u>	<u>2,664,135</u>	<u>12,231,770</u>
<b>Total Deferred Outflows of Resources</b>	<u>14,355,733</u>	<u>4,054,354</u>	<u>18,410,087</u>
<b><u>LIABILITIES</u></b>			
Accounts payable	3,721,294	4,920,954	8,642,248
Accrued payroll and benefits	551,010	144,659	695,669
Accrued liabilities	170,688	-	170,688
Accrued interest payable	135,479	-	135,479
Retention payable	681,573	-	681,573
Deposits payable	2,410,363	584,185	2,994,548
Unearned revenue (Note 6)	86,897	307,534	394,431
Net pension liability (Note 12)			
Due in more than one year	17,183,322	5,412,694	22,596,016
Other postemployment benefits (Note 13)			
Due in more than one year	20,686,357	5,156,305	25,842,662
Accrued compensated absences (Note 7):			
Due within one year	1,952,079	451,107	2,403,186
Due in more than one year	488,021	112,777	600,798
Post-closure liability (Note 9)	-	438,917	438,917
Long-term liabilities (Note 7):			
Due within one year	1,194,938	-	1,194,938
Due in more than one year	<u>16,203,724</u>	<u>-</u>	<u>16,203,724</u>
<b>Total Liabilities</b>	<u>65,465,745</u>	<u>17,529,132</u>	<u>82,994,877</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Changes in the net pension liability (Note 12)	1,015,185	369,666	1,384,851
Changes in net OPEB liability (Note 13)	<u>946</u>	<u>(946)</u>	<u>-</u>
<b>Total Deferred Inflows of Resources</b>	<u>1,016,131</u>	<u>368,720</u>	<u>1,384,851</u>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	344,847,105	353,011,194	697,858,299
Restricted for:			
Debt service	3,384,621	-	3,384,621
Capital projects	1,499,782	-	1,499,782
Grants	275,879	-	275,879
Loan programs and housing	3,522,610	-	3,522,610
Assessments and fees	60,640,532	-	60,640,532
Public facility element	-	7,205,080	7,205,080
Endowments			
Nonexpendable	356,659	-	356,659
Expendable	196,262	-	196,262
Unrestricted	<u>14,138,806</u>	<u>29,512,061</u>	<u>43,650,867</u>
<b>Total Net Position</b>	<u>\$ 428,862,256</u>	<u>\$ 389,728,335</u>	<u>\$ 818,590,591</u>

See accompanying notes to the basic financial statements.

**CITY OF LINCOLN**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Change in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total Primary Government
<b>PRIMARY GOVERNMENT</b>							
Governmental activities:							
General government	\$ 5,110,616	\$ 1,950,391	\$ 285,834	\$ -	\$ (2,874,391)	\$ -	\$ (2,874,391)
Public safety	13,880,906	1,053,814	162,727	-	(12,664,365)	-	(12,664,365)
Public works and facilities	24,585,754	13,912,931	4,682,175	1,119,210	(4,871,438)	-	(4,871,438)
Culture and recreation	1,017,823	2,415,811	1,700	-	1,399,688	-	1,399,688
Urban redevelopment and housing	768,182	-	-	-	(768,182)	-	(768,182)
Education	1,164,293	12,715	52,308	-	(1,099,270)	-	(1,099,270)
Interest and fiscal charges	<u>586,324</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(586,324)</u>	<u>-</u>	<u>(586,324)</u>
Total governmental activities	<u>47,113,898</u>	<u>19,345,662</u>	<u>5,184,744</u>	<u>1,119,210</u>	<u>(21,464,282)</u>	<u>-</u>	<u>(21,464,282)</u>
Business-type activities:							
Water	15,416,723	14,132,515	2,490	818,519	-	(463,199)	(463,199)
Wastewater	15,160,709	11,715,959	836	409,666	-	(3,034,248)	(3,034,248)
Solid waste	6,291,563	7,172,944	3,667	338,650	-	1,223,698	1,223,698
Airport	1,385,498	1,454,717	69,320	70,137	-	208,676	208,676
Transit	<u>763,389</u>	<u>553</u>	<u>382,395</u>	<u>-</u>	<u>-</u>	<u>(380,441)</u>	<u>(380,441)</u>
Total business-type activities	<u>39,017,882</u>	<u>34,476,688</u>	<u>458,708</u>	<u>1,636,972</u>	<u>-</u>	<u>(2,445,514)</u>	<u>(2,445,514)</u>
Total primary government	<u>\$ 86,131,780</u>	<u>\$ 53,822,350</u>	<u>\$ 5,643,452</u>	<u>\$ 2,756,182</u>	<u>\$ (21,464,282)</u>	<u>\$ (2,445,514)</u>	<u>\$ (23,909,796)</u>
General revenues:							
Taxes:							
Property taxes					\$ 11,103,454	\$ -	\$ 11,103,454
Sales and use taxes					4,210,076	1,296,925	5,507,001
Franchise taxes					923,555	-	923,555
Other taxes					260,495	-	260,495
Interest and investment earnings (losses)					4,910,140	2,329,372	7,239,512
Gain on disposal of capital assets					-	34,133	34,133
Other revenue					1,123,086	2,322,591	3,445,677
Transfers					840,575	(840,575)	-
Special item - agency fund bond proceeds (Note 18)					1,500,000	-	1,500,000
Special item - return of unused bond proceeds (Note 18)					<u>(14,048,856)</u>	<u>-</u>	<u>(14,048,856)</u>
Total general revenues, transfers, and special items					<u>10,822,525</u>	<u>5,142,446</u>	<u>15,964,971</u>
Change in net position					<u>(10,641,757)</u>	<u>2,696,932</u>	<u>(7,944,825)</u>
Net position - July 1, 2019					439,630,962	385,860,781	825,491,743
Prior period restatement (Note 20)					<u>(126,949)</u>	<u>1,170,622</u>	<u>1,043,673</u>
Net position - July 1, 2019, restated					<u>439,504,013</u>	<u>387,031,403</u>	<u>826,535,416</u>
Net position - June 30, 2020					<u>\$ 428,862,256</u>	<u>\$ 389,728,335</u>	<u>\$ 818,590,591</u>

See accompanying notes to the basic financial statements.

**CITY OF LINCOLN**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2020**

	<b>General Fund</b>	<b>Public Facility Element (PFE)</b>	<b>Water Connections</b>	<b>Special Assessment Districts</b>
<b><u>ASSETS</u></b>				
Cash and investments	\$ 12,828,687	\$ 14,264,548	\$ 32,854,398	\$ 8,560,066
Accounts receivable, net	1,258,448	121,447	-	3,065
Interest receivable	6,080	6,320	14,376	3,804
Taxes receivable	481,774	-	-	174,510
Intergovernmental receivable	-	-	-	-
Due from other funds	953,584	-	-	-
Prepaid items	399,729	-	-	8,043
Advances to other funds	4,906,406	1,701,386	5,372,080	-
Advances to Successor Agency	-	-	3,796,707	-
Restricted cash and investments	-	-	227,652	-
Loans receivable, net	70,562	-	-	-
Total Assets	\$ 20,905,270	\$ 16,093,701	\$ 42,265,213	\$ 8,749,488
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)</u></b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 503,968	\$ 62,861	\$ 64,601	\$ 581,503
Accrued payroll and benefits	386,548	-	-	12,143
Accrued liabilities	2,500	-	2,453	56,291
Retention payable	10,175	7,265	387,225	-
Deposits and other payables	13,400	-	-	102,031
Due to other funds	-	-	-	-
Advances from other funds	-	9,738,361	-	-
Unearned revenue	-	86,897	-	-
Total Liabilities	916,591	9,895,384	454,279	751,968
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	70,999	-	-	-
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	5,306,135	-	-	8,043
Restricted	-	6,198,317	41,810,934	7,989,477
Committed	7,096,007	-	-	-
Assigned	2,275,615	-	-	-
Unassigned	5,239,923	-	-	-
Total Fund Balances (Deficits)	19,917,680	6,198,317	41,810,934	7,997,520
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 20,905,270	\$ 16,093,701	\$ 42,265,213	\$ 8,749,488

See accompanying notes to the basic financial statements.

**CITY OF LINCOLN**  
**BALANCE SHEET (continued)**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2020**

	<b>Development Services</b>	<b>Low/Moderate Income Housing</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b><u>ASSETS</u></b>				
Cash and investments	\$ 8,013,596	\$ 1,696,158	\$ 13,132,482	\$ 91,349,935
Accounts receivable, net	82,454	-	1,729,344	3,194,758
Interest receivable	3,487	749	5,694	40,510
Taxes receivable	-	-	-	656,284
Intergovernmental receivable	-	-	1,656,991	1,656,991
Due from other funds	-	-	-	953,584
Prepaid items	51,575	-	20,514	479,861
Advances to other funds	-	-	3,515,960	15,495,832
Advances to Successor Agency	-	-	-	3,796,707
Restricted cash and investments	-	-	135,497	363,149
Loans receivable, net	-	3,528,369	2,885,679	6,484,610
	<u>\$ 8,151,112</u>	<u>\$ 5,225,276</u>	<u>\$ 23,082,161</u>	<u>\$ 124,472,221</u>
Total Assets				
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)</u></b>				
<b><u>LIABILITIES</u></b>				
Accounts payable	\$ 669,705	\$ -	\$ 1,495,010	\$ 3,377,648
Accrued payroll and benefits	32,291	-	29,670	460,652
Accrued liabilities	107,938	-	1,506	170,688
Retention payable	-	-	276,908	681,573
Deposits and other payables	2,294,932	-	-	2,410,363
Due to other funds	-	-	316,742	316,742
Advances from other funds	-	-	-	9,738,361
Unearned revenue	-	-	-	86,897
	<u>3,104,866</u>	<u>-</u>	<u>2,119,836</u>	<u>17,242,924</u>
Total Liabilities				
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>				
Unavailable revenues	70,150	3,528,369	3,094,590	6,764,108
	<u>70,150</u>	<u>3,528,369</u>	<u>3,094,590</u>	<u>6,764,108</u>
<b><u>FUND BALANCES (DEFICITS)</u></b>				
Nonspendable	51,575	-	377,173	5,742,926
Restricted	90,270	1,696,907	17,932,098	75,718,003
Committed	-	-	-	7,096,007
Assigned	4,834,251	-	-	7,109,866
Unassigned	-	-	(441,536)	4,798,387
	<u>4,976,096</u>	<u>1,696,907</u>	<u>17,867,735</u>	<u>100,465,189</u>
Total Fund Balances (Deficits)				
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 8,151,112</u>	<u>\$ 5,225,276</u>	<u>\$ 23,082,161</u>	<u>\$ 124,472,221</u>

See accompanying notes to the basic financial statements.

**CITY OF LINCOLN**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

Total fund balances of governmental funds	\$ 100,465,189
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds, net of accumulated depreciation of \$236,861,382.	359,859,264
Certain notes, loans, and interest receivables are not available to pay for current period expenditures and therefore are offset by deferred inflow of resources in the governmental funds.	6,484,610
Other long-term assets are not available to pay for current period expenditures and therefore, are reported as unavailable revenues in the governmental funds.	279,498
Deferred outflows of resources related to changes in the net pension liability are not applicable to the current period.	4,788,098
Deferred outflows of resources related to changes in the net OPEB liability are not applicable to the current period.	9,567,635
Long-term liabilities are not due in the current period and, therefore are not reported in the governmental funds.	
Net pension liability	(17,183,322)
Net OPEB liability	(20,686,357)
Compensated absences	(2,081,050)
Long-term liabilities net of premiums and discounts	(16,128,932)
Deferred inflows related to changes in the net pension liability	(1,015,185)
Deferred inflows related to changes in the net OPEB liability	(946)
Accrued interest payable from the current portion of interest due on long-term liabilities has not been reported in the governmental funds.	(135,479)
Internal service funds are used by management to charge costs of certain activities such as equipment replacement, to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities of the Statement of Net Position.	<u>4,649,233</u>
Net position of governmental activities	<u>\$ 428,862,256</u>

See accompanying notes to the basic financial statements.

**CITY OF LINCOLN**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>General Fund</u>	<u>Public Facility Element (PFE)</u>	<u>Water Connections</u>	<u>Special Assessment Districts</u>
<b>REVENUES</b>				
Taxes and assessments	\$ 16,497,580	\$ -	\$ -	\$ -
Special assessments	-	-	-	4,104,329
License and permits	1,126,967	-	-	-
Intergovernmental	346,621	-	-	-
Fines and forfeitures	56,661	-	-	-
Use of money and property	797,919	560,031	1,503,626	381,960
Charges for services	2,052,334	3,838,410	3,676,732	59,178
Other revenues	<u>568,685</u>	<u>465,255</u>	<u>-</u>	<u>34,407</u>
Total Revenues	<u>21,446,767</u>	<u>4,863,696</u>	<u>5,180,358</u>	<u>4,579,874</u>
<b>EXPENDITURES</b>				
Current:				
General government	3,781,808	-	-	42,132
Public safety	11,796,385	-	-	1,871
Public works and facilities	1,105,561	90,188	59,311	5,092,563
Cultural and recreation	954,402	-	-	-
Urban development and housing	721,220	-	-	-
Education	630,410	70,556	-	-
Capital outlay	245,348	517,362	2,847,632	71,771
Debt service:				
Principal	27,261	-	-	-
Interest and fiscal charges	<u>11,259</u>	<u>38,379</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>19,273,654</u>	<u>716,485</u>	<u>2,906,943</u>	<u>5,208,337</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,173,113</u>	<u>4,147,211</u>	<u>2,273,415</u>	<u>(628,463)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,737,587	-	-	789,073
Transfers out	<u>(1,108,398)</u>	<u>-</u>	<u>-</u>	<u>(46,653)</u>
Total Other Financing Sources (Uses)	<u>629,189</u>	<u>-</u>	<u>-</u>	<u>742,420</u>
<b>SPECIAL ITEMS (Note 18)</b>				
Agency fund bond proceeds	-	-	-	-
Return of unused bond funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>2,802,302</u>	<u>4,147,211</u>	<u>2,273,415</u>	<u>113,957</u>
Fund Balances (Deficits) - July 1, 2019	17,115,378	2,051,106	39,537,519	7,941,063
Prior period adjustment (Note 20)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(57,500)</u>
Fund Balances (Deficits) - June 30, 2020	<u>\$ 19,917,680</u>	<u>\$ 6,198,317</u>	<u>\$ 41,810,934</u>	<u>\$ 7,997,520</u>

See accompanying notes to the basic financial statements.

**CITY OF LINCOLN**  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (continued)  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Development Services</u>	<u>Low/Moderate Income Housing</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>REVENUES</u></b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ 16,497,580
Special assessments	-	-	-	4,104,329
License and permits	1,864,524	-	-	2,991,491
Intergovernmental	-	-	6,797,097	7,143,718
Fines and forfeitures	-	-	-	56,661
Use of money and property	311,251	74,707	926,991	4,556,485
Charges for services	1,952,390	-	666,062	12,245,106
Other revenues	<u>28,094</u>	<u>-</u>	<u>43,942</u>	<u>1,140,383</u>
Total Revenues	<u>4,156,259</u>	<u>74,707</u>	<u>8,434,092</u>	<u>48,735,753</u>
<b><u>EXPENDITURES</u></b>				
Current:				
General government	-	-	13,565	3,837,505
Public safety	-	-	130,028	11,928,284
Public works and facilities	2,290,435	1,013	2,699,954	11,339,025
Cultural and recreation	-	-	-	954,402
Urban development and housing	-	-	3,847	725,067
Education	-	-	-	700,966
Capital outlay	-	-	6,609,477	10,291,590
Debt service:				
Principal	-	-	925,000	952,261
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>549,919</u>	<u>599,557</u>
Total Expenditures	<u>2,290,435</u>	<u>1,013</u>	<u>10,931,790</u>	<u>41,328,657</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,865,824</u>	<u>73,694</u>	<u>(2,497,698)</u>	<u>7,407,096</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	-	-	1,344,482	3,871,142
Transfers out	<u>(194,033)</u>	<u>-</u>	<u>(1,705,483)</u>	<u>(3,054,567)</u>
Total Other Financing Sources (Uses)	<u>(194,033)</u>	<u>-</u>	<u>(361,001)</u>	<u>816,575</u>
<b><u>SPECIAL ITEMS (Note 18)</u></b>				
Agency fund bond proceeds	-	-	1,500,000	1,500,000
Return of unused bond funds	<u>-</u>	<u>-</u>	<u>(14,048,856)</u>	<u>(14,048,856)</u>
Net Change in Fund Balances	<u>1,671,791</u>	<u>73,694</u>	<u>(15,407,555)</u>	<u>(4,325,185)</u>
Fund Balances (Deficits) - July 1, 2019	3,304,305	1,623,213	33,275,290	104,847,874
Prior period adjustment (Note 20)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(57,500)</u>
Fund Balances (Deficits) - June 30, 2020	<u>\$ 4,976,096</u>	<u>\$ 1,696,907</u>	<u>\$ 17,867,735</u>	<u>\$ 100,465,189</u>

See accompanying notes to the basic financial statements.

**CITY OF LINCOLN**  
**RECONCILIATION OF THE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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

Net change in fund balances - total governmental funds	\$ (4,325,185)
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets are capitalized and allocated over their estimated useful lives and reported as depreciation expense.</p>	
Capital asset purchases	10,257,521
Depreciation expense	(15,052,424)
<p>Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal.</p>	
	(33,193)
<p>Some revenues reported in the Statement of Activities will not be collected for several months after the City's year-end and do not provide current financial resources and therefore are not reported as revenues in the governmental funds. Some revenues reported in the prior year Statement of Activities were recognized in the governmental funds in the current year. This is the net change in revenues.</p>	
	(839,764)
<p>Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.</p>	
Debt principal payments	952,261
Net accretion on bond premiums/discounts	56,128
<p>Compensated absences expenditures reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in a governmental fund. This is the net change in compensated absences for the current period.</p>	
	(227,380)
<p>Receipts of payments and disbursements of funds related to notes and loans receivable are reported as revenue and expenditures, respectively, in governmental funds, but an increase and decrease, respectively, in notes receivable in the Statement of Net Position.</p>	
Loan program receipts	(74,391)
Accrued interest on loans	207,736
<p>Accrued interest payable is interest due on long-term liabilities. This is the net change in accrued interest in the current period.</p>	
	4,001
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>	
Pension expense related to deferred outflows and inflows of resources	(1,935,400)
OPEB expense related to deferred outflows and inflows of resources	(823,074)
<p>Internal service funds are used by management to charge the costs of certain activities, such as equipment replacement, to individual funds. The net revenue (expense) of the internal service funds is reported with the governmental funds.</p>	
	<u>1,191,407</u>
Change in net position of governmental activities	<u>\$ (10,641,757)</u>

See accompanying notes to the basic financial statements.

**CITY OF LINCOLN**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2020**

	<b>Business-Type Activities</b>			
	<b>Major Funds</b>			
	<b>Water</b>	<b>Wastewater</b>	<b>Solid Waste</b>	<b>Airport</b>
<b>ASSETS</b>				
Current Assets				
Cash and investments	\$ 18,920,586	\$ 18,827,984	\$ 11,269,444	\$ 155,705
Accounts receivable, net	2,005,617	2,655,825	896,065	102,125
Interest receivable	8,383	8,236	4,988	10
Prepaid items	36,937	26,050	36,579	14,165
Inventory	-	-	-	37,189
<b>Total Current Assets</b>	<b>20,971,523</b>	<b>21,518,095</b>	<b>12,207,076</b>	<b>309,194</b>
Non Current Assets				
Restricted cash and investments	346,590	-	-	-
Advances to other funds	-	-	1,012,438	-
Capital assets, net of accumulated depreciation	167,435,761	172,459,707	6,469,144	5,992,581
<b>Total Non-Current Assets</b>	<b>167,782,351</b>	<b>172,459,707</b>	<b>7,481,582</b>	<b>5,992,581</b>
<b>Total Assets</b>	<b>188,753,874</b>	<b>193,977,802</b>	<b>19,688,658</b>	<b>6,301,775</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Changes in the net pension liability	409,017	275,716	488,805	113,155
Changes in net OPEB liability	883,770	727,543	901,254	92,654
<b>Total Deferred Outflows of Resources</b>	<b>1,292,787</b>	<b>1,003,259</b>	<b>1,390,059</b>	<b>205,809</b>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable	1,819,860	2,597,037	259,032	82,623
Accrued salaries and benefits	52,020	40,347	46,543	4,863
Deposits payable	96,000	450,000	-	38,185
Due to other funds	-	-	-	-
Unearned revenue	101,802	103,100	12,125	5,670
Compensated absences - current	198,215	111,213	131,321	8,954
Lease payable - current	-	-	-	-
<b>Total Current Liabilities</b>	<b>2,267,897</b>	<b>3,301,697</b>	<b>449,021</b>	<b>140,295</b>
Non-Current Liabilities				
Advances from other funds	-	678,823	-	6,091,086
Compensated absences - noncurrent	49,554	27,803	32,830	2,239
Lease payable - noncurrent	-	-	-	-
Postclosure liability	-	-	438,917	-
Net pension liability	1,652,200	1,170,721	1,849,548	392,876
Net OPEB liability	1,589,445	1,419,025	1,733,321	225,456
<b>Total Non-Current Liabilities</b>	<b>3,291,199</b>	<b>3,296,372</b>	<b>4,054,616</b>	<b>6,711,657</b>
<b>Total Liabilities</b>	<b>5,559,096</b>	<b>6,598,069</b>	<b>4,503,637</b>	<b>6,851,952</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Changes in the net pension liability	120,394	90,474	116,069	22,801
Changes in net OPEB liability	(503)	(170)	(316)	(53)
<b>Total Deferred Inflows of Resources</b>	<b>119,891</b>	<b>90,304</b>	<b>115,753</b>	<b>22,748</b>
<b>NET POSITION:</b>				
Net investment in capital assets	167,435,761	172,459,707	6,469,144	5,992,581
Restricted for public facility element	3,951,976	-	3,253,104	-
Unrestricted	12,979,937	15,832,981	6,737,079	(6,359,697)
<b>Total Net Position</b>	<b>\$ 184,367,674</b>	<b>\$ 188,292,688</b>	<b>\$ 16,459,327</b>	<b>\$ (367,116)</b>

See accompanying notes to the basic financial statements.

**CITY OF LINCOLN**  
**STATEMENT OF NET POSITION (continued)**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2020**

	<u>Business-Type Activities</u>		<u>Governmental Activities</u>
	<u>Major Funds</u>		<u>Internal Service Funds</u>
	<u>Transit</u>	<u>Total</u>	
<b>ASSETS</b>			
Current Assets			
Cash and investments	\$ -	\$ 49,173,719	\$ 4,152,143
Accounts receivable, net	1,589,418	7,249,050	15,936
Interest receivable	-	21,617	1,667
Prepaid items	13,056	126,787	155,768
Inventory	-	37,189	-
<b>Total Current Assets</b>	<u>1,602,474</u>	<u>56,608,362</u>	<u>4,325,514</u>
Non Current Assets			
Restricted cash and investments	-	346,590	-
Advances to other funds	-	1,012,438	-
Capital assets, net of accumulated depreciation	654,001	353,011,194	2,386,503
<b>Total Non-Current Assets</b>	<u>654,001</u>	<u>354,370,222</u>	<u>2,386,503</u>
<b>Total Assets</b>	<u>2,256,475</u>	<u>410,978,584</u>	<u>6,712,017</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Changes in the net pension liability	103,526	1,390,219	-
Changes in net OPEB liability	58,914	2,664,135	-
<b>Total Deferred Outflows of Resources</b>	<u>162,440</u>	<u>4,054,354</u>	<u>-</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	162,402	4,920,954	343,646
Accrued salaries and benefits	886	144,659	90,358
Deposits payable	-	584,185	-
Due to other funds	636,842	636,842	-
Unearned revenue	84,837	307,534	-
Compensated absences - current	1,404	451,107	287,240
Lease payable - current	-	-	164,701
<b>Total Current Liabilities</b>	<u>886,371</u>	<u>7,045,281</u>	<u>885,945</u>
Non-Current Liabilities			
Advances from other funds	-	6,769,909	-
Compensated absences - noncurrent	351	112,777	71,810
Lease payable - noncurrent	-	-	1,105,029
Postclosure liability	-	438,917	-
Net pension liability	347,349	5,412,694	-
Net OPEB liability	189,058	5,156,305	-
<b>Total Non-Current Liabilities</b>	<u>536,758</u>	<u>17,890,602</u>	<u>1,176,839</u>
<b>Total Liabilities</b>	<u>1,423,129</u>	<u>24,935,883</u>	<u>2,062,784</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Changes in the net pension liability	19,928	369,666	-
Changes in net OPEB liability	96	(946)	-
<b>Total Deferred Inflows of Resources</b>	<u>20,024</u>	<u>368,720</u>	<u>-</u>
<b>NET POSITION:</b>			
Net investment in capital assets	654,001	353,011,194	1,116,773
Restricted for public facility element	-	7,205,080	-
Unrestricted	321,761	29,512,061	3,532,460
<b>Total Net Position</b>	<u>\$ 975,762</u>	<u>\$ 389,728,335</u>	<u>\$ 4,649,233</u>

See accompanying notes to the basic financial statements.

**CITY OF LINCOLN**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Business-Type Activities</b>			
	<b>Major Funds</b>			
	<b>Water</b>	<b>Wastewater</b>	<b>Solid Waste</b>	<b>Airport</b>
<b><u>OPERATING REVENUES</u></b>				
Charges for services	\$ 14,089,246	\$ 11,715,959	\$ 7,172,944	\$ 1,454,717
Connection fees	43,269	-	-	-
Other revenue	<u>1,919,880</u>	<u>23,364</u>	<u>171,401</u>	<u>8,721</u>
<b>Total Operating Revenue</b>	<u>16,052,395</u>	<u>11,739,323</u>	<u>7,344,345</u>	<u>1,463,438</u>
<b><u>OPERATING EXPENSES</u></b>				
Salaries and benefits	2,047,824	1,544,475	1,965,906	221,884
Services and supplies	9,053,030	7,739,548	2,392,113	673,913
Support services	809,939	781,616	1,389,690	131,525
Depreciation	<u>3,505,930</u>	<u>5,095,070</u>	<u>511,081</u>	<u>247,626</u>
<b>Total Operating Expenses</b>	<u>15,416,723</u>	<u>15,160,709</u>	<u>6,258,790</u>	<u>1,274,948</u>
<b>Operating Income (Loss)</b>	<u>635,672</u>	<u>(3,421,386)</u>	<u>1,085,555</u>	<u>188,490</u>
<b><u>NON-OPERATING REVENUES (EXPENSES)</u></b>				
Taxes	-	-	-	34,985
Intergovernmental	2,490	836	3,667	69,320
Interest income (expense)	976,878	846,738	504,079	6,055
Other non-operating revenues	-	198,978	-	-
Gain (loss) on sale of capital assets	10,428	23,705	(32,773)	-
Interest expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>(110,550)</u>
<b>Total Non-Operating Revenues (Expenses)</b>	<u>989,796</u>	<u>1,070,257</u>	<u>474,973</u>	<u>(190)</u>
<b>Income (Loss) Before Transfers and Contributions</b>	<u>1,625,468</u>	<u>(2,351,129)</u>	<u>1,560,528</u>	<u>188,300</u>
<b><u>TRANSFERS AND CONTRIBUTIONS</u></b>				
Capital grants and contributions	11,338	-	12,193	70,137
Capital connection fees	807,181	409,666	326,457	-
Transfers in	-	-	-	-
Transfers out	<u>(202,420)</u>	<u>(192,144)</u>	<u>(265,583)</u>	<u>(163,314)</u>
<b>Total Transfers and Contributions</b>	<u>616,099</u>	<u>217,522</u>	<u>73,067</u>	<u>(93,177)</u>
Change in net position	<u>2,241,567</u>	<u>(2,133,607)</u>	<u>1,633,595</u>	<u>95,123</u>
Net Position - July 1, 2019	182,040,093	189,874,722	14,292,697	(462,239)
Prior period adjustment (Note 20)	<u>86,014</u>	<u>551,573</u>	<u>533,035</u>	<u>-</u>
Net Position - July 1, 2019, restated	<u>182,126,107</u>	<u>190,426,295</u>	<u>14,825,732</u>	<u>(462,239)</u>
Net Position - June 30, 2020	<u>\$ 184,367,674</u>	<u>\$ 188,292,688</u>	<u>\$ 16,459,327</u>	<u>\$ (367,116)</u>

See accompanying notes to the basic financial statements.

**CITY OF LINCOLN**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (continued)**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Business-Type Activities</b>		<b>Governmental Activities</b>
	<b>Major Funds</b>		<b>Internal Service Funds</b>
	<b>Transit</b>	<b>Total</b>	
<b><u>OPERATING REVENUES</u></b>			
Charges for services	\$ 553	\$ 34,433,419	\$ 7,282,697
Connection fees	-	43,269	-
Other revenue	<u>247</u>	<u>2,123,613</u>	<u>38,361</u>
<b>Total Operating Revenue</b>	<u>800</u>	<u>36,600,301</u>	<u>7,321,058</u>
<b><u>OPERATING EXPENSES</u></b>			
Salaries and benefits	79,922	5,860,011	3,236,020
Services and supplies	580,153	20,438,757	2,752,120
Support services	67,398	3,180,168	-
Depreciation	<u>35,916</u>	<u>9,395,623</u>	<u>264,536</u>
<b>Total Operating Expenses</b>	<u>763,389</u>	<u>38,874,559</u>	<u>6,252,676</u>
<b>Operating Income (Loss)</b>	<u>(762,589)</u>	<u>(2,274,258)</u>	<u>1,068,382</u>
<b><u>NON-OPERATING REVENUES (EXPENSES)</u></b>			
Taxes	1,261,940	1,296,925	-
Intergovernmental	382,395	458,708	-
Interest income (expense)	(4,378)	2,329,372	145,920
Other non-operating revenues	-	198,978	-
Gain (loss) on sale of capital assets	-	1,360	-
Interest expense	<u>-</u>	<u>(110,550)</u>	<u>(46,895)</u>
<b>Total Non-Operating Revenues (Expenses)</b>	<u>1,639,957</u>	<u>4,174,793</u>	<u>99,025</u>
<b>Income (Loss) Before Transfers and Contributions</b>	<u>877,368</u>	<u>1,900,535</u>	<u>1,167,407</u>
<b><u>TRANSFERS AND CONTRIBUTIONS</u></b>			
Capital grants and contributions	-	93,668	-
Capital connection fees	-	1,543,304	-
Transfers in	-	-	89,000
Transfers out	<u>(17,114)</u>	<u>(840,575)</u>	<u>(65,000)</u>
<b>Total Transfers and Contributions</b>	<u>(17,114)</u>	<u>796,397</u>	<u>24,000</u>
Change in net position	<u>860,254</u>	<u>2,696,932</u>	<u>1,191,407</u>
Net Position - July 1, 2019	115,508	385,860,781	3,430,484
Prior period adjustment (Note 20)	<u>-</u>	<u>1,170,622</u>	<u>27,342</u>
Net Position - July 1, 2019, restated	<u>115,508</u>	<u>387,031,403</u>	<u>3,457,826</u>
Net Position - June 30, 2020	<u>\$ 975,762</u>	<u>\$ 389,728,335</u>	<u>\$ 4,649,233</u>

See accompanying notes to the basic financial statements.

**CITY OF LINCOLN**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Business-Type Activities</b>			
	<b>Major Funds</b>			
	<b>Water</b>	<b>Wastewater</b>	<b>Solid Waste</b>	<b>Airport</b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>				
Cash received from customers	\$ 15,964,042	\$ 11,003,020	\$ 7,376,380	\$ 1,399,656
Cash paid to suppliers	(11,444,603)	(8,305,325)	(3,913,029)	(719,347)
Cash paid to employees	(1,790,014)	(1,355,681)	(1,777,002)	(202,669)
Net Cash Provided by (Used For) Operating Activities	<u>2,729,425</u>	<u>1,342,014</u>	<u>1,686,349</u>	<u>477,640</u>
<b><u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u></b>				
Intergovernmental and other nonoperating Taxes	2,490	836	3,667	69,320
Miscellaneous revenues	-	198,978	-	-
Interfund repayments received	-	4,489	-	-
Interfund repayments paid	-	-	(6,238)	(187,754)
Transfers from other funds	-	-	-	-
Transfers to other funds	(202,420)	(192,144)	(265,583)	(163,314)
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>(199,930)</u>	<u>12,159</u>	<u>(268,154)</u>	<u>(246,258)</u>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>				
Capital grant contributions	11,338	-	12,193	70,137
Connection fees	807,181	409,666	326,457	-
Proceeds from disposal of capital assets	10,429	23,705	16,940	-
Acquisition of capital assets	(8,793,330)	(4,007,383)	(912,621)	(59,287)
Principal paid on long-term debt	-	-	-	-
Interest paid on long-term debt	-	-	-	(110,550)
Net Cash Used for Capital and Related Financing Activities	<u>(7,964,382)</u>	<u>(3,574,012)</u>	<u>(557,031)</u>	<u>(99,700)</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>				
Interest and dividends	996,239	861,840	510,768	6,064
Net Cash Provided by Investing Activities	<u>996,239</u>	<u>861,840</u>	<u>510,768</u>	<u>6,064</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(4,438,648)	(1,357,999)	1,371,932	137,746
Cash and Cash Equivalents - July 1, 2019	<u>23,705,824</u>	<u>20,185,983</u>	<u>9,897,512</u>	<u>17,959</u>
Cash and Cash Equivalents - June 30, 2020	<u>\$ 19,267,176</u>	<u>\$ 18,827,984</u>	<u>\$ 11,269,444</u>	<u>\$ 155,705</u>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</u></b>				
Operating Income (Loss)	\$ 635,672	\$ (3,421,386)	\$ 1,085,555	\$ 188,490
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation expense	3,505,930	5,095,070	511,081	247,626
Pension expense	94,356	76,009	94,481	8,986
OPEB expense	80,078	64,557	80,240	7,584
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(163,817)	(889,403)	32,103	(32,870)
Decrease in prepaid expenses	3,217	2,475	3,057	338
Decrease in inventory	-	-	-	39,192
Increase (decrease) in accounts payable	(1,584,851)	213,364	20,024	46,561
Increase in accrued wages	13,121	10,416	11,572	337
Increase (decrease) in deposits	(15,000)	50,000	-	(11,125)
Increase (decrease) in compensated absences	70,255	37,812	2,611	2,308
Increase (decrease) in unearned revenue	90,464	103,100	(68)	(19,787)
Decrease in postclosure liability	-	-	(154,307)	-
Net Cash Provided by (Used For) Operating Activities	<u>\$ 2,729,425</u>	<u>\$ 1,342,014</u>	<u>\$ 1,686,349</u>	<u>\$ 477,640</u>

See accompanying notes to the basic financial statements.

**CITY OF LINCOLN**  
**STATEMENT OF CASH FLOWS (continued)**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Business-Type Activities</b>		<b>Governmental Activities</b>
	<b>Major Funds</b>		
	<b>Transit</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Cash received from customers	\$ (49,252)	\$ 35,693,846	\$ 7,317,225
Cash paid to suppliers	(764,923)	(25,147,227)	(2,572,620)
Cash paid to employees	(69,700)	(5,195,066)	(3,233,759)
Net Cash Provided by (Used For) Operating Activities	(883,875)	5,351,553	1,510,846
<b><u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u></b>			
Intergovernmental and other nonoperating	54,917	131,230	-
Taxes	-	35,490	-
Miscellaneous revenues	-	198,978	-
Interfund repayments received	636,842	641,331	-
Interfund repayments paid	-	(193,992)	-
Transfers from other funds	292	292	89,000
Transfers to other funds	(17,406)	(840,867)	(65,000)
Net Cash Provided by (Used for) Non-Capital Financing Activities	674,645	(27,538)	24,000
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>			
Capital grant contributions	-	93,668	-
Connection fees	-	1,543,304	-
Proceeds from disposal of capital assets	-	51,074	13,189
Acquisition of capital assets	(9,735)	(13,782,356)	(109,492)
Principal paid on long-term debt	-	-	(162,112)
Interest paid on long-term debt	-	(110,550)	(46,895)
Net Cash Used for Capital and Related Financing Activities	(9,735)	(12,204,860)	(305,310)
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Interest and dividends	(4,129)	2,370,782	148,421
Net Cash Provided by Investing Activities	(4,129)	2,370,782	148,421
Net Increase (Decrease) in Cash and Cash Equivalents	(223,094)	(4,510,063)	1,377,957
Cash and Cash Equivalents - July 1, 2019	223,094	54,030,372	2,774,186
Cash and Cash Equivalents - June 30, 2020	\$ -	\$ 49,520,309	\$ 4,152,143
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</u></b>			
Operating Income (Loss)	\$ (762,589)	\$ (2,274,258)	\$ 1,068,382
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation expense	35,916	9,395,623	264,536
Pension expense	4,994	278,826	-
OPEB expense	4,275	236,734	-
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	-	(1,053,987)	(3,833)
Decrease in prepaid expenses	49	9,136	6,482
Decrease in inventory	-	39,192	-
Increase (decrease) in accounts payable	(117,421)	(1,422,323)	173,018
Increase in accrued wages	199	35,645	24,381
Increase (decrease) in deposits	-	23,875	-
Increase (decrease) in compensated absences	754	113,740	(22,120)
Increase (decrease) in unearned revenue	(50,052)	123,657	-
Decrease in postclosure liability	-	(154,307)	-
Net Cash Provided by (Used For) Operating Activities	\$ (883,875)	\$ 5,351,553	\$ 1,510,846

See accompanying notes to the basic financial statements.

**CITY OF LINCOLN**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2020**

	<b>Redevelopment Obligation Retirement Fund</b>	<b>OPEB Trust Fund</b>	<b>Agency Funds</b>
<b><u>ASSETS</u></b>			
Cash and investments (Note 2)	\$ 1,258,402	\$ -	\$ 24,996,373
Assessments receivable	-	-	130,753
Interest receivable	690	-	11,088
Due from other governments	-	-	119,698
Prepaid expenses	3,061	-	-
Deferred costs	38,954	-	-
Restricted cash and investments (Note 2)	198	6,147,275	29,381,810
Loans receivable	191,768	-	-
Capital assets, net of accumulated depreciation (Note 19)	<u>891,356</u>	<u>-</u>	<u>36,156</u>
<b>Total Assets</b>	<b><u>\$ 2,384,429</u></b>	<b><u>\$ 6,147,275</u></b>	<b><u>\$ 54,675,878</u></b>
<b><u>LIABILITIES</u></b>			
Accounts payable and other liabilities	\$ -	\$ -	\$ 13,577
Interest payable	78,593	-	2,583
Deposits payable	-	-	1,719,167
Due to property owners	-	-	52,910,002
Advances from the City (Note 19)	3,796,707	-	-
Agency obligations	-	-	30,549
Long-term liabilities (Note 19)	<u>6,655,272</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities</b>	<b><u>\$ 10,530,572</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 54,675,878</u></b>
<b><u>NET POSITION</u></b>			
Held in trust	\$ (8,146,143)	\$ -	\$ -
Restricted for OPEB	<u>-</u>	<u>6,147,275</u>	<u>-</u>
<b>Total Net Position</b>	<b><u>\$ (8,146,143)</u></b>	<b><u>\$ 6,147,275</u></b>	<b><u>\$ -</u></b>

See accompanying notes to the basic financial statements.

**CITY OF LINCOLN**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Redevelopment Obligation Retirement Fund</b>	<b>OPEB Trust Fund</b>
<b><u>ADDITIONS</u></b>		
Property taxes	\$ 1,161,767	\$ -
Interest and investment income	33,484	170,681
Contributions from employer	-	980,005
Other contributions	<u>500,003</u>	<u>-</u>
<b>Total Additions</b>	<u>1,695,254</u>	<u>1,150,686</u>
<b><u>DEDUCTIONS</u></b>		
Program expense	316,741	-
Administrative expense	-	15,990
Interest expense	<u>332,574</u>	<u>-</u>
<b>Total Deductions</b>	<u>649,315</u>	<u>15,990</u>
Change in Fiduciary Net Position	1,045,939	1,134,696
Fiduciary Net Position - July 1, 2019	<u>(9,192,082)</u>	<u>5,012,579</u>
Fiduciary Net Position - June 30, 2020	<u>\$ (8,146,143)</u>	<u>\$ 6,147,275</u>

See accompanying notes to the basic financial statements.

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020

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

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

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

**A. The Reporting Entity**

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

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

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

Blended Component Units

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

Discretely Presented Component Units

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

Joint Agencies

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

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020

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

**B. Basis of Presentation**

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

Government-wide Financial Statements:

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

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

Fund Financial Statements:

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

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

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

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

**Governmental Funds**

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

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

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

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020

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

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

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

**Proprietary Funds**

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

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

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

The City reports the following additional fund types:

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

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

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

**Major Funds**

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

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

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

Water Connections - The Water Connections fund is a special revenue fund used to account for water connection fees collected from developers and property owners that are required by the California Government Code to be expended for capacity expansion. Funding comes primarily from connection fees and investment earnings.

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

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020

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

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

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

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

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

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

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

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

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

The City also reports the following additional fund types:

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

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

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

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

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

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

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

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020

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

Measurement Focus

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

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

Basis of Accounting

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

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

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

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

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020

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

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

**D. Cash and Cash Equivalents**

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

**E. Investments**

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

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

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

**F. Accounts and Interest Receivables**

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Receivables are recorded in the financial statements net of any allowance for doubtful accounts, if applicable, and estimated refunds due. Management records an allowance for doubtful accounts based on historical trends and the periodic aging of receivables. The allowance for doubtful accounts as of June 30, 2020 totaled \$302,548, for business-type activities. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, grants, fines, interest, and other fees. Federal and state grants are considered receivable and accrued as revenue when reimbursable costs are incurred.

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

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020

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

**G. Inventory**

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

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

**H. Prepaid Expenses**

Payments made for services that will benefit periods beyond June 30, 2020 are recorded as prepaid costs in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**I. Capital Assets**

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

Government-wide Statements

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

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

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

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

Fund Financial Statements

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

**J. Property Taxes**

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

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020

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

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

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

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

**K. Interfund Transactions**

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

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

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

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

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

**L. Unearned Revenue**

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

**M. Compensated Absences**

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

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020

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

**N. Pensions**

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

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

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

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

Valuation Date	July 1, 2019
Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 - June 30, 2019

**P. Long-Term Liabilities**

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

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

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

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

In addition to liabilities, the Statement of Net Position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020

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

**R. Equity Classifications**

Government-wide Statements

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

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

Fund Statements

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

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

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

**S. Use of Estimates**

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

**T. Reclassifications**

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

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020

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

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

Effective July 1, 2019, the City implemented the following accounting and financial reporting standards:

Government Accounting Standards Board Statement No. 95

In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018 and later. The City adopted this accounting guidance for its June 30, 2020 year-end.

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

These statements are not effective until July 1, 2020 or later. The City has not determined the effects on the financial statements.

Government Accounting Standards Board Statement No. 84

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the City's fiscal year ending June 30, 2021.

Governmental Accounting Standards Board Statement No. 87

In June 2017, GASB issued Statement No. 87, *Leases*. This Statement (1) increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract; and (2) establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Additionally, under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the City's fiscal year ending June 30, 2022.

Governmental Accounting Standards Board Statement No. 89

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the City's fiscal year ending June 30, 2022.

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020

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

Government Accounting Standards Board Statement No. 90

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the City's fiscal year ending June 30, 2021.

Government Accounting Standards Board Statement No. 91

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

Government Accounting Standards Board Statement No. 92

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the City's fiscal year ending June 30, 2022.

Government Accounting Standards Board Statement No. 93

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The primary objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). The City has not determined what impact, if any, this pronouncement will have on the financial statements. The removal of LIBOR as an appropriate benchmark interest rate is effective for the City's fiscal year ending June 30, 2022. All other requirements of this statement are effective for the City's fiscal year ending June 30, 2022.

Government Accounting Standards Board Statement No. 94

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

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020

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

Government Accounting Standards Board Statement No. 96

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

Government Accounting Standards Board Statement No. 97

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

**NOTE 2: CASH AND INVESTMENTS**

Cash and investments as of June 30, 2020 were classified in the accompanying financial statements as follows:

	<u>Cash and Investments</u>	<u>Restricted Cash and Investments</u>	<u>Total</u>
Governmental activities	\$ 95,502,078	\$ 363,149	\$ 95,865,227
Business-type activities	<u>49,173,719</u>	<u>346,590</u>	<u>49,520,309</u>
<b>Total government-wide cash and investments</b>	<u>144,675,797</u>	<u>709,739</u>	<u>145,385,536</u>
Fiduciary activities	<u>26,254,775</u>	<u>35,529,283</u>	<u>61,784,058</u>
<b>Total cash and investments</b>	<u>\$ 170,930,572</u>	<u>\$ 36,239,022</u>	<u>\$ 207,169,594</u>

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020

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

Cash and investments were carried at fair value as of June 30, 2020 and consisted of the following:

Cash on hand	\$ 1,900
Cash in banks	<u>11,126,274</u>
<b>Total cash</b>	<b><u>11,128,174</u></b>
Money market funds	30,352,922
Mutual funds	6,147,275
U.S. treasury obligations	54,263,697
Government agency securities	32,086,861
Medium term corporate notes	44,377,185
Municipal issues	1,046,250
Local Agency Investment Fund (LAIF)	<u>27,767,230</u>
<b>Total investments</b>	<b><u>196,041,420</u></b>
<b>Total cash and investments</b>	<b><u>\$ 207,169,594</u></b>

Authorized Investments of the City

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

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

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

**CITY OF LINCOLN**  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2020

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

Investment Valuation

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

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

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

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

At June 30, 2020, the City had the following recurring fair value measurements:

Investments	Fair Value Measurements Using			Fair Value
	Level 1 Inputs	Level 2 inputs	Level 3 inputs	
Money market funds	\$ -	\$ 30,352,922	\$ -	\$ 30,352,922
Mutual funds	6,147,275	-	-	6,147,275
U.S. treasury obligations	-	54,263,697	-	54,263,697
Government agency securities	-	32,086,861	-	32,086,861
Medium term corporate notes	-	44,377,185	-	44,377,185
Municipal issues	-	1,046,250	-	1,046,250
Local Agency Investment Fund	-	-	27,767,230	27,767,230
Total Investments	\$ <u>6,147,275</u>	\$ <u>162,126,915</u>	\$ <u>27,767,230</u>	\$ <u>196,041,420</u>

Investment in State Investment Pool

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

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020

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

Disclosure Relating to Interest Rate Risk

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

Information about the sensitivity of the fair values of the City's investments (excluding investments held by bond trustees) to market rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity as of June 30, 2020:

Investments	Interest Rates	Remaining Maturity		Fair Value
		< 12 months	1-5 years	
Money market funds	0.875%	\$ 30,352,922	\$ -	\$ 30,352,922
Mutual funds	Variable	6,147,275	-	6,147,275
U.S. treasury obligations	1.00% - 3.625%	4,557,786	49,705,911	54,263,697
Government agency securities	0.75% - 5.05%	254,698	31,832,163	32,086,861
Medium term corporate notes	1.40% - 6.95%	3,687,241	40,689,944	44,377,185
Municipal issues	1.97% - 2.05%	-	1,046,250	1,046,250
Local Agency Investment Fund	Variable	<u>27,767,230</u>	<u>-</u>	<u>27,767,230</u>
		<u>\$ 72,767,152</u>	<u>\$ 123,274,268</u>	<u>\$ 196,041,420</u>

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City had no investments that were highly sensitive to interest rate fluctuations as of June 30, 2020.

**CITY OF LINCOLN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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

Disclosures Relating to Credit Risk

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

	Total	Rating as of Fiscal Year End		
		Minimum Legal Rating	S&P	Moody's
Money market funds	\$ 30,352,922	N/A	Not rated	Not rated
Mutual funds	6,147,275	N/A	Not rated	Not rated
U.S. Treasury obligations	53,143,011	N/A	N/A	AAA
U.S. Treasury obligations	804,113	N/A	N/R	AAA
U.S. Treasury obligations	316,573	N/A	N/R	AAA
Government agency securities	27,654,886	N/A	AA+	AAA
Government agency securities	4,034,069	N/A	N/A	AAA
Government agency securities	397,906	N/A	N/A	N/A
Medium term corporate notes	2,534,851	A	A	A1
Medium term corporate notes	2,556,627	A	A	A2
Medium term corporate notes	3,030,658	A	A	A3
Medium term corporate notes	263,466	A	A	BAA2
Medium term corporate notes	5,106,536	A	A-	A2
Medium term corporate notes	3,748,081	A	A-	A3
Medium term corporate notes	594,507	A	A-	BAA1
Medium term corporate notes	267,223	A	A-	WR
Medium term corporate notes	2,806,050	A	A+	A1
Medium term corporate notes	729,700	A	A+	A3
Medium term corporate notes	1,339,676	A	A+	AA3
Medium term corporate notes	104,820	A	AA	AA2
Medium term corporate notes	945,612	A	AA-	A2
Medium term corporate notes	2,486,899	A	AA-	AA3
Medium term corporate notes	1,882,094	A	AA+	AA1
Medium term corporate notes	265,373	A	BBB	A3
Medium term corporate notes	1,031,362	A	BBB+	A2
Medium term corporate notes	1,594,612	A	BBB+	A3
Medium term corporate notes	262,833	A	BBB+	BAA1
Medium term corporate notes	541,936	A	BBB+	WR
Medium term corporate notes	11,200	A	N/A	N/A
Medium term corporate notes	5,494,056	A	N/A	N/A
Medium term corporate notes	5,773,093	A	N/R	N/R
Medium term corporate notes	1,005,920	A	AAA	AAA
Municipal issues	301,791	A	AAA	AAA
Municipal issues	744,459	A	N/A	AAA
Local Agency Investment Fund	<u>27,767,230</u>	N/A	Not rated	Not rated
	<u>\$ 196,041,420</u>			

**CITY OF LINCOLN**  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2020

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

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. The City's investment policy contains limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) at June 30, 2020, that represent 5 percent or more of total City investments are as follows:

<u>Issuers</u>	<u>Investment Type</u>	<u>Amount</u>
Federal Home Loan Banks	Government agency securities	\$ 8,402,217

Custodial Credit Risk

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

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

As of June 30, 2020, the carrying amount of the City's deposits was \$11,126,274 and bank balances were \$11,307,240. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit.

Allocation of Interest Income Among Funds

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

**NOTE 3: LOANS RECEIVABLE**

The City has made various business loans to qualifying businesses through programs designed to encourage construction or improvement in low-to-moderate income housing or other projects. In addition, the City has made various loans under the Community Development Block Grant (CDBG) revolving loan program, the Home Investment Partnerships (HOME) program, and the CalHome program. Under these programs, grants or loans are provided under favorable terms to homeowners or developers who agree to spend these funds in accordance with the City's terms. Also, the City entered into an agreement for the deferral of \$70,562 of motel occupancy tax from February 1, 2020 through June 30, 2020, which is secured by a lien recorded against the property. The payment of the deferred motel occupancy tax is due on or before October 1, 2023.

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

**CITY OF LINCOLN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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

Total loans receivable, including accrued interest, net of allowance as of June 30, 2020 was as follows:

	<u>Loans Receivable</u>	<u>Accrued Interest</u>	<u>Allowance</u>	<u>Total Loans Receivable, net</u>
Motel occupancy tax	\$ 70,562	\$ -	\$ -	\$ 70,562
Community development block grants	357,853	123,625	-	481,478
Home investment partnership	1,272,594	442,687	-	1,715,281
CalHOME	660,138	28,782	-	688,920
Housing Successor Agency	<u>2,358,000</u>	<u>1,170,369</u>	-	<u>3,528,369</u>
Totals	<u>\$ 4,719,147</u>	<u>\$ 1,765,463</u>	<u>\$ -</u>	<u>\$ 6,484,610</u>

**NOTE 4: INTERFUND AND INTRA-FUND TRANSACTIONS**

**Due to/from Other Funds**

During the course of operations, transactions occur between funds to account for goods received or services rendered. These receivables and payables are classified as due from or due to other funds. In addition, when funds overdraw their share of pooled cash, the receivables and payables are also classified as due from or due to other funds. The composition of due to/from other funds as of June 30, 2020 was as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Description</u>	<u>Amount</u>
<u>Governmental Funds</u>			
General Fund	Federal Grants	Overdrawn cash	\$ 316,742
General Fund	Transit	Overdrawn cash	<u>636,842</u>
Total Governmental Funds			<u>\$ 953,584</u>

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

**Advances to/from Other Funds**

Advances to/from other funds are non-current interfund loans and are offset by a nonspendable fund balance in applicable governmental funds to indicate they are not in spendable form. The composition of advances to/from other funds as of June 30, 2020 was as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Description</u>	<u>Maturity</u>	<u>Amount</u>
<u>Governmental Funds</u>				
General	Airport	Fund deficit	June 2079	\$ 4,906,406
Water Connections	Public Facility Element	Capital project funding	June 2026	5,372,080
Oak Tree Mitigation	Public Facility Element	Capital project funding	June 2026	2,331,280
LPFA Series 2016	Airport	Capital lease refinance	October 2028	1,184,680
Public Facility Element	Public Facility Element	Capital project funding	June 2028	1,022,563
Public Facility Element	Wastewater	Conveyance	2020	195,833
Public Facility Element	Wastewater	Oversizing	2020	463,797
Public Facility Element	Wastewater	Conveyance	2020	<u>19,193</u>
Total Governmental Funds				<u>\$ 15,495,832</u>

**CITY OF LINCOLN**  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2020

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

<u>Proprietary Funds</u>				
Solid Waste	Public Facility Element	Capital project funding	June 2028	\$ <u>1,012,438</u>
				Total Proprietary Funds \$ <u>1,012,438</u>

**Interfund Transfers to/from Other Funds**

Transfers between funds during the fiscal year ended June 30, 2020 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Description of Transfer</u>	<u>Amount</u>
<u>Governmental Funds</u>			
General Fund	LPFA Refunding Series 2016	Debt service	\$ 295,325
	Vehicle/Equipment Replacement	Debt service	24,000
	Special Assessment Districts	LLAD general benefits costs	789,073
Special Assessment Districts	LPFA Refunding Series 2016	Debt service	46,653
Gas Tax	LPFA Refunding Series 2016	Debt service	24,822
Street Fund	LPFA Refunding Series 2016	Debt service	73,468
Development Services	LPFA Refunding Series 2016	Debt service	194,033
Supplemental Fees	General Fund	Close out fund	1,596,904
Aiken Ranch Financial District Improvement	Sorrento Project Series 2006	Close out fund	10,288
Sorrento Project Series 2006	Aiken Ranch Financial District Improvement	Close out fund	<u>1</u>
<b>Total Governmental Interfund Transfers</b>			<b>\$ <u>3,054,567</u></b>
<u>Proprietary Funds</u>			
Water	LPFA Refunding Series 2016	Debt service	\$ 202,420
Wastewater	LPFA Refunding Series 2016	Debt service	192,144
Solid Waste	LPFA Refunding Series 2016	Debt service	265,583
Airport	General Fund	Debt service	140,683
	LPFA Refunding Series 2016	Debt service	22,631
Transit	LPFA Refunding Series 2016	Debt service	17,114
Internal Service	Facility Maintenance	HVAC Project	<u>65,000</u>
<b>Total Proprietary Interfund Transfers</b>			<b>\$ <u>905,575</u></b>

**Intra-fund Transfers between Funds**

The following table represents intra-fund transfers made during the year ended June 30, 2020:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Description</u>	<u>Amount</u>
Supplemental Fees	General Fund	Annual budget transfer	\$ <u>316,273</u>
<b>Total General Fund Intra-fund Transfers</b>			<b>\$ <u>316,273</u></b>

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 5: CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2020, was as follows:

**Governmental Activities:**

	<u>Balance at July 1, 2019</u>	<u>Prior Period Adjustment</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance at June 30, 2020</u>
Capital assets not being depreciated						
Land	\$ 14,911,990	\$ -	\$ -	\$ -	\$ -	\$ 14,911,990
Easements	242,604	-	-	-	-	242,604
Construction-in-progress	<u>15,551,329</u>	<u>23,300</u>	<u>10,271,601</u>	<u>(22,418)</u>	<u>(11,689,491)</u>	<u>14,134,321</u>
Total capital assets not being depreciated	<u>30,705,923</u>	<u>23,300</u>	<u>10,271,601</u>	<u>(22,418)</u>	<u>(11,689,491)</u>	<u>29,288,915</u>
Capital assets being depreciated						
Buildings and improvements	78,228,925	-	-	-	28,373	78,257,298
Machinery and equipment	11,552,741	(381,487)	227,620	(1,973,383)	30,391	9,455,882
Infrastructure	442,309,939	-	-	-	11,385,376	453,695,315
Land improvements	<u>29,291,025</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>245,351</u>	<u>29,536,376</u>
Total capital assets being depreciated	<u>561,382,630</u>	<u>(381,487)</u>	<u>227,620</u>	<u>(1,973,383)</u>	<u>11,689,491</u>	<u>570,944,871</u>
Less accumulated depreciation						
Buildings and improvements	(19,877,994)	-	(2,045,319)	-	-	(21,923,313)
Machinery and equipment	(7,305,456)	288,738	(723,322)	1,949,419	-	(5,790,621)
Infrastructure	(189,156,268)	-	(11,265,597)	-	-	(200,421,865)
Land improvements	<u>(8,569,498)</u>	<u>-</u>	<u>(1,282,722)</u>	<u>-</u>	<u>-</u>	<u>(9,852,220)</u>
Total accumulated depreciation	<u>(224,909,216)</u>	<u>288,738</u>	<u>(15,316,960)</u>	<u>1,949,419</u>	<u>-</u>	<u>(237,988,019)</u>
Total capital assets being depreciated, net	<u>336,473,414</u>	<u>(92,749)</u>	<u>(15,089,340)</u>	<u>(23,964)</u>	<u>11,689,491</u>	<u>332,956,852</u>
<b>Total Capital Assets, net</b>	<u>\$ 367,179,337</u>	<u>\$ (69,449)</u>	<u>\$ (4,817,739)</u>	<u>\$ (46,382)</u>	<u>\$ -</u>	<u>\$ 362,245,767</u>

Depreciation expense was charged to governmental functions as follows:

Governmental Activities:

General government	\$ 702,542
Public safety	581,459
Public works and facilities	13,276,943
Culture and recreation	40,975
Education	450,505
Internal service funds	<u>264,536</u>

Total governmental activities depreciation expense \$ 15,316,960

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 5: CAPITAL ASSETS (CONTINUED)**

**Business-type Activities:**

	<u>Balance at July 1, 2019</u>	<u>Prior Period Adjustment</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance at June 30, 2020</u>
Capital assets not being depreciated						
Land	\$ 1,549,390	\$ -	\$ -	\$ -	\$ -	\$ 1,549,390
Easements	42,250	-	-	-	-	42,250
Construction-in-progress	<u>7,163,208</u>	<u>(6,695)</u>	<u>12,383,914</u>	<u>-</u>	<u>(4,514,817)</u>	<u>15,025,610</u>
Total capital assets not being depreciated	<u>8,754,848</u>	<u>(6,695)</u>	<u>12,383,914</u>	<u>-</u>	<u>(4,514,817)</u>	<u>16,617,250</u>
Capital assets being depreciated						
Buildings and improvements	25,292,167	-	-	-	46,948	25,339,115
Machinery and equipment	12,650,657	2,686,717	1,398,442	(3,286,629)	-	13,449,187
Infrastructure	438,737,647	-	-	-	4,467,869	443,205,516
Land improvements	<u>1,154,850</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,154,850</u>
Total capital assets being depreciated	<u>477,835,321</u>	<u>2,686,717</u>	<u>1,398,442</u>	<u>(3,286,629)</u>	<u>4,514,817</u>	<u>483,148,668</u>
Less accumulated depreciation						
Buildings and improvements	(13,386,095)	-	(451,116)	-	-	(13,837,211)
Machinery and equipment	(6,507,225)	(1,509,400)	(988,347)	3,236,915	-	(5,768,057)
Infrastructure	(118,746,499)	-	(7,897,550)	-	-	(126,644,049)
Land improvements	<u>(446,797)</u>	<u>-</u>	<u>(58,610)</u>	<u>-</u>	<u>-</u>	<u>(505,407)</u>
Total accumulated depreciation	<u>(139,086,616)</u>	<u>(1,509,400)</u>	<u>(9,395,623)</u>	<u>3,236,915</u>	<u>-</u>	<u>(146,754,724)</u>
Total capital assets being depreciated, net	<u>338,748,705</u>	<u>1,177,317</u>	<u>(7,997,181)</u>	<u>(49,714)</u>	<u>4,514,817</u>	<u>336,393,944</u>
<b>Total Capital Assets, net</b>	<u>\$ 347,503,553</u>	<u>\$ 1,170,622</u>	<u>\$ 4,386,733</u>	<u>\$ (49,714)</u>	<u>\$ -</u>	<u>\$ 353,011,194</u>

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

Business-type Activities:

Water	\$ 3,505,930
Wastewater	5,095,070
Solid Waste	511,081
Airport	247,626
Transit	<u>35,916</u>

Total business-type activities depreciation expense \$ 9,395,623

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 6: UNEARNED REVENUE**

At June 30, 2020, components of unearned revenue were as follows:

	Amount
<u>Governmental Funds</u>	
Public Facility Element	
Statewide Community Infrastructure Program (SCIP) advance	\$ <u>86,897</u>
Total Governmental Funds	\$ <u><u>86,897</u></u>
<u>Proprietary Funds</u>	
<u>Water</u>	
Statewide Community Infrastructure Program (SCIP) advance	\$ 101,802
<u>Wastewater</u>	
Statewide Community Infrastructure Program (SCIP) advance	103,100
<u>Solid Waste</u>	
Beverage Container Recycling Program advance	12,125
<u>Airport</u>	
Airport Improvement Program grant advances	5,670
<u>Transit</u>	
State grant advances	<u>84,837</u>
Total Proprietary Funds	\$ <u><u>307,534</u></u>

**NOTE 7: LONG-TERM LIABILITIES**

**A. Governmental Activities**

Governmental activities long-term debt issued and outstanding at June 30, 2020 was comprised of the following:

Type of Indebtedness	Maturity	Interest Rates	Authorized and Issued	Outstanding June 30, 2020
LPFA Refunding Bonds Series 2016A	2037	5.69-6.12%	\$ 18,296,066	\$ 13,555,000
LPFA Refunding Bonds Series 2016B	2022	2.44%	10,710,450	1,470,000
Bond issuance premiums (discounts)				
Series 2016A net premium				988,807
Series 2016B discount				(1,616)
Capital leases			1,726,900	1,386,471
Compensated absences				<u>2,440,100</u>
Total Governmental Activities				\$ <u><u>19,838,762</u></u>

**CITY OF LINCOLN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 7: LONG-TERM LIABILITIES (CONTINUED)**

The following is a summary of changes in the City's governmental long-term liabilities for the fiscal year ended June 30, 2020:

	<u>Balance at July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2020</u>	<u>Current Portion</u>
<b>Governmental Activities:</b>					
Bonds and leases payable:					
LPFA Refunding Bonds Series 2016A	\$ 13,555,000	\$ -	\$ -	\$ 13,555,000	\$ -
LPFA Refunding Bonds Series 2016B	2,395,000	-	(925,000)	1,470,000	945,000
Premium (discount) on bonds, net	1,043,319	-	(56,128)	987,191	56,128
Capital leases	<u>1,443,636</u>	<u>132,208</u>	<u>(189,373)</u>	<u>1,386,471</u>	<u>193,810</u>
Total bonds and leases payable	<u>18,436,955</u>	<u>132,208</u>	<u>(1,170,501)</u>	<u>17,398,662</u>	<u>1,194,938</u>
Other liabilities:					
Compensated absences	<u>2,234,840</u>	<u>1,573,649</u>	<u>(1,368,389)</u>	<u>2,440,100</u>	<u>1,952,079</u>
<b>Total Governmental Activities</b>	<b><u>\$ 20,671,795</u></b>	<b><u>\$ 1,705,857</u></b>	<b><u>\$ (2,538,890)</u></b>	<b><u>\$ 19,838,762</u></b>	<b><u>\$ 3,147,017</u></b>

A description of the long-term liabilities related to governmental activities at June 30, 2020 follows:

LPFA Refunding Bonds Series 2016 A&B

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

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

For the Year Ending June 30,	2016A		2016B		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ -	\$ 510,838	\$ 945,000	\$ 21,394	\$ 945,000	\$ 532,232
2022	445,000	510,938	525,000	5,854	970,000	516,792
2023	1,000,000	473,038	-	-	1,000,000	473,038
2024	1,045,000	432,138	-	-	1,045,000	432,138
2025	1,085,000	389,538	-	-	1,085,000	389,538
2026 - 2030	5,230,000	1,270,990	-	-	5,230,000	1,270,990
2031 - 2035	3,285,000	502,777	-	-	3,285,000	502,777
2036 - 2037	<u>1,465,000</u>	<u>47,568</u>	<u>-</u>	<u>-</u>	<u>1,465,000</u>	<u>47,568</u>
Total	<u>\$ 13,555,000</u>	<u>\$ 4,137,825</u>	<u>\$ 1,470,000</u>	<u>\$ 27,248</u>	<u>\$ 15,025,000</u>	<u>\$ 4,165,073</u>

**CITY OF LINCOLN**  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2020

**NOTE 7: LONG-TERM LIABILITES (CONTINUED)**

Premium/Discount on Bonds

Net capitalized premiums (discount) on bonds related to the above issuances have been recorded in the amount of \$987,191 and netted with the balance of the bonds as presented on the government-wide financial statements. The balance is amortized using the straight line method over the bond term. Net accretion for the year ended June 30, 2020 totaled \$(56,125).

Capital Lease

In September 2019, the City entered into a capital lease with KS State Bank in the initial amount of \$132,208 for the purchase of police vehicles. Principal and interest payments of \$28,831 are due annually until October 2023. Interest on the lease is 4.348%. At June 30, 2020, equipment, net of accumulated depreciation under the capital lease totaled \$132,208.

In February 2019, the City entered into a capital lease with CSI Leasing in the initial amount of \$152,699 for the purchase of audio visual equipment. Principal and interest payments of \$2,993 are due monthly until January 2024. Interest on the lease is 6.57%. At June 30, 2020, equipment, net of accumulated depreciation under the capital lease totaled \$152,699.

In January 2019, the City entered into a capital lease with Lease Servicing Center, Inc. dba National Cooperative Leasing in the initial amount of \$104,599 for the purchase three police vehicles. Principal and interest payments of \$2,000 are due monthly until January 2024. Interest on the lease is 5.54%. At June 30, 2020, equipment, net of accumulated depreciation under the capital lease totaled \$104,599.

In July 2018, the City entered into a capital lease with US Bancorp Government Leasing and Finance, Inc. in the initial amount of \$1,337,394 for the purchase of fire trucks. Principal and interest payments of \$157,586 are due annually until February 2028. Interest on the lease is 3.43%. At June 30, 2020, equipment, net of accumulated depreciation under the capital lease totaled \$1,337,394.

Future debt service payments on the leases is as follows:

For the Year Ending June 30,	Principal	Interest
2021	\$ 193,810	\$ 52,312
2022	202,200	44,014
2023	210,883	35,332
2024	199,576	26,435
2025	137,750	19,836
2026 - 2028	442,252	30,506
Total	\$ 1,386,471	\$ 208,435

Compensated Absences

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

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 7: LONG-TERM LIABILITIES (CONTINUED)**

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

<u>For the Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 1,138,810	\$ 584,544
2022	1,172,200	560,806
2023	1,210,883	508,370
2024	1,244,576	458,573
2025	1,222,750	409,374
2026 - 2030	5,672,252	1,301,496
2031 - 2035	3,285,000	502,777
2036 - 2037	<u>1,465,000</u>	<u>47,568</u>
Total	<u>\$ 16,411,471</u>	<u>\$ 4,373,508</u>

**B. Business-type Activities**

Business-type activities long-term debt issued and outstanding at June 30, 2020 was comprised of the following:

<u>Type of Indebtedness</u>	<u>Outstanding June 30, 2020</u>
Compensated absences	\$ <u>563,884</u>

The following is a summary of changes in the City's business-type long-term liabilities for the fiscal year ended June 30, 2020:

	<u>Balance at July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2020</u>	<u>Current Portion</u>
<b>Business-Type Activities:</b>					
Other liabilities:					
Compensated absences	\$ <u>450,144</u>	\$ <u>390,951</u>	\$ <u>(277,211)</u>	\$ <u>563,884</u>	\$ <u>451,107</u>
<b>Total Business-Type Activities</b>	<u>\$ 450,144</u>	<u>\$ 390,951</u>	<u>\$ (277,211)</u>	<u>\$ 563,884</u>	<u>\$ 451,107</u>

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 8: SPECIAL ASSESSMENT DEBT WITH NO CITY COMMITMENT**

The City reports the debt service transactions of various special assessment issues for which the City is not obligated in any manner, in Agency funds. The debt will be paid from and is secured solely by the revenues of these special assessment districts and does not constitute an indebtedness of the City. At June 30, 2020, the principal amount of special assessment debt outstanding for which the City is not obligated was as follows:

Assessment Debt	Project Description	Original Amount	Outstanding June 30, 2020
Special Tax Bonds, Series 1998 Lincoln Airpark 98-1	Lincoln Airpark	\$ 3,380,000	\$ 900,000
Refunding Bond, Series 2011A Twelve Bridges Series 2004	Twelve Bridges	28,305,000	13,985,000
Refunding Bond, Series 2011B Twelve Bridges Series 2004	Twelve Bridges	13,495,000	6,999,000
Special Tax Refunding Bonds 2018 CFD Lincoln Crossing Project Series 2018	Lincoln Crossing	64,470,000	62,220,000
Special Tax Revenue Bonds, Series 2013 Lakeside Series 2013	Lakeside	4,830,000	4,680,000
Special Tax Revenue Bonds, Series 2013 CFD Sorrento Series 2013	Sorrento Project	5,165,000	1,340,000
Special Tax Revenue Bonds, Series 2014 CFD Sorrento Series 2014	Sorrento Project	5,680,000	5,640,000
Special Tax Revenue Bonds, Series 2017 CFD Lakeside Series 2006-1	Lakeside	6,235,000	5,890,000
Special Tax Revenue Bonds, Series 2016 CFD Sorrento Series 2005-1	Sorrento Project	8,860,000	8,675,000
Special Tax Revenue Bonds, Series 2017 CFD Foskett Ranch 2017-1	Foskett Ranch	2,975,000	<u>2,715,000</u>
			<u>\$ 113,044,000</u>

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 9: POSTCLOSURE**

The City of Lincoln has postclosure responsibility for one closed landfill site. State and federal laws and regulations require the City to place a final cover over its closed landfill and perform certain maintenance and monitoring functions at the landfill site for thirty years following its closure. Closure procedures have been performed and postclosure activity is recorded in the Solid Waste enterprise fund. The estimated liability for postclosure care costs is estimated to be \$438,917 as of June 30, 2020. 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, 2020. However, the actual costs may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

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

**NOTE 10: FUND BALANCE**

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

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

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

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

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

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

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

**CITY OF LINCOLN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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

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

The fund balances for all major and nonmajor governmental funds as of June 30, 2020, were distributed as follows:

	General Fund	Public Facility Element (PFE)	Water Connections	Special Assessment Districts	Develop- ment Services	Low/ Moderate Income Housing	Non-Major Govern- mental Funds	Total Governmental Funds
<b>Nonspendable</b>								
Prepaid items	\$ 399,729	\$ -	\$ -	\$ 8,043	\$ 51,575	\$ -	\$ 20,514	\$ 479,861
Advances to other funds	4,906,406	-	-	-	-	-	-	4,906,406
Endowments - principal	-	-	-	-	-	-	356,659	356,659
<b>Total Nonspendable</b>	<u>5,306,135</u>	<u>-</u>	<u>-</u>	<u>8,043</u>	<u>51,575</u>	<u>-</u>	<u>377,173</u>	<u>5,742,926</u>
<b>Restricted</b>								
Public facility improvements	-	6,198,317	-	-	-	-	-	6,198,317
Water capacity expansion	-	-	41,810,934	-	-	-	-	41,810,934
Public improvements and maintenance	-	-	-	7,989,477	-	-	-	7,989,477
Parks and recreation	-	-	-	-	-	-	1,568,479	1,568,479
Streets and roads	-	-	-	-	-	-	4,864,361	4,864,361
Grants	-	-	-	-	-	-	275,879	275,879
Debt service	-	-	-	-	-	-	3,384,621	3,384,621
Loan programs	-	-	-	-	-	-	1,825,703	1,825,703
Capital projects	-	-	-	-	-	-	1,499,782	1,499,782
Housing	-	-	-	-	-	1,696,907	-	1,696,907
Oak tree replacement	-	-	-	-	-	-	4,317,011	4,317,011
Mandated training fee	-	-	-	-	90,270	-	-	90,270
Endowments - open space preservation	-	-	-	-	-	-	196,262	196,262
<b>Total Restricted</b>	<u>-</u>	<u>6,198,317</u>	<u>41,810,934</u>	<u>7,989,477</u>	<u>90,270</u>	<u>1,696,907</u>	<u>17,932,098</u>	<u>75,718,003</u>
<b>Committed</b>								
OPEB	2,094,818	-	-	-	-	-	-	2,094,818
Operating reserve	4,674,039	-	-	-	-	-	-	4,674,039
Capital replacement	327,150	-	-	-	-	-	-	327,150
<b>Total Committed</b>	<u>7,096,007</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,096,007</u>
<b>Assigned</b>								
PERS UAL	678,711	-	-	-	-	-	-	678,711
Fees for future improvements	1,596,904	-	-	-	4,834,251	-	-	6,431,155
<b>Total Assigned</b>	<u>2,275,615</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,834,251</u>	<u>-</u>	<u>-</u>	<u>7,109,866</u>
<b>Unassigned</b>	<u>5,239,923</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(441,536)</u>	<u>4,798,387</u>
<b>Total Fund Balance</b>	<u>\$ 19,917,680</u>	<u>\$ 6,198,317</u>	<u>\$ 41,810,934</u>	<u>\$ 7,997,520</u>	<u>\$ 4,976,096</u>	<u>\$ 1,696,907</u>	<u>\$17,867,735</u>	<u>\$100,465,189</u>

**CITY OF LINCOLN**  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2020

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

**Governmental Funds**

As of June 30, 2020, the following governmental funds had a fund balance deficit:

<u>Governmental Fund</u>	<u>Amount</u>
Federal Grants	\$ 321,838
Twelve Bridges Capital Project	7,459
Lincoln Crossing	112,239

The deficit in the Federal Grants fund of \$321,838 was a result of expenditures incurred in advance of receipt of revenue and will be eliminated through future revenues.

The deficit in the Twelve Bridges Capital Project and Lincoln Crossing funds were a result of a return of unused bond funds to agency funds.

**Proprietary Funds**

As of June 30, 2020, the following proprietary fund had a negative unrestricted net position:

<u>Proprietary Fund</u>	<u>Amount</u>
Airport	\$ 6,359,697

The Airport fund had a negative unrestricted net position of \$6,359,697. This fund does not have an immediate revenue source to cover this negative amount. The unrestricted net position deficit is due to airport revenue generating activities such as fuel sales, tie downs, and hanger rentals which have not kept up with operating expenses and capital improvement costs.

**NOTE 12: DEFINED BENEFIT PENSION PLAN**

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

Plan Description

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

**CITY OF LINCOLN**  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2020

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

Benefits Provided

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

The rate plan's provisions and benefits in effect at June 30, 2020, are summarized as follows:

	<b>Miscellaneous</b>		
	Prior to February 13, 2011	Between February 13, 2011 and January 1, 2013	On or After January 1, 2013
Hire Date	Tier I	Tier II	PEPRA
Benefit Formula	2.7% @ 55	2.0% @ 60	2.0% @ 62
Benefit Vesting Schedule	5 years service	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life	monthly for life
Retirement Age	50 - 55	50 - 60	52 - 62
Monthly Benefits, as a % of Eligible Compensation	2.000 - 2.700%	1.092 - 2.418%	1.000 - 2.500%
Required Employee Contribution Rates	8.00%	7.00%	6.25%
Required Employer Contribution Rates*	35.609%	8.579%	7.120%
	<b>Safety</b>		
Hire Date	Prior to January 1, 2013	On or After January 1, 2013	On or After January 1, 2013
	Tier I	PEPRA Fire	PEPRA Police
Benefit Formula	3.0% @ 50	2.7% @ 57	2.7% @ 57
Final compensation	Three-year average	Three-year average	Three-year average
Benefit Vesting Schedule	5 years service	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life	monthly for life
Retirement Age	50	50 - 57	50 - 57
Monthly Benefits, as a % of Eligible Compensation	3.0%	2.0% - 2.7%	2.0% - 2.7%
Required Employee Contribution Rates	9.00%	12.00%	12.00%
Required Employer Contribution Rates*	31.50%	14.217%	14.099%

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

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The City's contributions to the Plan for the year ending June 30, 2020 were \$2,951,400.

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020

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

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

As of June 30, 2020, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$22,596,016. \$17,183,322 of the liability is reported in governmental activities and \$5,412,694 of the liability is reported in business-type activities.

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2019, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2018 and 2019 was as follows:

Proportion - June 30, 2018	0.21781%
Proportion - June 30, 2019	0.22051%
Change - Increase (Decrease)	0.00271%

For the year ended June 30, 2020, the City recognized a pension expense of \$5,174,322. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to the measurement date	\$ 2,951,400	\$ -
Changes of assumptions	1,023,337	309,953
Differences between actual and expected experience	1,535,723	78,081
Differences between projected and actual investment earnings	-	364,915
Differences between employer's contributions and proportionate share of contributions	76,510	340,951
Change in employer's proportion	<u>591,347</u>	<u>290,951</u>
Total	<u>\$ 6,178,317</u>	<u>\$ 1,384,851</u>

\$2,951,400 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>For the Fiscal Year Ending June 30,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2021	\$ 1,824,965
2022	(237,025)
2023	181,222
2024	72,904

**CITY OF LINCOLN**  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2020

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

Actuarial Assumptions

The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.00% net of pension plan investment expenses; includes inflation
Mortality (1)	Derived using CalPERS membership data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until purchasing power protection allowance floor on purchasing power applies, 2.50% thereafter

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

Changes in Assumptions

For the measurement period June 30, 2019, there were no changes in assumptions.

Discount Rate

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

Long-term Expected Rate of Return

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

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

**CITY OF LINCOLN**  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2020

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

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

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

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

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

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

	<u>Discount Rate -1% (6.15%)</u>	<u>Current Discount Rate (7.15%)</u>	<u>Discount Rate +1% (8.15%)</u>
Net Pension Liability (Asset)	\$ 34,956,096	\$ 22,596,016	\$ 12,423,423

Pension Plan Fiduciary Net Position

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

**NOTE 13: OTHER POST EMPLOYMENT BENEFITS**

Plan Description

*Plan administration:* The City administers a single employer defined benefit other postemployment healthcare (OPEB) plan providing health plan coverage to eligible retired employees and their eligible dependents. The City maintains the same medical plans for its retirees as for its active employees.

*Benefits provided:* Employees become eligible to retire and receive City-paid healthcare benefits upon attainment of age 50 and 5 years of service. For retirees hired prior to January 1, 1998, the City pays the full premium of the retiree, spouse, and eligible dependents. Supplemental contributions are paid from a City-funded Retirement Medical Account to the extent necessary to achieve compliance with PEMHCA's equal contribution method with respect to these retirees. For all others, the City pays 50% of the applicable "State Formula" dollar amount for retirees with 10 years of service, plus an additional 5% per year of service, to a maximum of 100% after 20 years. Benefits are paid for the lifetime of the retiree, spouse or surviving spouse, and dependents up to the age of 26. The 2018 State Formula monthly dollar amounts are \$725 single, \$1,377 two-party, and \$1,766 family, and for 2019 the corresponding amounts are \$734, \$1,398, and \$1,788. In addition, the City pays a 0.33%-of-premium administrative fee to PEMHCA for each retiree.

**CITY OF LINCOLN**  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2020

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

Employees Covered

As of the June 30, 2019 actuarial valuation, membership consisted of the following:

Active plan members	155
Inactive plan members or beneficiaries currently receiving benefit payments	<u>64</u>
 Total	 <u><u>219</u></u>

Contributions

The contribution requirements of plan members and the City are established and may be amended by the City Council. The required contribution is based on projected pay-as-you-go financing requirements.

Net OPEB Liability

The City's net OPEB liability ("NOL") was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019. The total OPEB liability was determined using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

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

Mortality rates were the published CalPERS rates, adjusted to back out 15 years of Scale MP 2016 to central year 2015 and then projected based on MacLeod Watts Scale 2020 applied generationally from 2015.

Demographic actuarial assumptions used in the June 30, 2019 valuation were based on the 2017 experience study of CalPERS using data from 1997 to 2015.

Changes in Assumptions

In the June 30, 2019 valuation, the discount rate was changed from 7% to 5.8%.

**CITY OF LINCOLN**  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2020

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

Expected Long-term Return on Trust Assets

The expected long-term return on trust assets was derived from information provided by the City's Trust Asset Manager. The target allocation and best estimates of geometric real rates of return of each major asset class are summarized in the following table:

<u>Asset Category</u>	<u>Current Allocation</u>	<u>Long-term Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Domestic Equity	33.6%	30.5%	7.8%
Fixed Income	47.9%	39.0%	3.5%
International Equity	10.1%	21.5%	6.7%
Real Estate	8.4%	9.5%	6.7%

Discount Rate

GASB 75 requires a discount rate that reflects the following:

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

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

<u>Reporting Date</u>	<u>Measurement Date</u>	<u>Long-Term Expected Return of Plan Investments (if any)</u>	<u>Discount Rate</u>
June 30, 2020	June 30, 2019	5.80%	5.80%

<u>Changes in the Net OPEB Liability</u>	<u>Total OPEB Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net OPEB Liability/(Asset) (c) = (a) - (b)</u>
Total OPEB Liability June 30, 2018	\$ 18,026,797	\$ 3,797,614	\$ 14,229,183
Service cost	458,435	-	458,435
Interest cost	1,268,915	-	1,268,915
Employer contributions	-	1,680,769	(1,680,769)
Net investment income	-	263,013	(263,013)
Difference between expected and actual experience	3,219,910	-	3,219,910
Changes of assumptions	8,596,918	-	8,596,918
Benefit payments	(715,734)	(715,734)	-
Administrative expense	-	(13,083)	13,083
Net change during 2018-19	<u>12,828,444</u>	<u>1,214,965</u>	<u>11,613,479</u>
Balance at June 30, 2020	<u>\$ 30,855,241</u>	<u>\$ 5,012,579</u>	<u>\$ 25,842,662</u>

**CITY OF LINCOLN**  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2020

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

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

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

	1% Decrease (4.80%)	Current Discount Rate (5.80%)	1% Increase (6.80%)
Net OPEB Liability (Asset)	\$ 30,634,787	\$ 25,842,662	\$ 21,960,475

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

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

	1% Decrease (4.40%)	Current Healthcare Cost Trend Rate (5.40%)	1% Increase (6.40%)
Net OPEB Liability (Asset)	\$ 21,457,681	\$ 25,842,662	\$ 31,363,048

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

For the fiscal year ended June 30, 2020, the City recognized OPEB expense of \$3,039,172. As of fiscal year ended June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 1,918,161	\$ -
Changes of assumptions	7,452,189	-
Differences between expected and actual experience	2,791,160	-
Net difference between projected and actual return on investments	70,260	-
Total	\$ 12,231,770	\$ -

\$1,918,161 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the subsequent fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as follows:

For the Fiscal Year Ending June 30,	Recognized Net Deferred Outflows (Inflows) of Resources
2021	\$ 1,597,891
2022	1,597,893
2023	1,587,691
2024	1,580,705
2025	1,573,479
Thereafter	2,375,950

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020

**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, 2020, the nonspendable amount was \$356,659 and the spendable amount was \$196,262.

**NOTE 15: RISK MANAGEMENT**

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

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

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

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

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

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

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

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

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

**CITY OF LINCOLN**  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2020

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

The City's investment in the NCCSIF of \$765,477 is recorded in the funds as prepaid insurance. The net change is shown as an income or expenditure/expense item in the funds.

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

The following funds incurred expenditures and transfers in excess of appropriations in the following amounts for the year ended June 30, 2020:

Fund	Excess Expenditures and Transfers
Water Connections	\$ 70,461
Park In-Lieu	634
Parks and Recreation Tax	453
Police Grants	28
Revitalization and Rehabilitation Loans	540
Oak Tree Mitigation	171
Federal Grants	1,150

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

**NOTE 17: CONTINGENCIES AND COMMITMENTS**

Grant Awards

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

Litigation

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

Contracts

At June 30, 2020, the City had construction contracts outstanding of approximately \$7,810,812 related to various capital projects.

Joint Powers Agreement

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

**CITY OF LINCOLN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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

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

Public Health Emergency

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

**NOTE 18: SPECIAL ITEMS**

**Agency Fund Bond Proceeds**

During the fiscal year ended June 30, 2020, the City reported the receipt of bond funds of \$1,500,000 in the Lincoln Crossing capital project fund from the Lincoln Crossing CFD agency fund.

**Return of Unused Bond Funds**

During the fiscal year ended June 30, 2020, the City reported a return of unused bond funds as noted below:

<u>Returning Capital Project Fund</u>	<u>Receiving Agency Fund</u>	<u>Amount</u>
Twelve Bridges Capital Project	Twelve Bridges Series 2011	\$ 11,580,358
Sorrento Project Series 2006	Sorrento CFD	2,101,818
Lakeside CFD Improvement Area	Lakeside CFD	9,082
Lincoln Crossing	Lincoln Crossing CFD	321,384
Foskett Ranch Series 2004-3	Foskett Ranch CFD	<u>36,214</u>
	Total	<u>\$ 14,048,856</u>

**NOTE 19: SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY**

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

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City. Amounts owed to the City are included in Advances to Successor Agency and consisted of \$3,796,707 due to the Water Connections fund.

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020

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

Capital assets activity for the year ended June 30, 2020, was as follows:

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2020</u>
Capital assets, not being depreciated				
Land	\$ 488,436	\$ 500,000	\$ (97,080)	\$ 891,356
Total capital assets, not being depreciated	<u>488,436</u>	<u>500,000</u>	<u>(97,080)</u>	<u>891,356</u>
Capital assets, net	\$ <u>488,436</u>	\$ <u>500,000</u>	\$ <u>(97,080)</u>	\$ <u>891,356</u>

The following is a summary of changes in long-term liabilities for the year ended June 30, 2020:

	<u>Balance at July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2020</u>	<u>Current Portion</u>
Tax Allocation Refunding Series 2016A	\$ 6,100,000	\$ -	\$ -	\$ 6,100,000	\$ 475,000
Tax Allocation Refunding Series 2016B	950,000	-	(705,000)	245,000	245,000
Premium (discount) on bonds, net	<u>327,560</u>	<u>-</u>	<u>(17,288)</u>	<u>310,272</u>	<u>17,287</u>
<b>Total Long-Term Liabilities</b>	<u>\$ 7,377,560</u>	<u>\$ -</u>	<u>\$ (722,288)</u>	<u>\$ 6,655,272</u>	<u>\$ 737,287</u>

A description of the long-term liabilities related to the Successor Agency at June 30, 2020 follows:

Tax Allocation Refunding Bonds Series 2016 A&B

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

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

**CITY OF LINCOLN**  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2020

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

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

For the Year Ending June 30,	2016A		2016B		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 475,000	\$ 249,106	\$ 245,000	\$ 2,910	\$ 720,000	\$ 252,016
2022	745,000	224,706	-	-	745,000	224,706
2023	775,000	194,306	-	-	775,000	194,306
2024	805,000	158,681	-	-	805,000	158,681
2025	845,000	117,431	-	-	845,000	117,431
2026 - 2030	1,940,000	190,905	-	-	1,940,000	190,905
2031 - 2034	<u>515,000</u>	<u>39,702</u>	-	-	<u>515,000</u>	<u>39,702</u>
Total	<u>\$ 6,100,000</u>	<u>\$ 1,174,837</u>	<u>\$ 245,000</u>	<u>\$ 2,910</u>	<u>\$ 6,345,000</u>	<u>\$ 1,177,747</u>

**NOTE 20: PRIOR PERIOD ADJUSTMENT**

Governmental Activities

The following governmental activities prior period adjustment was recorded by the City, effectively decreasing net position as of July 1, 2019 by \$126,949. The net decrease resulted from the following:

Correction of prior year revenue	\$ (57,500)
Correction of capital assets	<u>(69,449)</u>
Total governmental activities prior period restatement	<u>\$ (126,949)</u>

Business-type Activities

The following business-type activities prior period adjustment was recorded by the City, effectively increasing net position as of July 1, 2019 by \$1,170,622. The net increase resulted from the following:

Correction of capital assets	\$ <u>1,170,622</u>
Total business-type activities prior period restatement	<u>\$ 1,170,622</u>

Governmental Funds

The following governmental fund prior period adjustments were recorded by the City, effectively decreasing fund balance as of July 1, 2019 by \$57,500. The decrease resulted from the following:

Correction of prior year revenue	\$ <u>(57,500)</u>
Total governmental funds prior period restatement	<u>\$ (57,500)</u>

**CITY OF LINCOLN**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 20: PRIOR PERIOD ADJUSTMENT (CONTINUED)**

Proprietary Funds

The following proprietary fund prior period adjustments were recorded by the City, effectively increasing fund balance as of July 1, 2019 by \$1,197,964. The net increase resulted from the following:

Correction of capital assets	\$ <u>1,197,964</u>
Total proprietary funds prior period restatement	\$ <u><u>1,197,964</u></u>

**NOTE 21: SUBSEQUENT EVENTS**

During the 2019/2020 Fiscal Year, the City continued to renegotiate several property tax sharing agreements that were previously entered into with Placer County. The Limited Term Property Tax Increment Agreement was successfully executed in November 2020. However, it should be noted that associated increases in General Fund revenue will not be realized until the 2020/2021 Fiscal Year.

In August 2020, the City began the process of refunding the Community Facilities District No. 2006-1 Lakeside Area 1 Special Tax Bonds, Series 2013. The refunding should be complete by February 2021. The principal amount of the new bonds will be approximately \$4,900,000. The present value savings of the new bonds versus the old bonds is estimated to be \$952,000. These savings will be passed onto the taxpayers within the CFD and will range from an annual savings amount to them of \$349 to \$439 per year.

On October 13, 2020 the City Council adopted a resolution that allowed the current monthly CIP service charge for water usage by customers to be reduced by 95%. The rate at which the proposed reduction will decrease the existing surplus in the Source Water Connection Fund is based on the number of meters in each meter size category. The number of meters fluctuate monthly. It is estimated that based on the current number of meters the monthly bill reduction for all customers will be \$322,241 per month and approximately \$3,866,902 per year. This rate reduction will become effective January 1, 2021. In addition, the City Council approved a transfer of \$1,933,451 from the Source Water Connection fund to the Water Capital Replacement fund.

Management has evaluated subsequent events through January 4, 2021 the date on which the financial statements were available for issuance. Management has determined no other subsequent events requiring disclosure have occurred.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**CITY OF LINCOLN  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
Prepared for the City's Miscellaneous and Safety Plan, a Cost Sharing Defined Benefit Pension Plan  
As of June 30, 2020  
Last 10 Years \***

	Measurement Period					
	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability	0.22051 %	0.21781 %	0.21651 %	0.21666 %	0.22580 %	0.22100 %
Proportionate share of the net pension liability	\$22,596,016	\$20,988,366	\$21,472,079	\$18,748,220	\$15,498,852	\$13,410,759
Covered payroll	\$12,523,804	\$12,408,728	\$11,448,542	\$11,091,872	\$ 9,853,264	\$ 9,416,587
Proportionate share of the net pension liability as a percentage of covered payroll	180.42 %	169.14 %	187.55 %	169.03 %	157.30 %	142.42 %
Plan fiduciary net position as a percentage of the total pension liability	75.30 %	75.30 %	73.29 %	74.06 %	78.40 %	79.82 %

**Notes to Schedule:**

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

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

**CITY OF LINCOLN  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF PENSION CONTRIBUTIONS  
Prepared for the City's Miscellaneous and Safety Plan, a Cost Sharing Defined Benefit Pension Plan  
As of June 30, 2020  
Last 10 Years \***

	Fiscal Year-End					
	2020	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 2,951,400	\$ 2,357,589	\$ 2,387,695	\$ 2,413,504	\$ 2,325,521	\$ 2,175,731
Contributions in relation to the actuarially determined contributions	<u>2,951,400</u>	<u>2,357,589</u>	<u>2,387,695</u>	<u>2,413,504</u>	<u>2,325,521</u>	<u>2,175,731</u>
Contribution deficiency (excess)	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -
Covered payroll	\$13,246,028	\$12,523,804	\$12,408,728	\$11,448,542	\$11,091,872	\$ 9,853,264
Contributions as a percentage of covered payroll	22.28 %	18.82 %	19.24 %	21.08 %	20.97 %	22.08 %

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

**CITY OF LINCOLN  
REQUIRED SUPPLEMENTARY INFORMATION**

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB liability</b>			
Service cost	\$ 458,435	\$ 458,434	\$ 428,445
Interest	1,268,915	1,170,689	1,108,069
Actual vs. expected experience	3,219,910	-	-
Changes in assumptions	8,596,918	-	-
Benefit payments	<u>(715,734)</u>	<u>(642,049)</u>	<u>(641,837)</u>
Net change in total OPEB liability	12,828,444	987,074	894,677
Total OPEB liability, beginning	<u>18,026,797</u>	<u>17,039,723</u>	<u>16,145,046</u>
Total OPEB liability, ending (a)	<u>\$ 30,855,241</u>	<u>\$ 18,026,797</u>	<u>\$ 17,039,723</u>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 1,680,769	\$ 1,387,317	\$ 641,837
Net investment income	263,013	232,736	265,305
Benefit payments	(715,734)	(642,049)	(641,837)
Administrative expenses	<u>(13,083)</u>	<u>(32,510)</u>	<u>(31,048)</u>
Net change in plan fiduciary net position	1,214,965	945,494	234,257
Plan fiduciary net position, beginning	<u>3,797,614</u>	<u>2,852,120</u>	<u>2,617,863</u>
Plan fiduciary net position, ending (b)	<u>\$ 5,012,579</u>	<u>\$ 3,797,614</u>	<u>\$ 2,852,120</u>
Net OPEB liability, ending (a) - (b)	<u>\$ 25,842,662</u>	<u>\$ 14,229,183</u>	<u>\$ 14,187,603</u>
Plan fiduciary net position as a percentage of the total OPEB liability	16.25 %	21.07 %	16.74 %
Covered-employee payroll	\$ 15,063,799	\$ 14,446,929	\$ 13,889,533
Net OPEB liability as a percentage of covered-employee payroll	171.55 %	98.49 %	102.15 %

**Notes to Schedule:**

Changes of assumptions: The discount rate was changed from 7.00 percent to 5.80 percent for the measurement period ended June 30, 2019.

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

**CITY OF LINCOLN  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF OPEB CONTRIBUTIONS  
For the Fiscal Year Ended June 30  
Last 10 Years\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially Determined Contribution (ADC)	\$ 1,918,161	\$ 1,291,605	\$ 1,222,832
Contributions in relation to the ADC	<u>(1,918,161)</u>	<u>(1,680,769)</u>	<u>(1,461,479)</u>
Contribution deficiency (excess)	\$ <u>          -</u>	\$ <u>(389,164)</u>	\$ <u>(238,647)</u>
Covered-employee payroll	14,551,020	14,446,929	13,889,533
Contributions as a percentage of covered-employee payroll	13.18%	11.63%	10.52%

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

**CITY OF LINCOLN**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>2019 - 2020</b>		<b>Actual</b>	<b>Variance</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
Taxes and assessments	\$ 16,058,853	\$ 16,279,853	\$ 16,497,580	\$ 217,727
Licenses and permits	797,900	897,900	1,126,967	229,067
Intergovernmental	335,500	381,063	346,621	(34,442)
Fines and forfeitures	66,500	86,500	56,661	(29,839)
Use of money and property	246,105	256,705	797,919	541,214
Charges for services	1,974,298	2,272,361	2,052,334	(220,027)
Other revenues	<u>293,700</u>	<u>466,833</u>	<u>568,685</u>	<u>101,852</u>
Total Revenues	<u>19,772,856</u>	<u>20,641,215</u>	<u>21,446,767</u>	<u>805,552</u>
<b>EXPENDITURES</b>				
Current:				
General Government				
Administration allocation	2,626,905	2,561,905	2,571,129	(9,224)
City council	222,757	174,445	260,305	(85,860)
City treasurer	652	9,029	9,136	(107)
City attorney	229,936	229,936	207,599	22,337
City manager administration	-	35,000	21,097	13,903
Human resources	13,650	13,650	19,865	(6,215)
Economic development	264,883	273,883	258,059	15,824
Finance	<u>360,827</u>	<u>366,727</u>	<u>434,618</u>	<u>(67,891)</u>
<b>Total General Government</b>	<u>3,719,610</u>	<u>3,664,575</u>	<u>3,781,808</u>	<u>(117,233)</u>
Public Safety				
Fire operations	5,269,183	5,780,331	5,393,699	386,632
Police operations	<u>5,968,294</u>	<u>6,294,456</u>	<u>6,402,686</u>	<u>(108,230)</u>
<b>Total Public Safety</b>	<u>11,237,477</u>	<u>12,074,787</u>	<u>11,796,385</u>	<u>278,402</u>
Public Works and Facilities				
Parks	309,076	587,076	546,478	40,598
Facilities Maintenance	<u>676,210</u>	<u>678,210</u>	<u>559,083</u>	<u>119,127</u>
<b>Total Public Works</b>	<u>985,286</u>	<u>1,265,286</u>	<u>1,105,561</u>	<u>159,725</u>
Culture and Recreation				
Recreation and administration	345,439	353,359	337,520	15,839
Adult sports	98,215	98,215	41,519	56,696
Youth sports	192,353	192,353	133,845	58,508
Community classes/facility rental	295,862	295,862	203,570	92,292
Special events	116,079	116,079	72,280	43,799
Contract classes	119,463	119,463	82,294	37,169
Aquatic programs	<u>121,519</u>	<u>121,519</u>	<u>83,374</u>	<u>38,145</u>
<b>Total Culture and Recreation</b>	<u>1,288,930</u>	<u>1,296,850</u>	<u>954,402</u>	<u>342,448</u>

**CITY OF LINCOLN**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>2019 - 2020</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b><u>Budgeted Amounts</u></b>			
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Actual Amounts</u></b>	
Urban Development and Housing				
Development services administration	265,151	236,151	241,460	(5,309)
Planning	140,373	155,373	147,504	7,869
Engineering	71,501	71,501	75,784	(4,283)
Building	<u>340,547</u>	<u>354,547</u>	<u>256,472</u>	<u>98,075</u>
<b>Total Urban Development and Housing</b>	<b><u>817,572</u></b>	<b><u>817,572</u></b>	<b><u>721,220</u></b>	<b><u>96,352</u></b>
Education				
Twelve Bridges library	<u>676,468</u>	<u>702,587</u>	<u>630,410</u>	<u>72,177</u>
<b>Total Education</b>	<b><u>676,468</u></b>	<b><u>702,587</u></b>	<b><u>630,410</u></b>	<b><u>72,177</u></b>
Capital Outlay				
Facilities maintenance	-	245,348	245,348	-
<b>Total Capital Outlay</b>	<b><u>-</u></b>	<b><u>245,348</u></b>	<b><u>245,348</u></b>	<b><u>-</u></b>
Debt Service				
Principal	-	50,916	27,261	23,655
Interest	<u>-</u>	<u>-</u>	<u>11,259</u>	<u>(11,259)</u>
<b>Total Debt Service</b>	<b><u>-</u></b>	<b><u>50,916</u></b>	<b><u>38,520</u></b>	<b><u>12,396</u></b>
Total Expenditures	<u>18,725,343</u>	<u>20,117,921</u>	<u>19,273,654</u>	<u>844,267</u>
Excess (deficiency) of revenues over expenditures	<u>1,047,513</u>	<u>523,294</u>	<u>2,173,113</u>	<u>1,649,819</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	416,273	556,973	1,737,587	1,180,614
Transfers out	<u>-</u>	<u>(1,457,255)</u>	<u>(1,108,398)</u>	<u>348,857</u>
<b>Total Other Financing Sources (Uses)</b>	<b><u>416,273</u></b>	<b><u>(900,282)</u></b>	<b><u>629,189</u></b>	<b><u>1,529,471</u></b>
Net change in fund balance	<b><u>\$ 1,463,786</u></b>	<b><u>\$ (376,988)</u></b>	2,802,302	<b><u>\$ 3,179,290</u></b>
Fund balance - July 1, 2019			<u>18,712,282</u>	
Fund balance - June 30, 2020			<b><u>\$ 21,514,584</u></b>	

**CITY OF LINCOLN**  
**PUBLIC FACILITY ELEMENT (PFE) - MAJOR SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>2019 - 2020</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Actual Amounts</b>	
<b><u>REVENUES</u></b>				
Use of money and property	\$ 111,457	\$ 228,357	\$ 560,031	\$ 331,674
Charges for services	2,563,839	3,643,839	3,838,410	194,571
Other revenues	<u>-</u>	<u>279,000</u>	<u>465,255</u>	<u>186,255</u>
Total Revenues	<u>2,675,296</u>	<u>4,151,196</u>	<u>4,863,696</u>	<u>712,500</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Public works and facilities	2,080	103,565	90,188	13,377
Education	81,000	81,000	70,556	10,444
Capital outlay	-	517,362	517,362	-
Debt service:				
Interest and fiscal charges	<u>20,248</u>	<u>20,248</u>	<u>38,379</u>	<u>(18,131)</u>
Total Expenditures	<u>103,328</u>	<u>722,175</u>	<u>716,485</u>	<u>5,690</u>
Net change in fund balance	<u>\$ 2,571,968</u>	<u>\$ 3,429,021</u>	4,147,211	<u>\$ 718,190</u>
Fund balance - July 1, 2019			<u>2,051,106</u>	
Fund balance - June 30, 2020			<u>\$ 6,198,317</u>	

**CITY OF LINCOLN**  
**WATER CONNECTIONS - MAJOR SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>2019 - 2020</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>			
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Actual Amounts</u></b>	
<b><u>REVENUES</u></b>				
Use of money and property	\$ 275,379	\$ 606,379	\$ 1,503,626	\$ 897,247
Charges for services	<u>2,237,705</u>	<u>2,537,705</u>	<u>3,676,732</u>	<u>1,139,027</u>
Total Revenues	<u>2,513,084</u>	<u>3,144,084</u>	<u>5,180,358</u>	<u>2,036,274</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Public works and facilities	-	59,303	59,311	(8)
Capital outlay	<u>6,856,160</u>	<u>2,777,179</u>	<u>2,847,632</u>	<u>(70,453)</u>
Total Expenditures	<u>6,856,160</u>	<u>2,836,482</u>	<u>2,906,943</u>	<u>(70,461)</u>
Net change in fund balance	<u>\$ (4,343,076)</u>	<u>\$ 307,602</u>	2,273,415	<u>\$ 1,965,813</u>
Fund balance - July 1, 2019			<u>39,537,519</u>	
Fund balance - June 30, 2020			<u>\$ 41,810,934</u>	

**CITY OF LINCOLN**  
**SPECIAL ASSESSMENT DISTRICTS - MAJOR SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>2019 - 2020</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Actual Amounts</b>	
<b><u>REVENUES</u></b>				
Taxes and assessments	\$ 3,686,893	\$ 3,686,893	\$ 4,104,329	\$ 417,436
Use of money and property	78,001	141,101	381,960	240,859
Charges for services	-	8,800	59,178	50,378
Other revenues	<u>11,025</u>	<u>33,994</u>	<u>34,407</u>	<u>413</u>
Total Revenues	<u>3,775,919</u>	<u>3,870,788</u>	<u>4,579,874</u>	<u>709,086</u>
<b><u>EXPENDITURES</u></b>				
Current:				
General government	38,935	38,935	42,132	(3,197)
Public safety	2,345	2,345	1,871	474
Public works and facilities	4,795,421	6,406,901	5,092,563	1,314,338
Capital outlay	<u>79,189</u>	<u>79,080</u>	<u>71,771</u>	<u>7,309</u>
Total Expenditures	<u>4,915,890</u>	<u>6,527,261</u>	<u>5,208,337</u>	<u>1,318,924</u>
Excess (deficiency) of revenues over expenditures	<u>(1,139,971)</u>	<u>(2,656,473)</u>	<u>(628,463)</u>	<u>2,028,010</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	845,657	845,657	789,073	(56,584)
Transfers out	<u>-</u>	<u>(76,653)</u>	<u>(46,653)</u>	<u>30,000</u>
Total Other Financing Sources (Uses)	<u>845,657</u>	<u>769,004</u>	<u>742,420</u>	<u>(26,584)</u>
Net change in fund balance	<u>\$ (294,314)</u>	<u>\$ (1,887,469)</u>	113,957	<u>\$ 2,001,426</u>
Fund balance - July 1, 2019			7,941,063	
Prior period adjustment			<u>(57,500)</u>	
Fund balance - June 30, 2020			<u>\$ 7,997,520</u>	

**CITY OF LINCOLN**  
**DEVELOPMENT SERVICES - MAJOR SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>2019 - 2020</b>		<b>Actual</b>	<b>Variance</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Positive</b>
				<b>(Negative)</b>
<b><u>REVENUES</u></b>				
License and permits	\$ 1,012,100	\$ 1,307,100	\$ 1,864,524	\$ 557,424
Use of money and property	130,000	131,000	311,251	180,251
Charges for services	839,080	1,139,080	1,952,390	813,310
Other revenues	<u>-</u>	<u>24,000</u>	<u>28,094</u>	<u>4,094</u>
Total Revenues	<u>1,981,180</u>	<u>2,601,180</u>	<u>4,156,259</u>	<u>1,555,079</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Public works and facilities	<u>2,473,342</u>	<u>2,750,293</u>	<u>2,290,435</u>	<u>459,858</u>
Total Expenditures	<u>2,473,342</u>	<u>2,750,293</u>	<u>2,290,435</u>	<u>459,858</u>
Excess (deficiency) of revenues over expenditures	<u>(492,162)</u>	<u>(149,113)</u>	<u>1,865,824</u>	<u>2,014,937</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers out	<u>-</u>	<u>(194,033)</u>	<u>(194,033)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(194,033)</u>	<u>(194,033)</u>	<u>-</u>
Net change in fund balance	<u>\$ (492,162)</u>	<u>\$ (343,146)</u>	1,671,791	<u>\$ 2,014,937</u>
Fund balance - July 1, 2019			<u>3,304,305</u>	
Fund balance - June 30, 2020			<u>\$ 4,976,096</u>	

**CITY OF LINCOLN  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY ACCOUNTING AND CONTROL  
FOR THE YEAR ENDED JUNE 30, 2020**

**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 Low/Moderate Income Housing major special revenue fund, the State Grants nonmajor special revenue fund, or the debt service and capital project funds. The following procedures are performed by the City in establishing the budgetary data reflected in the financial statements:

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

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

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

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

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

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess of Expenditures Over Appropriations</u>
Administration allocation	\$ 2,561,905	\$ 2,571,129	\$ 9,224
City council	174,445	260,305	85,860
City treasurer	9,029	9,136	107
Human resources	13,650	19,865	6,215
Finance	366,727	434,618	67,891
Police operations	6,294,456	6,402,686	108,230
Development services administration	236,151	241,460	5,309
Engineering	71,501	75,784	4,283
Debt service - interest	-	11,259	11,259

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**COMBINING FINANCIAL SCHEDULES AND OTHER SUPPLEMENTARY INFORMATION**

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## NON-MAJOR GOVERNMENTAL FUNDS

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

### **SPECIAL REVENUE FUNDS**

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

#### Park In-Lieu

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

#### Gas Tax

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

#### Street Fund

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

#### Parks and Recreation Tax

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

#### 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.

#### 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.

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## NON-MAJOR GOVERNMENTAL FUNDS

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

#### Oak Tree Mitigation

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

#### Federal Grants

Accounts for Federal grant revenues and project expenditures.

#### Supplemental Fees

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

### **CAPITAL PROJECT FUNDS**

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

#### Capital Projects

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

#### Twelve Bridges Capital Project

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

#### Aiken Ranch Financial District Improvement

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

#### Sorrento Project Series 2006

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

#### Lakeside CFD Improvement Area

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

#### Lincoln Crossing

Accounts for monies provided and used for Lincoln crossing improvements.

#### Foskett Ranch Series 2004-3

Accounts for monies provided and used for Foskett Ranch improvements.

### **DEBT SERVICE FUNDS**

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

#### Lincoln Public Financing Authority Series 2016

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

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## NON-MAJOR GOVERNMENTAL FUNDS

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### PERMANENT FUNDS

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

#### Stormwater Retention Maintenance

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

#### Suncal Open Space Endowment

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

#### Brookview Open Space Maintenance Trust

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

#### Sterling Point Endowment

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

#### WWTRF Tertiary Storage Basin Maintenance

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

#### Lincoln Aircenter

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

**CITY OF LINCOLN**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEETS**  
**JUNE 30, 2020**

<b>Special Revenue Funds</b>
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	Park In-Lieu	Gas Tax	Street Fund	Parks and Recreation Tax	State Grants
<b>ASSETS</b>					
Cash and investments	\$ 1,062,336	\$ 2,551,790	\$ 640,338	\$ 505,451	\$ 204,408
Accounts receivable	-	83,731	1,645,613	-	-
Interest receivable	469	1,156	265	223	-
Intergovernmental receivable	-	-	309,705	-	-
Prepaid items	-	7,309	13,205	-	-
Advances to other funds	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-
Loans receivable, net	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,062,805</b>	<b>\$ 2,643,986</b>	<b>\$ 2,609,126</b>	<b>\$ 505,674</b>	<b>\$ 204,408</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)</b>					
<b>LIABILITIES:</b>					
Accounts payable	\$ -	\$ 150,536	\$ 131,310	\$ -	\$ -
Accrued payroll and benefits	-	17,880	6,257	-	-
Accrued liabilities	-	-	-	-	-
Retention payable	-	39,721	22,533	-	-
Due to other funds	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>208,137</b>	<b>160,100</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable revenues	-	-	-	-	-
<b>FUND BALANCES (DEFICITS):</b>					
Nonspendable	-	7,309	13,205	-	-
Restricted	1,062,805	2,428,540	2,435,821	505,674	204,408
Unassigned	-	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>1,062,805</b>	<b>2,435,849</b>	<b>2,449,026</b>	<b>505,674</b>	<b>204,408</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<b>\$ 1,062,805</b>	<b>\$ 2,643,986</b>	<b>\$ 2,609,126</b>	<b>\$ 505,674</b>	<b>\$ 204,408</b>

**CITY OF LINCOLN**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEETS (continued)**  
**JUNE 30, 2020**

	<b>Special Revenue Funds</b>				
	Police Grants	Revitalization and Rehabilitation Loans	Community Development Block Grant (CDBG)	HOME Investment Partnership Program	Cal Home Grants
<b>ASSETS</b>					
Cash and investments	\$ 76,990	\$ 904,115	\$ 152,474	\$ 339,773	\$ 432,411
Accounts receivable	-	-	-	-	-
Interest receivable	14	399	67	150	191
Intergovernmental receivable	-	-	-	-	-
Prepaid items	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-
Loans receivable, net	-	-	481,478	1,715,281	688,920
<b>Total Assets</b>	<u>\$ 77,004</u>	<u>\$ 904,514</u>	<u>\$ 634,019</u>	<u>\$ 2,055,204</u>	<u>\$ 1,121,522</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)</b>					
<b>LIABILITIES:</b>					
Accounts payable	\$ -	\$ -	\$ 1,292	\$ 1,292	\$ 1,293
Accrued payroll and benefits	5,533	-	-	-	-
Accrued liabilities	-	-	-	-	-
Retention payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
<b>Total Liabilities</b>	<u>5,533</u>	<u>-</u>	<u>1,292</u>	<u>1,292</u>	<u>1,293</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable revenues	-	-	481,478	1,715,281	688,920
<b>FUND BALANCES (DEFICITS):</b>					
Nonspendable	-	-	-	-	-
Restricted	71,471	904,514	151,249	338,631	431,309
Unassigned	-	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<u>71,471</u>	<u>904,514</u>	<u>151,249</u>	<u>338,631</u>	<u>431,309</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<u>\$ 77,004</u>	<u>\$ 904,514</u>	<u>\$ 634,019</u>	<u>\$ 2,055,204</u>	<u>\$ 1,121,522</u>

**CITY OF LINCOLN**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEETS (continued)**  
**JUNE 30, 2020**

	Special Revenue Funds			Capital Project Funds		
	Oak Tree Mitigation	Federal Grants	Supplemental Fees	Capital Projects	Twelve Bridges Capital Project	Aiken Ranch Financial District Improvement
<b>ASSETS</b>						
Cash and investments	\$ 1,990,358	\$ -	\$ -	\$ 1,534,880	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-
Interest receivable	879	-	-	672	-	-
Intergovernmental receivable	-	1,347,286	-	-	-	-
Prepaid items	-	-	-	-	-	-
Advances to other funds	2,331,280	-	-	-	-	-
Restricted cash and investments	-	-	-	54,020	6,388	-
Loans receivable, net	-	-	-	-	-	-
<b>Total Assets</b>	<u>\$ 4,322,517</u>	<u>\$ 1,347,286</u>	<u>\$ -</u>	<u>\$ 1,589,572</u>	<u>\$ 6,388</u>	<u>\$ -</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)</b>						
<b>LIABILITIES:</b>						
Accounts payable	\$ 5,506	\$ 1,063,662	\$ -	\$ 20,182	\$ 7,459	\$ -
Accrued payroll and benefits	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-
Retention payable	-	79,809	-	69,608	6,388	-
Due to other funds	-	316,742	-	-	-	-
<b>Total Liabilities</b>	<u>5,506</u>	<u>1,460,213</u>	<u>-</u>	<u>89,790</u>	<u>13,847</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>						
Unavailable revenues	-	208,911	-	-	-	-
<b>FUND BALANCES (DEFICITS):</b>						
Nonspendable	-	-	-	-	-	-
Restricted	4,317,011	-	-	1,499,782	-	-
Unassigned	-	(321,838)	-	-	(7,459)	-
<b>Total Fund Balances (Deficits)</b>	<u>4,317,011</u>	<u>(321,838)</u>	<u>-</u>	<u>1,499,782</u>	<u>(7,459)</u>	<u>-</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<u>\$ 4,322,517</u>	<u>\$ 1,347,286</u>	<u>\$ -</u>	<u>\$ 1,589,572</u>	<u>\$ 6,388</u>	<u>\$ -</u>

**CITY OF LINCOLN**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEETS (continued)**  
**JUNE 30, 2020**

	<b>Capital Project Funds</b>				<b>Debt Service Funds</b>	<b>Permanent Funds</b>
	Sorrento Project Series 2006	Lakeside CFD Improvement Area	Lincoln Crossing	Foskett Ranch Series 2004-3	Lincoln Public Financing Authority Series 2016	Stormwater Retention Maintenance
<b>ASSETS</b>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 2,198,969	\$ 36,527
Accounts receivable	-	-	-	-	-	-
Interest receivable	-	-	-	-	971	16
Intergovernmental receivable	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Advances to other funds	-	-	-	-	1,184,680	-
Restricted cash and investments	-	-	58,849	-	1	-
Loans receivable, net	-	-	-	-	-	-
<b>Total Assets</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,849</u>	<u>\$ -</u>	<u>\$ 3,384,621</u>	<u>\$ 36,543</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)</b>						
<b>LIABILITIES:</b>						
Accounts payable	\$ -	\$ -	\$ 112,239	\$ -	\$ -	\$ -
Accrued payroll and benefits	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	177
Retention payable	-	-	58,849	-	-	-
Due to other funds	-	-	-	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>171,088</u>	<u>-</u>	<u>-</u>	<u>177</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>						
Unavailable revenues	-	-	-	-	-	-
<b>FUND BALANCES (DEFICITS):</b>						
Nonspendable	-	-	-	-	-	25,439
Restricted	-	-	-	-	3,384,621	10,927
Unassigned	-	-	(112,239)	-	-	-
<b>Total Fund Balances (Deficits)</b>	<u>-</u>	<u>-</u>	<u>(112,239)</u>	<u>-</u>	<u>3,384,621</u>	<u>36,366</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,849</u>	<u>\$ -</u>	<u>\$ 3,384,621</u>	<u>\$ 36,543</u>

**CITY OF LINCOLN**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEETS (continued)**  
**JUNE 30, 2020**

	<b>Permanent Funds</b>					<b>Total Non-major Governmental Funds</b>
	Suncal Open Space Endowment	Brookview Open Space Maintenance Trust	Sterling Point Endowment	WWTRF Tertiary Storage Basin Maintenance	Lincoln Aircenter	
<b>ASSETS</b>						
Cash and investments	\$ 273,986	\$ -	\$ 67,305	\$ 68,027	\$ 92,344	\$ 13,132,482
Accounts receivable	-	-	-	-	-	1,729,344
Interest receivable	121	-	30	30	41	5,694
Intergovernmental receivable	-	-	-	-	-	1,656,991
Prepaid items	-	-	-	-	-	20,514
Advances to other funds	-	-	-	-	-	3,515,960
Restricted cash and investments	-	16,239	-	-	-	135,497
Loans receivable, net	-	-	-	-	-	2,885,679
<b>Total Assets</b>	<b><u>\$ 274,107</u></b>	<b><u>\$ 16,239</u></b>	<b><u>\$ 67,335</u></b>	<b><u>\$ 68,057</u></b>	<b><u>\$ 92,385</u></b>	<b><u>\$ 23,082,161</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)</b>						
<b>LIABILITIES:</b>						
Accounts payable	\$ -	\$ 239	\$ -	\$ -	\$ -	\$ 1,495,010
Accrued payroll and benefits	-	-	-	-	-	29,670
Accrued liabilities	1,329	-	-	-	-	1,506
Retention payable	-	-	-	-	-	276,908
Due to other funds	-	-	-	-	-	316,742
<b>Total Liabilities</b>	<b><u>1,329</u></b>	<b><u>239</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>2,119,836</u></b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>						
Unavailable revenues	-	-	-	-	-	3,094,590
<b>FUND BALANCES (DEFICITS):</b>						
Nonspendable	221,220	5,000	50,000	50,000	5,000	377,173
Restricted	51,558	11,000	17,335	18,057	87,385	17,932,098
Unassigned	-	-	-	-	-	(441,536)
<b>Total Fund Balances (Deficits)</b>	<b><u>272,778</u></b>	<b><u>16,000</u></b>	<b><u>67,335</u></b>	<b><u>68,057</u></b>	<b><u>92,385</u></b>	<b><u>17,867,735</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<b><u>\$ 274,107</u></b>	<b><u>\$ 16,239</u></b>	<b><u>\$ 67,335</u></b>	<b><u>\$ 68,057</u></b>	<b><u>\$ 92,385</u></b>	<b><u>\$ 23,082,161</u></b>

**CITY OF LINCOLN**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

<b>Special Revenue Funds</b>
------------------------------

	Park In-Lieu	Gas Tax	Street Fund	Parks and Recreation Tax	State Grants
<b><u>REVENUES</u></b>					
Intergovernmental	-	1,980,733	1,955,874	-	-
Use of money and property	46,660	138,680	75,691	20,552	-
Charges for services	4,992	-	-	139,194	-
Other revenue	-	24,878	1,652	-	-
Total Revenues	51,652	2,144,291	2,033,217	159,746	-
<b><u>EXPENDITURES</u></b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works and facilities	634	1,190,408	1,430,222	277	-
Urban redevelopment and housing	-	-	-	-	-
Capital outlay	-	1,678,933	765,768	30,569	-
Debt service:					
Principal	-	-	-	-	-
Interest (accretion) and other charges	-	-	-	-	-
Total Expenditures	634	2,869,341	2,195,990	30,846	-
Excess (Deficiency) of Revenues over Expenditures	51,018	(725,050)	(162,773)	128,900	-
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Transfers in	-	-	-	-	-
Transfers out	-	(24,822)	(73,468)	-	-
Total Other Financing Sources (Uses)	-	(24,822)	(73,468)	-	-
<b><u>SPECIAL ITEM</u></b>					
Agency fund bond proceeds	-	-	-	-	-
Return of unused bond funds	-	-	-	-	-
Net change in fund balances	51,018	(749,872)	(236,241)	128,900	-
Fund balances (deficits) - July 1, 2019	1,011,787	3,185,721	2,685,267	376,774	204,408
Fund balances (deficits) - June 30, 2020	\$ 1,062,805	\$ 2,435,849	\$ 2,449,026	\$ 505,674	\$ 204,408

**CITY OF LINCOLN**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Special Revenue Funds</b>				
	Police Grants	Revitalization and Rehabilitation Loans	Community Development Block Grant (CDBG)	HOME Investment Partnership Program	Cal Home Grants
<b>REVENUES</b>					
Intergovernmental	155,948	-	-	-	-
Use of money and property	2,216	39,759	6,896	35,649	19,043
Charges for services	-	-	-	51,925	-
Other revenue	-	-	-	-	-
Total Revenues	<u>158,164</u>	<u>39,759</u>	<u>6,896</u>	<u>87,574</u>	<u>19,043</u>
<b>EXPENDITURES</b>					
Current:					
General government	-	-	8,368	4,941	-
Public safety	130,028	-	-	-	-
Public works and facilities	-	540	93	164	-
Urban redevelopment and housing	-	-	-	-	3,847
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest (accretion) and other charges	-	-	-	-	-
Total Expenditures	<u>130,028</u>	<u>540</u>	<u>8,461</u>	<u>5,105</u>	<u>3,847</u>
Excess (Deficiency) of Revenues over Expenditures	<u>28,136</u>	<u>39,219</u>	<u>(1,565)</u>	<u>82,469</u>	<u>15,196</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>SPECIAL ITEM</b>					
Agency fund bond proceeds	-	-	-	-	-
Return of unused bond funds	-	-	-	-	-
Net change in fund balances	28,136	39,219	(1,565)	82,469	15,196
Fund balances (deficits) - July 1, 2019	<u>43,335</u>	<u>865,295</u>	<u>152,814</u>	<u>256,162</u>	<u>416,113</u>
Fund balances (deficits) - June 30, 2020	<u>\$ 71,471</u>	<u>\$ 904,514</u>	<u>\$ 151,249</u>	<u>\$ 338,631</u>	<u>\$ 431,309</u>

**CITY OF LINCOLN**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds			Capital Project Funds		
	Oak Tree Mitigation	Federal Grants	Supplemental Fees	Capital Projects	Twelve Bridges Capital Project	Aiken Ranch Financial District Improvement
<b>REVENUES</b>						
Intergovernmental	-	2,704,542	-	-	-	-
Use of money and property	94,887	1	-	95,517	211,877	-
Charges for services	469,950	-	-	1	-	-
Other revenue	-	-	-	-	7,459	-
Total Revenues	<u>564,837</u>	<u>2,704,543</u>	<u>-</u>	<u>95,518</u>	<u>219,336</u>	<u>-</u>
<b>EXPENDITURES</b>						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works and facilities	31,663	1,153	-	35,677	164	2
Urban redevelopment and housing	-	-	-	-	-	-
Capital outlay	-	1,980,308	-	1,178,159	189,579	-
Debt service:						
Principal	-	-	-	-	-	-
Interest (accretion) and other charges	-	-	-	-	-	-
Total Expenditures	<u>31,663</u>	<u>1,981,461</u>	<u>-</u>	<u>1,213,836</u>	<u>189,743</u>	<u>2</u>
Excess (Deficiency) of Revenues over Expenditures	<u>533,174</u>	<u>723,082</u>	<u>-</u>	<u>(1,118,318)</u>	<u>29,593</u>	<u>(2)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	1
Transfers out	-	-	(1,596,904)	-	-	(10,288)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(1,596,904)</u>	<u>-</u>	<u>-</u>	<u>(10,287)</u>
<b>SPECIAL ITEM</b>						
Agency fund bond proceeds	-	-	-	-	-	-
Return of unused bond funds	-	-	-	-	(11,580,358)	-
Net change in fund balances	533,174	723,082	(1,596,904)	(1,118,318)	(11,550,765)	(10,289)
Fund balances (deficits) - July 1, 2019	<u>3,783,837</u>	<u>(1,044,920)</u>	<u>1,596,904</u>	<u>2,618,100</u>	<u>11,543,306</u>	<u>10,289</u>
Fund balances (deficits) - June 30, 2020	<u>\$ 4,317,011</u>	<u>\$ (321,838)</u>	<u>\$ -</u>	<u>\$ 1,499,782</u>	<u>\$ (7,459)</u>	<u>\$ -</u>

**CITY OF LINCOLN**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Capital Project Funds</b>				<b>Debt Service Funds</b>	<b>Permanent Funds</b>
	Sorrento Project Series 2006	Lakeside CFD Improvement Area	Lincoln Crossing	Foskett Ranch Series 2004-3	Lincoln Public Financing Authority Series 2016	Stormwater Retention Maintenance
<b>REVENUES</b>						
Intergovernmental	-	-	-	-	-	-
Use of money and property	22,799	96	12,487	619	81,467	1,423
Charges for services	-	-	-	-	-	-
Other revenue	-	-	-	9,953	-	-
Total Revenues	<u>22,799</u>	<u>96</u>	<u>12,487</u>	<u>10,572</u>	<u>81,467</u>	<u>1,423</u>
<b>EXPENDITURES</b>						
Current:						
General government	-	-	-	-	-	16
Public safety	-	-	-	-	-	-
Public works and facilities	4	1	142	10	8,800	-
Urban redevelopment and housing	-	-	-	-	-	-
Capital outlay	-	-	775,642	10,519	-	-
Debt service:						
Principal	-	-	-	-	925,000	-
Interest (accretion) and other charges	-	-	-	-	549,919	-
Total Expenditures	<u>4</u>	<u>1</u>	<u>775,784</u>	<u>10,529</u>	<u>1,483,719</u>	<u>16</u>
Excess (Deficiency) of Revenues over Expenditures	<u>22,795</u>	<u>95</u>	<u>(763,297)</u>	<u>43</u>	<u>(1,402,252)</u>	<u>1,407</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	10,288	-	-	-	1,334,193	-
Transfers out	(1)	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>10,287</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,334,193</u>	<u>-</u>
<b>SPECIAL ITEM</b>						
Agency fund bond proceeds	-	-	1,500,000	-	-	-
Return of unused bond funds	(2,101,818)	(9,082)	(321,384)	(36,214)	-	-
Net change in fund balances	(2,068,736)	(8,987)	415,319	(36,171)	(68,059)	1,407
Fund balances (deficits) - July 1, 2019	<u>2,068,736</u>	<u>8,987</u>	<u>(527,558)</u>	<u>36,171</u>	<u>3,452,680</u>	<u>34,959</u>
Fund balances (deficits) - June 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (112,239)</u>	<u>\$ -</u>	<u>\$ 3,384,621</u>	<u>\$ 36,366</u>

**CITY OF LINCOLN**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Permanent Funds</b>					<b>Total Non-major Governmental Funds</b>
	Suncal Open Space Endowment	Brookview Open Space Maintenance Trust	Sterling Point Endowment	WWTRF Tertiary Storage Basin Maintenance	Lincoln Aircenter	
<b><u>REVENUES</u></b>						
Intergovernmental	-	-	-	-	-	6,797,097
Use of money and property	10,659	1	2,960	2,992	4,060	926,991
Charges for services	-	-	-	-	-	666,062
Other revenue	-	-	-	-	-	43,942
Total Revenues	<u>10,659</u>	<u>1</u>	<u>2,960</u>	<u>2,992</u>	<u>4,060</u>	<u>8,434,092</u>
<b><u>EXPENDITURES</u></b>						
Current:						
General government	104	-	40	41	55	13,565
Public safety	-	-	-	-	-	130,028
Public works and facilities	-	-	-	-	-	2,699,954
Urban redevelopment and housing	-	-	-	-	-	3,847
Capital outlay	-	-	-	-	-	6,609,477
Debt service:						
Principal	-	-	-	-	-	925,000
Interest (accretion) and other charges	-	-	-	-	-	549,919
Total Expenditures	<u>104</u>	<u>-</u>	<u>40</u>	<u>41</u>	<u>55</u>	<u>10,931,790</u>
Excess (Deficiency) of Revenues over Expenditures	<u>10,555</u>	<u>1</u>	<u>2,920</u>	<u>2,951</u>	<u>4,005</u>	<u>(2,497,698)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>						
Transfers in	-	-	-	-	-	1,344,482
Transfers out	-	-	-	-	-	(1,705,483)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(361,001)</u>
<b><u>SPECIAL ITEM</u></b>						
Agency fund bond proceeds	-	-	-	-	-	1,500,000
Return of unused bond funds	-	-	-	-	-	(14,048,856)
Net change in fund balances	10,555	1	2,920	2,951	4,005	(15,407,555)
Fund balances (deficits) - July 1, 2019	<u>262,223</u>	<u>15,999</u>	<u>64,415</u>	<u>65,106</u>	<u>88,380</u>	<u>33,275,290</u>
Fund balances (deficits) - June 30, 2020	<u>\$ 272,778</u>	<u>\$ 16,000</u>	<u>\$ 67,335</u>	<u>\$ 68,057</u>	<u>\$ 92,385</u>	<u>\$ 17,867,735</u>

**CITY OF LINCOLN**  
**PARK IN-LIEU - NONMAJOR SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>2019 - 2020</b>		<b>Actual</b>	<b>Variance</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b><u>REVENUES</u></b>				
Use of money and property	\$ 13,054	\$ 20,054	\$ 46,660	\$ 26,606
Charges for services	<u>3,840</u>	<u>3,840</u>	<u>4,992</u>	<u>1,152</u>
Total Revenues	<u>16,894</u>	<u>23,894</u>	<u>51,652</u>	<u>27,758</u>
<b><u>EXPENDITURES</u></b>				
Public works and facilities	-	-	634	(634)
Total Expenditures	-	-	634	(634)
Excess (deficiency) of revenues over expenditures	<u>16,894</u>	<u>23,894</u>	<u>51,018</u>	<u>27,124</u>
Net change in fund balance	<u>\$ 16,894</u>	<u>\$ 23,894</u>	51,018	<u>\$ 27,124</u>
Fund balance - July 1, 2019			<u>1,011,787</u>	
Fund balance - June 30, 2020			<u>\$ 1,062,805</u>	

**CITY OF LINCOLN**  
**GAS TAX - NONMAJOR SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>2019 - 2020</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b><u>Budgeted Amounts</u></b>			
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Actual Amounts</u></b>	
<b><u>REVENUES</u></b>				
Intergovernmental	\$ 2,087,555	\$ 2,134,555	\$ 1,980,733	\$ (153,822)
Use of money and property	53,000	60,500	138,680	78,180
Other revenues	<u>-</u>	<u>12,117</u>	<u>24,878</u>	<u>12,761</u>
Total Revenues	<u>2,140,555</u>	<u>2,207,172</u>	<u>2,144,291</u>	<u>(62,881)</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Public works and facilities	1,361,644	1,394,017	1,190,408	203,609
Capital outlay	<u>2,720,351</u>	<u>1,678,933</u>	<u>1,678,933</u>	<u>-</u>
Total Expenditures	<u>4,081,995</u>	<u>3,072,950</u>	<u>2,869,341</u>	<u>203,609</u>
Excess (deficiency) of revenues over expenditures	<u>(1,941,440)</u>	<u>(865,778)</u>	<u>(725,050)</u>	<u>140,728</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers out	<u>-</u>	<u>(24,822)</u>	<u>(24,822)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(24,822)</u>	<u>(24,822)</u>	<u>-</u>
Net change in fund balance	<u>\$ (1,941,440)</u>	<u>\$ (890,600)</u>	(749,872)	<u>\$ 140,728</u>
Fund balance - July 1, 2019			<u>3,185,721</u>	
Fund balance - June 30, 2020			<u>\$ 2,435,849</u>	

**CITY OF LINCOLN**  
**STREET FUND - NONMAJOR SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>2019 - 2020</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Actual Amounts</b>	
<b><u>REVENUES</u></b>				
Intergovernmental	\$ 2,006,119	\$ 2,006,119	\$ 1,955,874	\$ (50,245)
Use of money and property	23,662	31,262	75,691	44,429
Other revenues	<u>-</u>	<u>-</u>	<u>1,652</u>	<u>1,652</u>
Total Revenues	<u>2,029,781</u>	<u>2,037,381</u>	<u>2,033,217</u>	<u>(4,164)</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Public works and facilities	1,692,410	1,695,300	1,430,222	265,078
Capital outlay	<u>1,247,571</u>	<u>761,303</u>	<u>765,768</u>	<u>(4,465)</u>
Total Expenditures	<u>2,939,981</u>	<u>2,456,603</u>	<u>2,195,990</u>	<u>260,613</u>
Excess (deficiency) of revenues over expenditures	<u>(910,200)</u>	<u>(419,222)</u>	<u>(162,773)</u>	<u>256,449</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers out	<u>-</u>	<u>(73,468)</u>	<u>(73,468)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(73,468)</u>	<u>(73,468)</u>	<u>-</u>
Net change in fund balance	<u>\$ (910,200)</u>	<u>\$ (492,690)</u>	(236,241)	<u>\$ 256,449</u>
Fund balance - July 1, 2019			<u>2,685,267</u>	
Fund balance - June 30, 2020			<u>\$ 2,449,026</u>	

**CITY OF LINCOLN**  
**PARKS AND RECREATION TAX - NONMAJOR SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>2019 - 2020</b>		<b>Actual</b>	<b>Variance</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Positive</b>
				<b>(Negative)</b>
<b><u>REVENUES</u></b>				
Use of money and property	\$ 5,093	\$ 8,593	\$ 20,552	\$ 11,959
Charges for services	<u>78,300</u>	<u>118,300</u>	<u>139,194</u>	<u>20,894</u>
Total Revenues	<u>83,393</u>	<u>126,893</u>	<u>159,746</u>	<u>32,853</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Public works and facilities	-	-	277	(277)
Capital outlay	<u>78,719</u>	<u>30,393</u>	<u>30,569</u>	<u>(176)</u>
Total Expenditures	<u>78,719</u>	<u>30,393</u>	<u>30,846</u>	<u>(453)</u>
Net change in fund balance	<u>\$ 4,674</u>	<u>\$ 96,500</u>	128,900	<u>\$ 32,400</u>
Fund balance - July 1, 2019			<u>376,774</u>	
Fund balance - June 30, 2020			<u>\$ 505,674</u>	

**CITY OF LINCOLN**  
**POLICE GRANTS - NONMAJOR SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>2019 - 2020</u> <u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<b><u>REVENUES</u></b>				
Intergovernmental	\$ 120,000	\$ 120,000	\$ 155,948	\$ 35,948
Use of money and property	<u>305</u>	<u>805</u>	<u>2,216</u>	<u>1,411</u>
Total Revenues	<u>120,305</u>	<u>120,805</u>	<u>158,164</u>	<u>37,359</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Public safety	<u>130,000</u>	<u>130,000</u>	<u>130,028</u>	<u>(28)</u>
Total Expenditures	<u>130,000</u>	<u>130,000</u>	<u>130,028</u>	<u>(28)</u>
Net change in fund balance	\$ <u>(9,695)</u>	\$ <u>(9,195)</u>	28,136	\$ <u>37,331</u>
Fund balance - July 1, 2019			<u>43,335</u>	
Fund balance - June 30, 2020			<u>\$ 71,471</u>	

**CITY OF LINCOLN**  
**REVITALIZATION AND REHABILITATION LOANS - NONMAJOR SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>2019 - 2020</u> <u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Use of money and property	\$ 10,628	\$ 17,128	\$ 39,759	\$ 22,631
Charges for services	<u>1,864</u>	<u>1,864</u>	<u>-</u>	<u>(1,864)</u>
Total Revenues	<u>12,492</u>	<u>18,992</u>	<u>39,759</u>	<u>20,767</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Public works and facilities	<u>-</u>	<u>-</u>	<u>540</u>	<u>(540)</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>540</u>	<u>(540)</u>
Excess (deficiency) of revenues over expenditures	<u>12,492</u>	<u>18,992</u>	<u>39,219</u>	<u>20,227</u>
Net change in fund balance	<u>\$ 12,492</u>	<u>\$ 18,992</u>	39,219	<u>\$ 20,227</u>
Fund balance - July 1, 2019			<u>865,295</u>	
Fund balance - June 30, 2020			<u>\$ 904,514</u>	

**CITY OF LINCOLN**  
COMMUNITY DEVELOPMENT BLOCK GRANT - NONMAJOR SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>2019 - 2020</u> <u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Use of money and property	\$ <u>1,841</u>	\$ <u>2,941</u>	\$ <u>6,896</u>	\$ <u>3,955</u>
Total Revenues	<u>1,841</u>	<u>2,941</u>	<u>6,896</u>	<u>3,955</u>
<b><u>EXPENDITURES</u></b>				
Current:				
General government	17,900	8,828	8,368	460
Public works and facilities	<u>-</u>	<u>-</u>	<u>93</u>	<u>(93)</u>
Total Expenditures	<u>17,900</u>	<u>8,828</u>	<u>8,461</u>	<u>367</u>
Net change in fund balance	\$ <u>(16,059)</u>	\$ <u>(5,887)</u>	(1,565)	\$ <u>4,322</u>
Fund balance - July 1, 2019			<u>152,814</u>	
Fund balance - June 30, 2020			\$ <u>151,249</u>	

**CITY OF LINCOLN**  
**HOME INVESTMENT PARTNERSHIP PROGRAM - NONMAJOR SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>2019 - 2020</b>		<b>Actual</b>	<b>Variance</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Positive</b>
				<b>(Negative)</b>
<b><u>REVENUES</u></b>				
Use of money and property	\$ 6,017	\$ 7,817	\$ 35,649	\$ 27,832
Charges for services	<u>3,000</u>	<u>3,000</u>	<u>51,925</u>	<u>48,925</u>
Total Revenues	<u>9,017</u>	<u>10,817</u>	<u>87,574</u>	<u>76,757</u>
<b><u>EXPENDITURES</u></b>				
Current:				
General government	-	5,184	4,941	243
Public works and facilities	<u>-</u>	<u>-</u>	<u>164</u>	<u>(164)</u>
Total Expenditures	<u>-</u>	<u>5,184</u>	<u>5,105</u>	<u>79</u>
Net change in fund balance	<u>\$ 9,017</u>	<u>\$ 5,633</u>	82,469	<u>\$ 76,836</u>
Fund balance - July 1, 2019			<u>256,162</u>	
Fund balance - June 30, 2020			<u>\$ 338,631</u>	

**CITY OF LINCOLN**  
**CAL HOME GRANTS - NONMAJOR SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>2019 - 2020</u> <u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Use of money and property	\$ <u>5,145</u>	\$ <u>8,245</u>	\$ <u>19,043</u>	\$ <u>10,798</u>
Total Revenues	<u>5,145</u>	<u>8,245</u>	<u>19,043</u>	<u>10,798</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Urban development and housing	<u>-</u>	<u>3,888</u>	<u>3,847</u>	<u>41</u>
Total Expenditures	<u>-</u>	<u>3,888</u>	<u>3,847</u>	<u>41</u>
Net change in fund balance	<u>\$ 5,145</u>	<u>\$ 4,357</u>	15,196	<u>\$ 10,839</u>
Fund balance - July 1, 2019			<u>416,113</u>	
Fund balance - June 30, 2020			<u>\$ 431,309</u>	

**CITY OF LINCOLN**  
**OAK TREE MITIGATION - NONMAJOR SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>2019 - 2020</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Actual Amounts</b>	
<b><u>REVENUES</u></b>				
Use of money and property	\$ 5,244	\$ 37,144	\$ 94,887	\$ 57,743
Charges for services	<u>11,429</u>	<u>471,429</u>	<u>469,950</u>	<u>(1,479)</u>
Total Revenues	<u>16,673</u>	<u>508,573</u>	<u>564,837</u>	<u>56,264</u>
<b><u>EXPENDITURES</u></b>				
Parks works and facilities	<u>30,000</u>	<u>31,492</u>	<u>31,663</u>	<u>(171)</u>
Total Expenditures	<u>30,000</u>	<u>31,492</u>	<u>31,663</u>	<u>(171)</u>
Net change in fund balance	<u>\$ (13,327)</u>	<u>\$ 477,081</u>	533,174	<u>\$ 56,093</u>
Fund balance - July 1, 2019			<u>3,783,837</u>	
Fund balance - June 30, 2020			<u>\$ 4,317,011</u>	

**CITY OF LINCOLN**  
**FEDERAL GRANTS - NONMAJOR SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>2019 - 2020</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b><u>Budgeted Amounts</u></b>			
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Actual Amounts</u></b>	
<b><u>REVENUES</u></b>				
Intergovernmental	\$ 8,365,903	\$ 8,365,903	\$ 2,704,542	\$ (5,661,361)
Use of money and property	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Total Revenues	<u>8,365,903</u>	<u>8,365,903</u>	<u>2,704,543</u>	<u>(5,661,360)</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Public works and facilities	-	-	1,153	(1,153)
Capital outlay	<u>3,371,198</u>	<u>1,980,311</u>	<u>1,980,308</u>	<u>3</u>
Total Expenditures	<u>3,371,198</u>	<u>1,980,311</u>	<u>1,981,461</u>	<u>(1,150)</u>
Net change in fund balance	<u>\$ 4,994,705</u>	<u>\$ 6,385,592</u>	723,082	<u>\$ (5,662,510)</u>
Fund balance (deficit) - July 1, 2019			<u>(1,044,920)</u>	
Fund balance (deficit) - June 30, 2020			<u>\$ (321,838)</u>	

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## INTERNAL SERVICE FUNDS

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

### Internal Services

Accounts for the City's 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**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2020**

	<b>Governmental Activities - Internal Service Funds</b>				
	<b>Internal Services</b>	<b>Vehicle/ Equipment Replacement</b>	<b>Facility Maintenance</b>	<b>Technology Fund</b>	<b>Total Internal Service Funds</b>
<b><u>ASSETS</u></b>					
Current Assets					
Cash and investments	\$ 2,588,129	\$ 271,169	\$ 430,504	\$ 862,341	\$ 4,152,143
Accounts receivable, net	15,629	307	-	-	15,936
Interest receivable	977	119	190	381	1,667
Prepaid items	<u>155,768</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>155,768</u>
Total Current Assets	<u>2,760,503</u>	<u>271,595</u>	<u>430,694</u>	<u>862,722</u>	<u>4,325,514</u>
Non Current Assets					
Non-depreciable capital assets	-	-	79,262	-	79,262
Depreciable capital assets, net	<u>277,836</u>	<u>1,569,428</u>	<u>384,104</u>	<u>75,873</u>	<u>2,307,241</u>
Total Non-Current Assets	<u>277,836</u>	<u>1,569,428</u>	<u>463,366</u>	<u>75,873</u>	<u>2,386,503</u>
<b>Total Assets</b>	<u>3,038,339</u>	<u>1,841,023</u>	<u>894,060</u>	<u>938,595</u>	<u>6,712,017</u>
<b><u>LIABILITIES</u></b>					
Current Liabilities					
Accounts payable	341,656	1,990	-	-	343,646
Accrued salaries and benefits	90,358	-	-	-	90,358
Compensated absences	287,240	-	-	-	287,240
Lease Payable	<u>-</u>	<u>164,701</u>	<u>-</u>	<u>-</u>	<u>164,701</u>
Total Current Liabilities	<u>719,254</u>	<u>166,691</u>	<u>-</u>	<u>-</u>	<u>885,945</u>
Non-Current Liabilities					
Compensated absences - noncurrent	71,810	-	-	-	71,810
Lease Payable - noncurrent	<u>-</u>	<u>1,105,029</u>	<u>-</u>	<u>-</u>	<u>1,105,029</u>
Total Non-Current Liabilities	<u>71,810</u>	<u>1,105,029</u>	<u>-</u>	<u>-</u>	<u>1,176,839</u>
<b>Total Liabilities</b>	<u>791,064</u>	<u>1,271,720</u>	<u>-</u>	<u>-</u>	<u>2,062,784</u>
<b><u>NET POSITION:</u></b>					
Net investment in capital assets	277,836	299,698	463,366	75,873	1,116,773
Unrestricted	<u>1,969,439</u>	<u>269,605</u>	<u>430,694</u>	<u>862,722</u>	<u>3,532,460</u>
<b>Total Net Position</b>	<u>\$ 2,247,275</u>	<u>\$ 569,303</u>	<u>\$ 894,060</u>	<u>\$ 938,595</u>	<u>\$ 4,649,233</u>

**CITY OF LINCOLN**  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2020

	<b>Governmental Activities - Internal Service Funds</b>				<b>Total Internal Service Funds</b>
	<b>Internal Services</b>	<b>Vehicle/ Equipment Replacement</b>	<b>Facility Maintenance</b>	<b>Technology Fund</b>	
<b><u>OPERATING REVENUES</u></b>					
Charges for services	\$ 7,282,697	\$ -	\$ -	\$ -	\$ 7,282,697
Other revenue	<u>11,193</u>	<u>27,168</u>	<u>-</u>	<u>-</u>	<u>38,361</u>
<b>Total Operating Revenue</b>	<u>7,293,890</u>	<u>27,168</u>	<u>-</u>	<u>-</u>	<u>7,321,058</u>
<b><u>OPERATING EXPENSES</u></b>					
Salaries and benefits	3,236,020	-	-	-	3,236,020
Services and supplies	2,741,156	10,184	265	515	2,752,120
Depreciation	<u>56,539</u>	<u>171,337</u>	<u>22,071</u>	<u>14,589</u>	<u>264,536</u>
<b>Total Operating Expenses</b>	<u>6,033,715</u>	<u>181,521</u>	<u>22,336</u>	<u>15,104</u>	<u>6,252,676</u>
<b>Operating Income (Loss)</b>	<u>1,260,175</u>	<u>(154,353)</u>	<u>(22,336)</u>	<u>(15,104)</u>	<u>1,068,382</u>
<b><u>NON-OPERATING REVENUES (EXPENSES)</u></b>					
Interest income	72,768	15,493	19,737	37,922	145,920
Interest expense	<u>-</u>	<u>(46,895)</u>	<u>-</u>	<u>-</u>	<u>(46,895)</u>
<b>Total Non-Operating Revenues (Expenses)</b>	<u>72,768</u>	<u>(31,402)</u>	<u>19,737</u>	<u>37,922</u>	<u>99,025</u>
<b>Income (Loss) Before Transfers</b>	<u>1,332,943</u>	<u>(185,755)</u>	<u>(2,599)</u>	<u>22,818</u>	<u>1,167,407</u>
<b><u>TRANSFERS</u></b>					
Transfers in	-	24,000	65,000	-	89,000
Transfers out	<u>(65,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(65,000)</u>
<b>Total Transfers</b>	<u>(65,000)</u>	<u>24,000</u>	<u>65,000</u>	<u>-</u>	<u>24,000</u>
Change in net position	<u>1,267,943</u>	<u>(161,755)</u>	<u>62,401</u>	<u>22,818</u>	<u>1,191,407</u>
Net Position - July 1, 2019	951,990	731,058	831,659	915,777	3,430,484
Prior period adjustment (Note 20)	<u>27,342</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,342</u>
Net Position - July 1, 2019, restated	<u>979,332</u>	<u>731,058</u>	<u>831,659</u>	<u>915,777</u>	<u>3,457,826</u>
Net Position - June 30, 2020	<u>\$ 2,247,275</u>	<u>\$ 569,303</u>	<u>\$ 894,060</u>	<u>\$ 938,595</u>	<u>\$ 4,649,233</u>

**CITY OF LINCOLN**  
**COMBINING STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Governmental Activities - Internal Service Funds</b>				<b>Total Internal Service Funds</b>
	<b>Internal Services</b>	<b>Vehicle/ Equipment Replacement</b>	<b>Facility Maintenance</b>	<b>Technology Fund</b>	
<b><u>CASH FLOWS FROM OPERATING</u></b>					
<b><u>ACTIVITIES</u></b>					
Cash received from customers	\$ 7,290,364	\$ 26,861	\$ -	\$ -	\$ 7,317,225
Cash paid to suppliers	(2,563,601)	(8,194)	(310)	(515)	(2,572,620)
Cash paid to employees	<u>(3,233,759)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,233,759)</u>
Net Cash Provided by (Used for) Operating Activities	<u>1,493,004</u>	<u>18,667</u>	<u>(310)</u>	<u>(515)</u>	<u>1,510,846</u>
<b><u>CASH FLOWS FROM NON-CAPITAL</u></b>					
<b><u>FINANCING ACTIVITIES</u></b>					
Transfers from other funds	-	24,000	65,000	-	89,000
Transfers to other funds	<u>(65,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(65,000)</u>
Net Cash Provided by (Used for) Non- Capital Financing Activities	<u>(65,000)</u>	<u>24,000</u>	<u>65,000</u>	<u>-</u>	<u>24,000</u>
<b><u>CASH FLOWS FROM CAPITAL AND</u></b>					
<b><u>RELATED FINANCING ACTIVITIES</u></b>					
Proceeds from disposal of capital assets	13,189	-	-	-	13,189
Acquisition of capital assets	-	(52,150)	(57,342)	-	(109,492)
Principal paid on long-term debt	-	(162,112)	-	-	(162,112)
Interest paid on long-term debt	<u>-</u>	<u>(46,895)</u>	<u>-</u>	<u>-</u>	<u>(46,895)</u>
Net Cash Used for Capital and Related Financing Activities	<u>13,189</u>	<u>(261,157)</u>	<u>(57,342)</u>	<u>-</u>	<u>(305,310)</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>					
Interest and dividends	<u>73,947</u>	<u>15,934</u>	<u>20,025</u>	<u>38,515</u>	<u>148,421</u>
Net Cash Provided by Investing Activities	<u>73,947</u>	<u>15,934</u>	<u>20,025</u>	<u>38,515</u>	<u>148,421</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,515,140	(202,556)	27,373	38,000	1,377,957
Cash and Cash Equivalents - July 1, 2019	<u>1,072,989</u>	<u>473,725</u>	<u>403,131</u>	<u>824,341</u>	<u>2,774,186</u>
Cash and Cash Equivalents - June 30, 2020	<u>\$ 2,588,129</u>	<u>\$ 271,169</u>	<u>\$ 430,504</u>	<u>\$ 862,341</u>	<u>\$ 4,152,143</u>
<b><u>RECONCILIATION OF OPERATING INCOME</u></b>					
<b><u>(LOSS) TO NET CASH PROVIDED BY</u></b>					
<b><u>(USED FOR) OPERATING ACTIVITIES:</u></b>					
Operating Income (Loss)	1,260,175	(154,353)	(22,336)	(15,104)	1,068,382
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation expense	56,539	171,337	22,071	14,589	264,536
Changes in assets and liabilities:					
Increase in accounts receivable	(3,526)	(307)	-	-	(3,833)
Decrease in prepaid expenses	6,482	-	-	-	6,482
Increase (decrease) in accounts payable	171,073	1,990	(45)	-	173,018
Increase in accrued wages	24,381	-	-	-	24,381
Decrease in compensated absences	<u>(22,120)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22,120)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 1,493,004</u>	<u>\$ 18,667</u>	<u>\$ (310)</u>	<u>\$ (515)</u>	<u>\$ 1,510,846</u>

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## FIDUCIARY FUNDS

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

### **Agency Funds**

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

#### Little League Fund

Accounts for monies held as agent for Little League activities.

#### Lincoln Airpark 98-1

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

#### Twelve Bridges Series 2011

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

#### Foskett Ranch CFD

Accounts for the monies held from the Limited Obligation Revenue Bonds Series 2004-3 and the Special Tax Revenues Bonds Series 2017-1 issued to finance the construction/acquisition of public improvements within the assessment district. Monies are received from special tax assessments. These bonds are not a liability of the City.

#### Lakeside CFD

Accounts for the monies held from the Special Tax Revenue Bonds Series 2013 and Series 2017 for the acquisition of improvements within the Lakeside Area 2 assessment district. Monies are received from special tax assessments. These bonds are not a liability of the City.

#### Lincoln Crossing CFD

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

#### Sorrento CFD

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

#### Independence Development CFD

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

**CITY OF LINCOLN**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**AGENCY FUNDS**  
**JUNE 30, 2020**

	<u>Little League</u>	<u>Lincoln Airpark 98-1</u>	<u>Twelve Bridges Series 2011</u>	<u>Foskett Ranch CFD</u>
<b><u>ASSETS</u></b>				
Cash and investments	\$ 33,117	\$ 495,994	\$ 7,061,427	\$ 232,877
Assessments receivable	-	629	25,749	3,135
Interest receivable	15	219	3,121	103
Due from other governments	-	-	7,459	-
Restricted cash and investments	-	228,510	18,387,371	116,608
Non-depreciable capital assets	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 33,132</u></b>	<b><u>\$ 725,352</u></b>	<b><u>\$ 25,485,127</u></b>	<b><u>\$ 352,723</u></b>
<b><u>LIABILITIES</u></b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Interest payable	2,583	-	-	-
Deposits payable	-	-	-	-
Due to (from) property owners	-	725,352	25,485,127	352,723
Agency obligations	<u>30,549</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities</b>	<b><u>\$ 33,132</u></b>	<b><u>\$ 725,352</u></b>	<b><u>\$ 25,485,127</u></b>	<b><u>\$ 352,723</u></b>

**CITY OF LINCOLN**  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION (continued)  
 AGENCY FUNDS  
 JUNE 30, 2020

	<u>Lakeside CFD</u>	<u>Lincoln Crossing CFD</u>	<u>Sorrento CFD</u>	<u>Independence Development CFD</u>	<u>Totals</u>
<b><u>ASSETS</u></b>					
Cash and investments	\$ 698,472	\$ 15,834,185	\$ 609,172	\$ 31,129	\$ 24,996,373
Assessments receivable	5,123	92,221	3,896	-	130,753
Interest receivable	308	7,040	268	14	11,088
Due from other governments	-	112,239	-	-	119,698
Restricted cash and investments	637,734	6,447,050	3,564,537	-	29,381,810
Non-depreciable capital assets	-	-	36,156	-	36,156
<b>Total Assets</b>	<b><u>\$ 1,341,637</u></b>	<b><u>\$ 22,492,735</u></b>	<b><u>\$ 4,214,029</u></b>	<b><u>\$ 31,143</u></b>	<b><u>\$ 54,675,878</u></b>
<b><u>LIABILITIES</u></b>					
Accounts payable	\$ 2,250	\$ -	\$ 11,327	\$ -	\$ 13,577
Interest payable	-	-	-	-	2,583
Deposits payable	1,690,364	-	-	28,803	1,719,167
Due to (from) property owners	(350,977)	22,492,735	4,202,702	2,340	52,910,002
Agency obligations	-	-	-	-	30,549
<b>Total Liabilities</b>	<b><u>\$ 1,341,637</u></b>	<b><u>\$ 22,492,735</u></b>	<b><u>\$ 4,214,029</u></b>	<b><u>\$ 31,143</u></b>	<b><u>\$ 54,675,878</u></b>

**CITY OF LINCOLN**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
<b><u>Little League</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 31,658	\$ 1,700	\$ 241	\$ 33,117
Interest receivable	<u>37</u>	<u>52</u>	<u>74</u>	<u>15</u>
Total Assets	<u>\$ 31,695</u>	<u>\$ 1,752</u>	<u>\$ 315</u>	<u>\$ 33,132</u>
<b>LIABILITIES</b>				
Interest payable	\$ 1,132	\$ 2,583	\$ 1,132	\$ 2,583
Agency obligations	<u>30,563</u>	<u>2,884</u>	<u>2,898</u>	<u>30,549</u>
Total Liabilities	<u>\$ 31,695</u>	<u>\$ 5,467</u>	<u>\$ 4,030</u>	<u>\$ 33,132</u>
<b><u>Lincoln Airpark 98-1</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 483,927	\$ 298,712	\$ 286,645	\$ 495,994
Special assessments receivables	1,877	629	1,877	629
Interest receivables	572	791	1,144	219
Restricted cash and investments	<u>226,101</u>	<u>482,303</u>	<u>479,894</u>	<u>228,510</u>
Total Assets	<u>\$ 712,477</u>	<u>\$ 782,435</u>	<u>\$ 769,560</u>	<u>\$ 725,352</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 30,548	\$ 30,548	\$ -
Due to property owners	<u>712,477</u>	<u>304,376</u>	<u>291,501</u>	<u>725,352</u>
Total Liabilities	<u>\$ 712,477</u>	<u>\$ 334,924</u>	<u>\$ 322,049</u>	<u>\$ 725,352</u>
<b><u>Twelve Bridges Series 2011</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 7,057,680	\$ 4,840,809	\$ 4,837,062	\$ 7,061,427
Special assessments receivables	27,630	25,749	27,630	25,749
Interest receivables	9,447	12,568	18,894	3,121
Due from other governments	-	7,459	-	7,459
Restricted cash and investments	<u>6,732,781</u>	<u>28,827,259</u>	<u>17,172,669</u>	<u>18,387,371</u>
Total Assets	<u>\$ 13,827,538</u>	<u>\$ 33,713,844</u>	<u>\$ 22,056,255</u>	<u>\$ 25,485,127</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 48,485	\$ 48,485	\$ -
Due to property owners	<u>13,827,538</u>	<u>21,765,537</u>	<u>10,107,948</u>	<u>25,485,127</u>
Total Liabilities	<u>\$ 13,827,538</u>	<u>\$ 21,814,022</u>	<u>\$ 10,156,433</u>	<u>\$ 25,485,127</u>
<b><u>Foskett Ranch CFD</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 206,334	\$ 295,886	\$ 269,343	\$ 232,877
Special assessments receivables	-	3,135	-	3,135
Interest receivables	244	347	488	103
Restricted cash and investments	<u>117,787</u>	<u>346,336</u>	<u>347,515</u>	<u>116,608</u>
Total Assets	<u>\$ 324,365</u>	<u>\$ 645,704</u>	<u>\$ 617,346</u>	<u>\$ 352,723</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 21,180	\$ 21,180	\$ -
Due to property owners	<u>324,365</u>	<u>301,851</u>	<u>273,493</u>	<u>352,723</u>
Total Liabilities	<u>\$ 324,365</u>	<u>\$ 323,031</u>	<u>\$ 294,673</u>	<u>\$ 352,723</u>

**CITY OF LINCOLN**  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (continued)  
 AGENCY FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
<b><u>Lakeside CFD</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 744,495	\$ 869,440	\$ 915,463	\$ 698,472
Special assessments receivables	2,360	5,123	2,360	5,123
Interest receivables	879	1,189	1,760	308
Restricted cash and investments	<u>560,278</u>	<u>1,323,848</u>	<u>1,246,392</u>	<u>637,734</u>
Total Assets	<u>\$ 1,308,012</u>	<u>\$ 2,199,600</u>	<u>\$ 2,165,975</u>	<u>\$ 1,341,637</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 149,125	\$ 146,875	\$ 2,250
Developer deposits	-	1,812,943	122,579	1,690,364
Due to (from) property owners	<u>1,308,012</u>	<u>884,096</u>	<u>2,543,085</u>	<u>(350,977)</u>
Total Liabilities	<u>\$ 1,308,012</u>	<u>\$ 2,846,164</u>	<u>\$ 2,812,539</u>	<u>\$ 1,341,637</u>
<b><u>Lincoln Crossing CFD</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 15,593,346	\$ 12,702,240	\$ 12,461,401	\$ 15,834,185
Special assessments receivables	43,436	92,221	43,436	92,221
Interest receivables	18,974	26,014	37,948	7,040
Due from other governments	-	112,239	-	112,239
Restricted cash and investments	<u>6,483,580</u>	<u>11,535,170</u>	<u>11,571,700</u>	<u>6,447,050</u>
Total Assets	<u>\$ 22,139,336</u>	<u>\$ 24,467,884</u>	<u>\$ 24,114,485</u>	<u>\$ 22,492,735</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 16,297	\$ 16,297	\$ -
Due to property owners	<u>22,139,336</u>	<u>8,375,461</u>	<u>8,022,062</u>	<u>22,492,735</u>
Total Liabilities	<u>\$ 22,139,336</u>	<u>\$ 8,391,758</u>	<u>\$ 8,038,359</u>	<u>\$ 22,492,735</u>
<b><u>Sorrento CFD</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 610,561	\$ 1,128,514	\$ 1,129,903	\$ 609,172
Special assessments receivables	1,994	3,896	1,994	3,896
Interest receivables	722	480	934	268
Restricted cash and investments	1,478,740	6,702,603	4,616,806	3,564,537
Construction in progress	<u>-</u>	<u>36,156</u>	<u>-</u>	<u>36,156</u>
Total Assets	<u>\$ 2,092,017</u>	<u>\$ 7,871,649</u>	<u>\$ 5,749,637</u>	<u>\$ 4,214,029</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 4,435	\$ 76,605	\$ 69,713	\$ 11,327
Due to property owners	<u>2,087,582</u>	<u>4,947,123</u>	<u>2,832,003</u>	<u>4,202,702</u>
Total Liabilities	<u>\$ 2,092,017</u>	<u>\$ 5,023,728</u>	<u>\$ 2,901,716</u>	<u>\$ 4,214,029</u>

**CITY OF LINCOLN**  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (continued)  
 AGENCY FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<b>Balance July 1, 2019</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2020</b>
<b><u>Independence Development CFD</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 90,796	\$ 7,975	\$ 67,642	\$ 31,129
Interest receivables	107	14	107	14
Total Assets	<b>\$ 90,903</b>	<b>\$ 7,989</b>	<b>\$ 67,749</b>	<b>\$ 31,143</b>
<b>LIABILITIES</b>				
Accounts payable	6,195	52,116	58,311	-
Developer deposits	113,200	5,984	90,381	28,803
Due to property owners	(28,492)	33,593	2,761	2,340
Total Liabilities	<b>\$ 90,903</b>	<b>\$ 91,693</b>	<b>\$ 151,453</b>	<b>\$ 31,143</b>
<b><u>Total Agency Funds</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 24,818,797	\$ 20,145,276	\$ 19,967,700	\$ 24,996,373
Special assessments receivables	77,297	130,753	77,297	130,753
Interest receivables	30,982	41,455	61,349	11,088
Due from other governments	-	119,698	-	119,698
Restricted cash and investments	15,599,267	49,217,519	35,434,976	29,381,810
Construction in progress	-	36,156	-	36,156
Total Assets	<b>\$ 40,526,343</b>	<b>\$ 69,690,857</b>	<b>\$ 55,541,322</b>	<b>\$ 54,675,878</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 10,630	\$ 394,356	\$ 391,409	\$ 13,577
Interest payable	1,132	2,583	1,132	2,583
Developer deposits	113,200	1,818,927	212,960	1,719,167
Due to (from) property owners	40,370,818	36,612,037	24,072,853	52,910,002
Agency obligations	30,563	2,884	2,898	30,549
Total Liabilities	<b>\$ 40,526,343</b>	<b>\$ 38,830,787</b>	<b>\$ 24,681,252</b>	<b>\$ 54,675,878</b>

**STATISTICAL SECTION**



## STATISTICAL SECTION

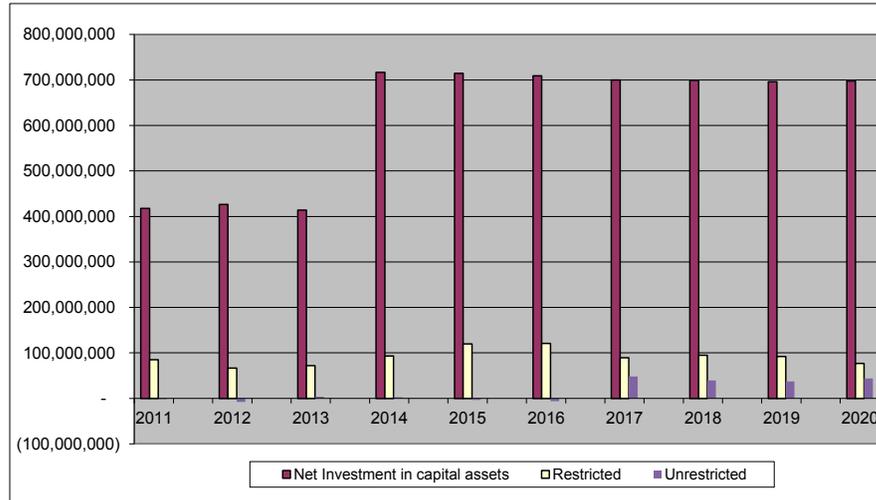
This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	120 - 124
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	125 - 128
<b>Debt Capacity</b>	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	129 - 131
<b>Economic and Demographic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time with other governments.	132 - 134
<b>Operating Information</b>	
These schedules contain contextual information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	135 - 136

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

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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Governmental activities</b>										
Net Investment in capital assets	316,648,571	325,101,751	314,827,035	367,327,505	367,624,105	359,758,260	354,718,311	350,361,056	348,742,386	344,847,105
Restricted	85,179,081	66,398,405	71,770,107	78,880,674	105,113,762	106,251,051	76,398,564	86,266,260	82,496,431	69,876,345
Unrestricted	(17,608,936)	(26,688,143)	(23,075,480)	(16,019,760)	(22,118,189)	(21,706,971)	19,409,294	5,020,121	8,392,145	14,138,806
Total governmental activities net assets	<u>384,218,716</u>	<u>364,812,013</u>	<u>363,521,662</u>	<u>430,188,419</u>	<u>450,619,678</u>	<u>444,302,340</u>	<u>450,526,169</u>	<u>441,647,437</u>	<u>439,630,962</u>	<u>428,862,256</u>
<b>Business-type activities</b>										
Net Investment in capital assets	101,243,804	101,133,414	99,076,798	349,214,909	347,013,821	349,180,869	345,150,139	348,208,139	347,503,553	353,011,194
Restricted	-	-	-	14,406,184	14,504,672	14,312,412	12,990,446	8,639,096	9,304,148	7,205,080
Unrestricted	15,806,202	18,834,287	26,591,294	18,376,045	18,881,017	15,639,418	28,760,478	34,614,888	29,053,080	29,512,061
Total business-type activities net assets	<u>117,050,006</u>	<u>119,967,701</u>	<u>125,668,092</u>	<u>381,997,138</u>	<u>380,399,510</u>	<u>379,132,699</u>	<u>386,901,063</u>	<u>391,462,123</u>	<u>385,860,781</u>	<u>389,728,335</u>
<b>Primary government</b>										
Net Investment in capital assets	417,892,375	426,235,165	413,903,833	716,542,414	714,637,926	708,939,129	699,868,450	698,569,195	696,245,939	697,858,299
Restricted	85,179,081	66,398,405	71,770,107	93,286,858	119,618,434	120,563,463	89,389,010	94,905,356	91,800,579	77,081,425
Unrestricted	(1,802,734)	(7,853,856)	3,515,814	2,356,285	(3,237,172)	(6,067,553)	48,169,772	39,635,009	37,445,225	43,650,867
Total primary government net assets	<u>501,268,722</u>	<u>484,779,714</u>	<u>489,189,754</u>	<u>812,185,557</u>	<u>831,019,188</u>	<u>823,435,039</u>	<u>837,427,232</u>	<u>833,109,560</u>	<u>825,491,743</u>	<u>818,590,591</u>
	-0.2%	-3.3%	0.9%	66.0%	2.3%	-0.9%	1.7%	-0.5%	-0.9%	-0.8%



Source: City of Lincoln Audited Financial Reports

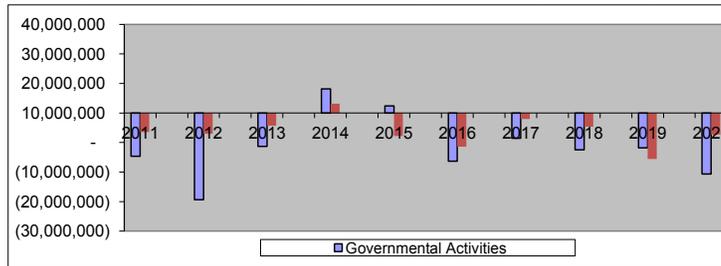
**City of Lincoln**  
**Change in Net Position**  
**Last Ten Fiscal Years**  
**(Full Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses</b>										
Governmental Activities										
General government	2,816,650	2,574,813	2,583,219	2,534,252	2,465,172	3,936,661	3,135,241	3,697,194	1,517,206	5,110,616
Public safety	10,484,408	9,006,804	8,973,076	8,676,336	9,111,739	11,437,055	9,222,033	11,443,750	12,567,871	13,880,906
Public works and facilities	11,295,372	10,423,827	8,083,773	7,502,426	19,030,793	21,087,881	21,065,618	24,230,516	28,442,592	24,585,754
Culture and recreation	870,049	591,312	743,858	714,789	745,314	839,156	735,780	939,858	1,043,517	1,017,823
Education	712,886	486,019	666,038	512,756	568,277	786,381	1,139,387	1,006,407	810,164	1,678,182
Urban redevelopment and housing	1,093,409	178,613	420,772	559,449	490,309	545,475	522,402	646,213	489,557	1,164,293
Interest on long-term debt	1,884,470	1,361,643	1,074,815	1,073,464	1,012,610	988,938	1,143,290	576,397	587,288	586,324
Total Governmental Activities	<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>	<u>36,963,751</u>	<u>42,540,335</u>	<u>45,458,195</u>	<u>47,113,898</u>
Business-Type Activities										
Water	8,798,950	7,821,110	8,410,782	9,626,761	12,418,348	12,618,263	16,370,415	14,598,974	18,975,438	15,416,723
Sewer	4,920,695	5,144,059	10,647,682	7,567,116	10,760,685	12,813,685	13,176,196	14,613,442	15,997,571	15,160,709
Solid Waste	3,952,669	4,369,551	4,460,008	4,576,457	5,087,810	7,355,610	4,448,941	4,983,983	5,713,323	6,291,563
Airport	1,993,639	1,818,658	2,009,793	2,122,836	1,632,005	1,563,378	1,414,739	1,546,662	1,570,314	1,385,498
Transit	1,145,903	939,595	979,330	855,631	980,587	796,960	1,208,851	1,019,402	831,545	763,389
Lincoln Public Financing Authority	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	<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>36,619,142</u>	<u>36,762,463</u>	<u>43,088,191</u>	<u>39,017,882</u>
Total Expenses	<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>	<u>73,582,893</u>	<u>79,302,798</u>	<u>88,546,386</u>	<u>86,131,780</u>
<b>Program Revenues</b>										
Governmental Activities										
Charges for Services										
General government	126,476	586,097	1,222,290	1,970,636	1,054,510	1,384,406	1,314,126	1,072,515	1,644,853	1,950,391
Public Safety	348,360	260,351	555,899	634,161	569,572	746,075	836,963	511,568	698,400	1,053,814
Public works and facilities	3,636,128	4,436,027	10,939,600	10,979,608	9,447,200	9,179,640	11,226,143	8,943,756	8,832,175	13,912,931
Culture and recreation	959,300	918,670	1,506,132	971,265	909,070	1,252,263	1,317,891	1,459,252	1,405,219	2,415,811
Education	22,429	38,321	37,835	159,415	7,480	32,185	14,933	18,506	17,420	12,715
Urban redevelopment and housing	8,920	-	-	-	-	-	-	-	-	-
Operating Grants and Contributions	4,129,716	3,455,701	3,614,352	3,248,047	1,673,308	651,321	3,977,143	5,587,725	5,264,119	5,184,744
Capital Grants and Contributions	151,718	1,680,280	881,562	7,957,869	14,184,897	3,255,890	2,685,758	3,806,413	1,354,228	1,119,210
Total Governmental Activities	<u>9,383,047</u>	<u>11,375,447</u>	<u>18,757,670</u>	<u>25,921,001</u>	<u>27,846,037</u>	<u>16,501,780</u>	<u>21,372,957</u>	<u>21,399,735</u>	<u>19,216,414</u>	<u>25,649,616</u>
Business-Type Activities										
Charges for Services										
Water	10,002,881	11,000,418	10,221,213	11,018,047	12,615,858	13,400,117	16,383,662	17,982,749	15,661,241	14,132,515
Wastewater	7,084,463	7,220,843	7,237,746	7,297,551	7,517,029	7,692,439	17,547,426	10,905,805	10,914,957	11,715,959
Solid Waste	4,843,540	4,848,401	5,025,078	5,272,082	5,825,523	6,219,021	6,686,470	7,234,003	7,230,150	7,172,944
Airport	1,244,251	1,449,562	1,558,585	1,785,214	1,261,533	1,253,203	1,259,101	1,426,040	1,578,138	1,454,717
Transit	43,255	51,090	51,068	47,195	39,289	2,589	1,926	2,842	1,344	553
Operating Grants and Contributions	1,428,826	1,142,591	6,154,480	1,549,590	1,188,545	2,058,693	478,160	4,901,085	398,364	458,708
Capital Grants and Contributions	480,434	543,189	2,641,668	5,590,940	4,254,405	2,125,839	2,174,326	1,401,690	1,288,121	1,636,972
Total Business-Type Activities	<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>44,531,071</u>	<u>43,854,214</u>	<u>37,072,315</u>	<u>36,572,368</u>
Total Program Revenues	<u>34,510,697</u>	<u>37,631,541</u>	<u>51,647,508</u>	<u>58,481,620</u>	<u>60,548,219</u>	<u>49,253,681</u>	<u>65,904,028</u>	<u>65,253,949</u>	<u>56,288,729</u>	<u>62,221,984</u>

\*The City restated historical data for Airport and Transit

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

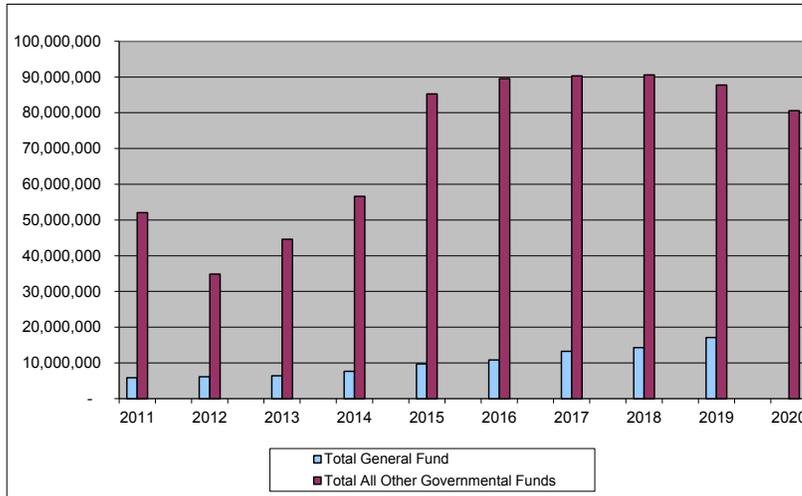
	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Net (Expense)/Revenue</b>										
Governmental Activities	(19,774,197)	(13,247,584)	(3,787,881)	4,347,529	(5,578,177)	(23,119,767)	(15,590,794)	(21,140,600)	(26,241,781)	(21,464,282)
Business-Type Activities	4,315,794	6,163,121	6,382,243	7,811,818	1,822,747	(2,395,995)	7,911,929	7,091,751	(6,015,876)	(2,445,514)
<b>Total Net Expense</b>	<b>(15,458,403)</b>	<b>(7,084,463)</b>	<b>2,594,362</b>	<b>12,159,347</b>	<b>(3,755,430)</b>	<b>(25,515,762)</b>	<b>(7,678,865)</b>	<b>(14,048,849)</b>	<b>(32,257,657)</b>	<b>(23,909,796)</b>
<b>General Revenues</b>										
Governmental Activities										
Taxes:										
Property taxes	9,742,282	8,309,198	7,511,360	7,668,875	9,020,576	8,983,948	9,705,899	10,066,655	10,527,123	11,103,454
Sales and use taxes	1,968,627	2,218,295	2,252,003	2,419,729	2,598,143	2,844,841	3,686,126	3,660,917	4,158,035	4,210,076
Franchise taxes	-	-	-	-	837,267	852,458	807,201	802,573	906,237	923,555
Other local taxes	849,872	990,613	975,649	191,278	259,982	222,229	283,663	303,022	346,865	260,495
Interest income	1,121,897	733,848	565,913	1,208,941	764,002	1,661,188	584,516	338,114	3,987,398	4,910,140
Miscellaneous	557,398	478,529	1,717,469	401,427	2,105,907	1,714,705	621,727	602,739	2,485,938	1,123,086
Special Item - agency fund bond proceeds	-	-	-	-	-	-	-	-	-	1,500,000
Special Item - return of unused bond proceeds	-	-	-	-	-	-	-	-	-	(14,048,856)
Transfers	1,357,294	2,195,637	-	717,066	1,858,685	-	1,375,484	2,868,785	2,022,620	840,575
Extraordinary gain	-	4,329,643	525,888	1,159,153	489,374	523,060	-	-	-	-
Prior period adjustments	(483,293)	(25,414,882)	(11,050,752)	-	-	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>15,114,077</b>	<b>(6,159,119)</b>	<b>2,497,530</b>	<b>13,766,469</b>	<b>17,933,936</b>	<b>16,802,429</b>	<b>17,064,616</b>	<b>18,642,805</b>	<b>24,434,216</b>	<b>10,822,525</b>
Business-Type Activities										
Taxes:										
Property taxes	40,349	43,204	47,684	-	-	-	-	-	-	-
Sales and use taxes	-	-	-	850,659	412,877	492,068	417,342	997,032	127,713	1,296,925
Interest income	335,266	282,286	262,287	550,349	372,555	735,107	75,455	(19,206)	2,191,471	2,329,372
Miscellaneous	184,555	209,841	1,079,475	168,876	125,745	239,418	984,836	200,260	99,153	2,322,591
Gain on sale of capital assets	-	-	-	4,935,797	(39,829)	83,688	(40,665)	1,100	18,817	34,133
Transfers	(1,357,294)	(2,195,637)	(525,888)	(1,159,153)	(489,374)	(523,060)	(1,375,484)	(2,868,785)	(2,022,620)	(840,575)
Prior period adjustments	-	(1,585,120)	(1,545,410)	-	-	-	-	-	-	-
<b>Total Business-Type Activities</b>	<b>(797,124)</b>	<b>(3,245,426)</b>	<b>(681,852)</b>	<b>5,346,528</b>	<b>381,974</b>	<b>1,027,221</b>	<b>61,484</b>	<b>(1,689,599)</b>	<b>414,534</b>	<b>5,142,446</b>
<b>Change in Net Assets</b>										
Governmental Activities	(4,660,120)	(19,406,703)	(1,290,351)	18,113,998	12,355,759	(6,317,338)	1,473,822	(2,497,795)	(1,807,565)	(10,641,757)
Business-Type Activities	3,518,670	2,917,695	5,700,391	13,158,346	2,204,721	(1,368,774)	7,973,413	5,402,152	(5,601,342)	2,696,932
<b>Total Change in Net Assets</b>	<b>(1,141,450)</b>	<b>(16,489,008)</b>	<b>4,410,040</b>	<b>31,272,344</b>	<b>14,560,480</b>	<b>(7,686,112)</b>	<b>9,447,235</b>	<b>2,904,357</b>	<b>(7,408,907)</b>	<b>(7,944,825)</b>



Source: City of Lincoln Audited Financial Reports

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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Fund</b>										
Nonspendable	149,424	100,250	613,502	136,582	361,627	387,438	492,748	330,040	5,371,094	5,306,135
Restricted	86,096	-	-	-	43	96	-	-	-	-
Committed	1,460,000	2,524,334	2,050,459	3,703,541	3,803,726	3,929,856	4,063,745	11,695,956	7,204,704	7,096,007
Assigned	-	-	-	-	-	-	-	678,711	678,711	2,275,615
Unassigned	4,132,105	3,533,294	3,715,005	3,819,021	5,580,155	6,530,612	8,685,506	1,566,065	3,860,869	5,239,923
Total General Fund	<u>5,827,625</u>	<u>6,157,878</u>	<u>6,378,966</u>	<u>7,659,144</u>	<u>9,745,551</u>	<u>10,848,002</u>	<u>13,241,999</u>	<u>14,270,772</u>	<u>17,115,378</u>	<u>19,917,680</u>
<b>All Other Governmental Funds</b>										
Nonspendable	35,794,414	33,014,706	32,810,398	31,238,435	33,945,141	437,032	12,667,904	424,560	441,577	436,791
Restricted	51,397,385	33,380,699	33,745,233	41,992,206	65,041,906	99,829,860	76,041,673	86,304,574	84,105,879	75,718,003
Committed	2,124,330	-	-	-	-	-	-	-	-	-
Assigned	-	-	5,214,476	5,650,033	6,126,672	5,984,063	5,878,548	5,076,709	4,757,518	4,834,251
Unassigned	(37,233,469)	(31,519,259)	(27,173,388)	(22,256,636)	(19,846,487)	(16,713,886)	(4,251,315)	(1,196,249)	(1,572,478)	(441,536)
Total All Other Governmental Funds	<u>52,082,660</u>	<u>34,876,146</u>	<u>44,596,719</u>	<u>56,624,038</u>	<u>85,267,232</u>	<u>89,537,069</u>	<u>90,336,810</u>	<u>90,609,594</u>	<u>87,732,496</u>	<u>80,547,509</u>



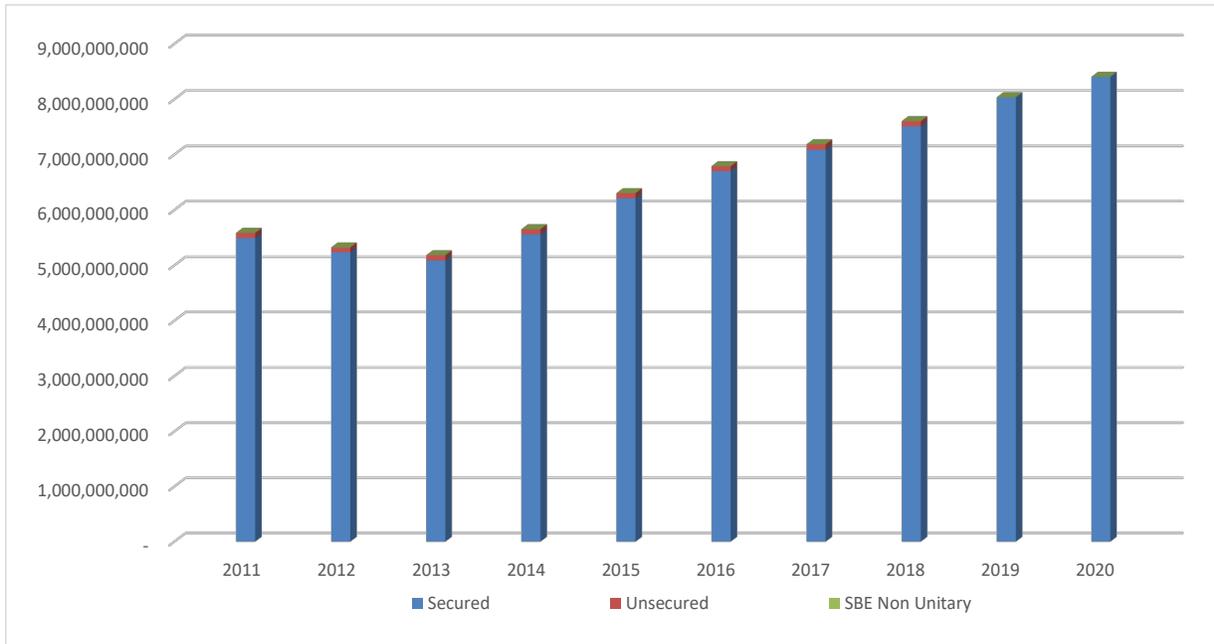
Source: City of Lincoln Audited Financial Reports

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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>										
Taxes and assessments	13,018,727	14,494,396	14,136,484	13,492,395	16,082,063	16,357,235	20,106,114	18,567,904	19,516,493	20,601,909
Licenses and permits	1,092,144	655,747	1,342,696	1,565,818	1,604,400	1,562,852	2,039,503	1,610,635	1,642,440	2,991,491
Intergovernmental revenue	3,268,014	6,294,565	4,697,951	3,526,877	10,012,367	4,641,768	4,704,926	6,847,168	6,574,382	7,143,718
Fines and penalties	129,884	115,085	79,606	48,509	74,132	94,962	68,350	64,909	68,102	56,661
Interest and investment income	1,141,512	805,847	563,366	1,197,057	747,630	1,620,941	350,746	334,845	3,778,750	4,556,485
Charges for services	4,599,914	2,476,782	9,904,756	10,787,334	6,943,205	7,482,996	9,067,969	6,732,616	7,309,292	12,245,106
Other revenue	695,524	478,529	1,717,469	401,427	2,105,694	1,714,705	459,607	379,952	2,527,056	1,140,383
<b>Total Revenues</b>	<b>23,945,719</b>	<b>25,320,951</b>	<b>32,442,328</b>	<b>31,019,417</b>	<b>37,569,491</b>	<b>33,475,459</b>	<b>36,797,215</b>	<b>34,538,029</b>	<b>41,416,515</b>	<b>48,735,753</b>
<b>Expenditures</b>										
<b>Current</b>										
General government	2,740,006	2,549,256	2,574,534	2,321,201	2,846,091	3,197,417	3,319,937	3,202,404	3,112,059	3,837,505
Public safety	9,746,718	8,478,042	8,723,479	8,116,557	8,881,517	9,356,075	9,740,100	10,640,805	10,982,420	11,928,284
Public works and facilities	8,942,799	7,691,014	5,223,957	4,819,786	5,265,925	7,146,117	7,692,480	9,204,907	9,283,230	11,339,025
Culture and recreation	812,219	571,875	741,632	646,189	657,331	712,594	762,026	891,065	971,921	954,402
Education	712,472	490,327	665,834	512,755	558,746	710,838	542,818	610,054	674,174	700,966
Urban redevelopment and housing	666,240	144,653	416,188	558,740	487,553	510,589	933,166	840,001	646,904	725,067
<b>Debt Service</b>										
Principal retirement	1,150,000	1,180,000	700,000	771,784	880,524	911,116	19,386,939	1,008,510	918,697	952,261
Interest and bond issuance costs	1,893,176	1,555,009	1,083,203	1,082,887	1,024,729	1,003,612	(51,400)	632,227	621,105	599,557
Capital Outlay	2,690,016	2,091,332	2,706,542	4,049,046	7,850,556	5,224,887	8,512,198	9,982,312	11,154,911	10,291,590
<b>Total Expenditures</b>	<b>29,353,646</b>	<b>24,751,508</b>	<b>22,837,369</b>	<b>22,878,945</b>	<b>28,452,972</b>	<b>28,773,245</b>	<b>50,838,264</b>	<b>37,012,285</b>	<b>38,365,421</b>	<b>41,328,657</b>
Excess(Deficiency) of Revenue over Expenditures	(5,407,927)	569,443	9,604,959	8,140,472	9,116,519	4,702,214	(14,041,049)	(2,474,256)	3,051,094	7,407,096
<b>Other Financing Sources (Uses)</b>										
Proceeds from Bond Issuance	-	-	-	-	-	-	17,760,000	-	-	-
Bond issuance discount	-	-	-	-	-	-	(213,523)	-	-	-
Return of bond funds	-	-	-	-	-	-	-	(123,168)	(4,410,054)	-
Operating transfers in	9,663,693	4,930,996	3,808,876	7,833,725	8,416,800	2,637,544	20,616,774	5,256,776	6,496,221	2,274,238
Operating transfers out	(8,126,629)	(2,735,359)	(3,591,758)	(3,601,414)	(7,601,327)	(1,967,470)	(19,241,290)	(2,596,991)	(5,322,452)	(1,457,663)
Proceeds from sale of capital assets	-	-	-	726,942	1,899,900	-	-	-	-	-
Debt proceeds	-	-	-	568,873	-	-	-	-	152,699	-
<b>Total Other Financing Sources (Uses)</b>	<b>1,537,064</b>	<b>2,195,637</b>	<b>217,118</b>	<b>5,528,126</b>	<b>2,715,373</b>	<b>670,074</b>	<b>18,921,961</b>	<b>2,536,617</b>	<b>(3,083,586)</b>	<b>816,575</b>
<b>Special Items</b>										
Agency fund bond proceeds	-	-	-	-	-	-	-	-	-	1,500,000
Return of Bond Funds	-	-	-	-	-	-	-	-	-	(14,048,856)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(12,548,856)</b>
Net Change in fund balance before prior period adjustment and extraordinary items	(3,870,863)	2,765,080	9,822,077	13,668,598	11,831,892	5,372,288	4,880,912	62,361	(32,492)	(4,325,185)
Prior period adjustment	-	(13,087,464)	119,584	(361,101)	18,897,709	-	(6,544,385)	1,239,196	-	(57,500)
Extraordinary item	-	-	-	-	-	-	-	-	-	-
Assets transferred to/liabilities assumed by Successor Agency/Housing Successor	-	(6,553,877)	(6,553,877)	-	-	-	-	-	-	-
<b>Net Change in fund balance</b>	<b>(3,870,863)</b>	<b>(16,876,261)</b>	<b>3,387,784</b>	<b>13,307,497</b>	<b>30,729,601</b>	<b>5,372,288</b>	<b>(1,663,473)</b>	<b>1,301,557</b>	<b>(32,492)</b>	<b>(4,382,685)</b>
Debt service as a percentage of noncapital expenditures	11.4%	12.1%	8.9%	9.8%	9.2%	8.1%	45.7%	6.1%	5.7%	5.0%

Source : City of Lincoln Audited Financial Reports

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



<b>Fiscal Year Ending June 30</b>	<b>Secured</b>	<b>Unsecured</b>	<b>SBE Non Unitary</b>	<b>Taxable Assessed Value</b>	<b>% Change</b>	<b>Direct Rate</b>
2011	5,492,966,752	92,626,121	250,900	5,585,843,773	-6.827%	1.021%
2012	5,236,867,717	86,074,985	250,900	5,323,193,602	-4.702%	1.026%
2013	5,086,007,045	96,083,909	250,900	5,182,341,854	-2.646%	1.026%
2014	5,558,822,669	91,995,204	197,100	5,651,014,973	9.044%	1.026%
2015	6,210,620,359	91,857,194	197,100	6,302,674,653	11.532%	1.025%
2016	6,700,348,821	89,368,958	197,100	6,789,914,879	7.731%	1.032%
2017	7,086,425,439	98,779,370	197,100	7,185,401,909	5.825%	1.039%
2018	7,511,498,201	91,269,260	-	7,602,767,461	5.809%	1.043%
2019	8,035,437,566	95,245,723	-	8,130,683,289	6.944%	1.056%
2020	8,404,444,524	114,687,131	-	8,519,131,655	4.778%	1.061%

**Notes:**

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

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

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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
City of Lincoln General purpose	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Western Placer Unified School District	0.02%	0.03%	0.03%	0.03%	0.03%	0.03%	0.04%	0.04%	0.06%	0.05%
Sierra Joint Community College District	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%
	<u>1.02%</u>	<u>1.03%</u>	<u>1.03%</u>	<u>1.03%</u>	<u>1.03%</u>	<u>1.03%</u>	<u>1.04%</u>	<u>1.04%</u>	<u>1.06%</u>	<u>1.06%</u>

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

Property Owner	Primary Land Use	Rank	2019-2020	
			Taxable Assessed Value	% of Total City Taxable Assessed Value
PW Fund B LP	Warehouse	1	\$ 94,986,400	1.11%
Sierra Pacific Industries	Heavy Industrial	2	53,715,973	0.63%
JPS Development LLC	Commercial	3	25,329,444	0.30%
Kaiser Foundation Health Plan Inc	Medical Building	4	24,911,185	0.29%
Lowes HIW Inc	Commercial	5	18,957,716	0.22%
Safeway Inc.	Commercial	6	18,700,724	0.22%
Target Corporation	Commercial - Retail	7	18,696,140	0.22%
Auburn Creek Investors	Residential- Apartments	8	17,584,134	0.21%
KB Hom Sacramento Inc.	Residential- Development	9	16,911,126	0.20%
HD Development of Maryland Inc.	Commercial	10	16,433,556	0.19%
			306,226,398	3.59%
2019-2020 Local Secured Assessed Valuation			\$ 8,519,131,655	

Property Owner	Primary Land Use	Rank	2010-2011	
			Taxable Assessed Value	% of Total City Taxable Assessed Value
Sierra Pacific Industires	Heavy Industrial	1	\$ 54,401,306	0.97%
OK & B	Warehouse	2	36,038,234	0.65%
Kaiser Foundation Health Plan Inc	Medical Building	3	19,671,990	0.35%
Lowes HIW	Commercial	4	17,180,030	0.31%
Target Corporation	Commercial - Retail	5	16,323,360	0.29%
Auburn Creek Investors	Residential- Apartments	6	15,755,114	0.28%
Safeway Inc.	Commercial	7	15,654,564	0.28%
Mahsterling Pointe LLC	Shopping Center	8	15,470,000	0.28%
Buzz Oates Enterprises II	Warehouse	9	15,193,453	0.27%
Lincoln Village at Twelve Bridges LLC	Shopping Center	10	15,100,000	0.27%
			220,788,051	3.95%
2010-2011 Local Secured Assessed Valuation:			\$ 5,585,843,773	

Source: HDL, Coren & Cone

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

<b>Fiscal Year</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>	
		<b>Amount</b>	<b>Percent of Levy</b>
2010 / 2011	4,039,416	3,940,526	97.55%
2011 / 2012	3,911,676	3,839,152	98.15%
2012 / 2013	3,817,958	3,766,886	98.66%
2013 / 2014	4,132,295	4,093,648	99.06%
2014 / 2015	4,689,175	4,648,015	99.12%
2015 / 2016	5,046,671	5,004,975	99.17%
2016 / 2017	5,366,078	5,324,911	99.23%
2017 / 2018	5,681,659	5,641,895	99.30%
2018 / 2019	6,101,116	6,060,436	99.33%
2019 / 2020	6,378,293	6,290,019	98.62%

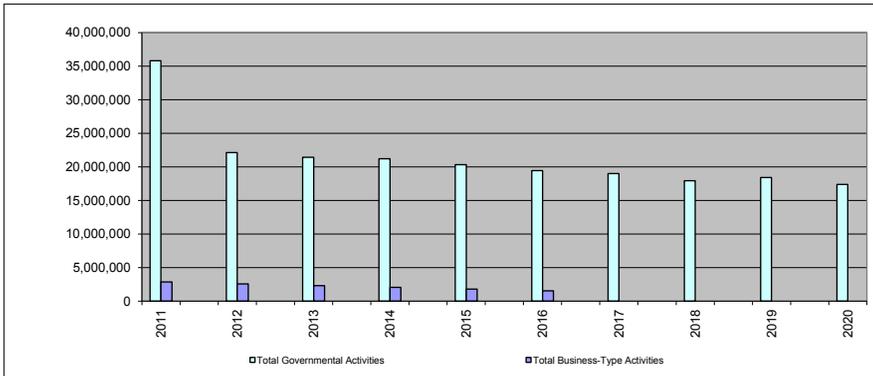
**Notes:**

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

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

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

Fiscal Year Ending June 30	Governmental Activities			Business-Type Activities				Legal Bonded Debt Margin			
	Bonds	Capital Lease	Total Governmental Activities	Loans	Bonds	Capital Lease	Total Business-Type Activities	Total Primary Government	Percentage of Personal Income (1)	Percentage of Assessed Value (2)	Per Capita (1)
2011	35,814,783	-	35,814,783	124,580	795,000	1,957,869	2,877,449	38,692,232	3488.55%	0.69%	941
2012	22,120,687	-	22,120,687	105,345	590,000	1,880,905	2,576,250	24,696,937	4979.47%	0.46%	567
2013	21,423,295	-	21,423,295	84,716	410,000	1,800,232	2,294,948	23,718,243	5633.95%	0.46%	541
2014	20,710,903	512,089	21,222,992	62,591	260,000	1,715,670	2,038,261	23,261,253	5865.00%	0.41%	515
2015	19,968,511	376,565	20,345,076	38,861	125,000	1,627,033	1,790,894	22,135,970	6266.06%	0.35%	489
2016	19,201,120	235,448	19,436,568	13,410	-	1,534,122	1,547,532	20,984,100	6808.97%	0.31%	443
2017	18,935,573	88,510	19,024,083	-	-	-	-	19,024,083	7720.14%	0.26%	395
2018	17,959,447	-	17,959,447	-	-	-	-	17,959,447	8759.42%	0.24%	370
2019	16,993,319	1,443,636	18,436,955	-	-	-	-	18,436,955	9153.25%	0.23%	382
2020	16,012,191	1,386,471	17,398,662	-	-	-	-	17,398,662	10168.80%	0.20%	353



(1) See Demographic and Economic Statistics schedule for personal income and population data.

(2) See Assessed Value and Estimated Actual Value of Taxable Property schedule for property value data.

n/a - information is not available

Source: City of Lincoln Audited Financial Reports

**CITY OF LINCOLN**  
**Direct and Overlapping Bonded Debt**  
**As of June 30, 2020**

2019-20

\$ 8,519,131,655

	<u>Total Debt</u>	<u>6/30/2020</u>	<u>% Applicable (1)</u>	<u>City's Share of</u>
				<u>Debt 6/30/20</u>
<b>OVERLAPPING TAX AND ASSESSMENT DEBT:</b>				
Sierra Joint Community College District School Facilities Improvement District No. 4	\$	80,000,000	12.150%	\$ 9,720,000
Western Placer Unified School District		114,725,000	85.542%	98,138,060
Western Placer Unified School District Community Facilities District No. 1		9,834,612	100.00%	9,834,612
Western Placer Unified School District Community Facilities District No. 2		34,980,000	100.00%	34,980,000
City of Lincoln Community Facilities Districts		89,375,000	100.00%	89,375,000
City of Lincoln 1915 Act Bonds		24,229,000	100.00%	24,229,000
California Statewide Communities Development Authority Assessment Districts		6,577,010	100.00%	6,577,010
<b>Total Overlapping Tax and Assessment Debt</b>				<b>\$ 272,853,682</b>
 <b>OVERLAPPING GENERAL FUND DEBT:</b>				
Placer County General Fund Obligations	\$	22,480,000	10.567%	\$ 2,375,462
Placer County Office of Education Certificates of Participation		700,000	10.567%	73,969
Sierra Joint Community College District Certificates of Participation		2,660,000	8.036%	213,758
Western Placer Unified School District Certificates of Participation		143,637,598	85.542%	122,870,474
<b>City of Lincoln General Fund Obligations</b>		<b>15,025,000</b>	<b>100.000%</b>	<b>15,025,000</b>
Placer Mosquito and Vector Control District Certificates of Participation		2,666,000	10.567%	281,716
<b>Total Overlapping General Fund Debt</b>				<b>\$ 140,840,379</b>
 <b>OVERLAPPING TAX INCREMENT DEBT: (Successor Agency)</b>				
	\$	6,345,000	100.00%	\$ 6,345,000
<b>Total Direct Debt</b>				<b>\$ 15,025,000</b>
Total Overlapping Debt				<u>405,014,061</u>
<b>Total Combined Debt</b>				<u><b>\$ 420,039,061</b></u> (2)

**Ratios to 2019-20 Assessed Valuation:**

Total Overlapping Tax and Assessment Debt	3.20%
<b>Combined Direct Debt (\$15,025,000)</b>	<b>0.18%</b>
Combined Total Debt	4.93%

**Ratios to Redevelopment Successor Agency Incremental Valuation (\$305,447,584):**

Total Overlapping Tax Increment Debt	2.08%
--------------------------------------	-------

AB:(\$500)

(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, 2019**

Secured Property Assessed Value, Net of Exempt Real Property	<u>\$ 8,035,437,566</u>	
Bonded debt limit (3.75% of assessed value) (a)		\$ 301,328,909
Amount of Debt Subject to Limit:		
Total Bonded Debt	18,436,955	
Less Total Bonds not subject to limit (b)	<u>-</u>	
Amount of debt not subject to limit		18,436,955
Legal debt margin		<u>\$ 282,891,954</u>

Fiscal Year Ending June 30	Debt Limit	Total net debt applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a % of debt limit
2008	247,807,612	38,931,732	208,875,880	15.71%
2009	243,704,320	38,089,415	205,614,905	15.63%
2010	220,690,352	36,957,099	183,733,253	16.75%
2011	205,986,253	35,814,783	170,171,470	17.39%
2012	196,382,539	22,120,687	174,261,852	11.26%
2013	190,725,264	21,423,295	169,301,969	11.23%
2014	208,455,850	20,710,903	187,744,947	9.94%
2015	232,898,263	19,968,511	212,929,752	8.57%
2016	251,263,081	19,201,120	232,061,961	7.64%
2017	265,740,954	17,868,510	247,872,444	6.72%
2018	281,681,183	17,959,447	263,721,736	6.38%
2019	301,328,909	18,436,955	282,891,954	6.12%

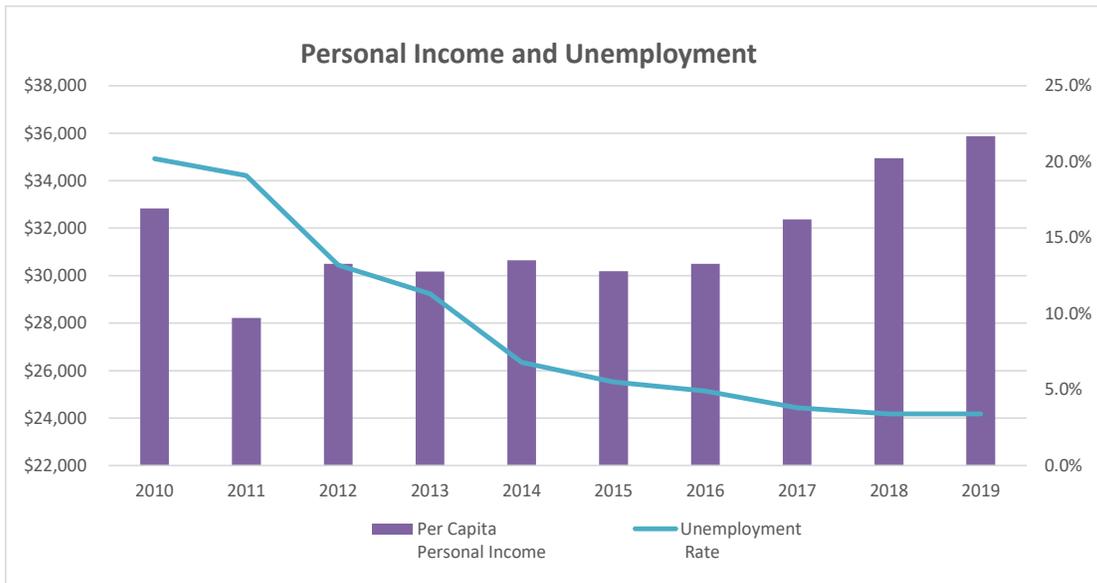
(a) California Government Code Section 43605 sets the debt limit at 15%. The Code section was enacted prior to the change in basing assessed value at full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing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

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

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

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

Calendar Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate	Median Age	% fo Pop25+ with High Scholl Degree	% fo Pop25+ with Bachelor's Degree
2010	41,111	1,349,797,000	\$ 32,833	20.2%	42.1	92.1%	29.7%
2011	43,572	1,229,776,000	\$ 28,224	19.1%	40.6	92.4%	30.5%
2012	43,818	1,336,274,000	\$ 30,496	13.2%	40.3	92.8%	30.6%
2013	45,206	1,364,272,000	\$ 30,179	11.3%	40.4	93.4%	32.1%
2014	45,256	1,387,053,000	\$ 30,649	6.8%	41.2	93.7%	32.1%
2015	47,339	1,428,801,000	\$ 30,182	5.5%	42.3	93.5%	32.6%
2016	48,165	1,468,686,000	\$ 30,493	4.9%	42.3	93.0%	33.3%
2017	48,591	1,573,143,000	\$ 32,375	3.8%	42.7	93.0%	34.4%
2018	48,277	1,687,581,000	\$ 34,956	3.4%	43.1	92.4%	33.2%
2019	49,317	1,769,236,000	\$ 35,874	3.4%	43.3	92.4%	33.5%



**CITY OF LINCOLN  
Principal Employers  
2020**

<b>Company</b>	<b>Business Description</b>	<b>Size (employees)</b>
B Z Plumbing Co Inc	Plumbing Contractors	100 to 249
Gladding Mcbean LLC	Fabricated Pipe & Pipe Fittings (Mfrs)	100 to 249
Home Depot	Home Centers	100 to 249
Horizon Charter School	Schools	100 to 249
Lincoln City Hall	Government Offices-City/Village & Twp	100 to 249
Lincoln High School	Schools	100 to 249
Lincoln Meadows Care Ctr	Rehabilitation Services	100 to 249
Lowe's Home Improvement	Home Centers	100 to 249
Safeway	Grocers-Retail	100 to 249
Sierra Pacific Industries	Lumber-Manufacturers	100 to 249
Sierra Pacific Lincoln	Power Plants	250 to 499
Thunder Valley Casino	Casino	1000 to 4999

*Source: EDD, Labor Market Information Division*

**CITY OF LINCOLN  
Sales Tax Producers - Top 25  
2020**

Aisle 1	Service Stations
Apex Underground Supply	Heavy Industrial
Arco AM PM	Service Stations
Chevron	Service Stations
Chevron	Service Stations
CVS Pharmacy	Drug Store
Gladding McBean	Building Materials
Go Wireless	Electronics/Appliance Stores
Home Depot	Building Materials
In N Out Burger	Quick-Service Restaurants
Lowes	Building Materials
McDonalds	Quick-Service Restaurants
National Building Systems	Building Materials
Petsmart	Specialty Stores
Raley's	Grocery Stores
Ramos Oil	Petroleum Prod/Equipment
Ross	Family Apparel
Safeway	Grocery Stores
Safeway Fuel	Service Stations
Store 3020	Service Stations
Sun City Lincoln Hills Community Association	Leisure/Entertainment
Target	Discount Dept Stores
TJ Maxx	Family Apparel
Verifone	Electrical Equipment
Walmart Neighborhood Market	Grocery Stores

Sources: HDL, Coren & Cone

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

	Fiscal Year Ending June 30									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
City Manager										
Administration	2.8	2.8	3.8	2.8	2.8	2.0	3.0	2.0	2.0	2.0
Human Resources	2.0	2.0	1.5	1.5	2.5	2.0	2.0	5.0	3.8	2.5
Information Technology / GIS	-	-	-	-	-	-	-	-	-	2.0
Economic Development	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Records Management	3.0	3.0	2.0	2.0	2.0	2.0	2.0	1.0	2.0	2.0
City Attorney										
City Attorney	-	-	-	-	-	-	-	1.0	1.0	1.0
Code Enforcement	-	-	-	-	-	-	-	-	2.0	1.0
Finance										
Administration	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0	2.0
Finance	8.0	9.0	10.0	10.0	9.0	9.0	9.0	9.0	9.3	11.0
Information Technology	1.0	1.0	1.0	1.0	1.0	-	-	-	-	-
Central Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Community Development										
Administration	0.5	4.3	0.3	0.3	1.0	5.0	5.0	5.0	4.0	4.0
Planning	3.4	1.0	4.0	4.5	3.5	3.5	4.0	4.0	3.0	3.0
Building	4.0	4.0	4.0	4.0	4.0	2.0	2.0	2.0	2.0	2.0
Development & Engineering	4.1	1.0	1.0	1.0	3.0	1.0	1.0	1.0	2.0	2.0
Financial Analysis	1.0	-	-	-	-	-	-	-	-	-
Public Works										
Administration	5.0	6.0	7.0	8.5	8.5	1.0	1.0	1.0	7.0	6.5
Engineering	-	-	-	-	-	-	-	7.0	8.5	5.0
Water	7.5	8.1	8.1	10.0	6.5	10.9	10.9	10.9	8.4	9.1
Wastewater	3.8	3.5	3.5	6.5	6.5	7.8	7.8	7.8	6.5	7.0
Solid Waste	13.6	10.3	12.7	13.9	13.4	13.5	13.5	13.5	15.0	15.0
Streets	4.2	4.2	4.8	6.2	6.2	6.3	6.3	6.3	7.9	7.9
Transit	7.7	7.0	8.0	7.5	7.0	2.0	2.0	2.0	1.0	-
Airport	2.3	2.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0
Parks & Facilities	5.0	6.0	5.0	5.6	6.5	5.0	5.0	5.0	7.0	7.0
Fleet Maintenance	5.0	5.0	5.0	5.5	5.5	5.0	5.0	5.0	5.5	5.5
Police										
Administration	6.0	5.0	2.5	2.5	2.5	2.5	3.5	3.5	4.0	4.0
Communications	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Operations	27.0	21.0	19.5	19.5	19.5	19.5	22.5	22.5	22.5	22.5
Fire										
Administration	3.0	3.0	2.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0
Operations	21.0	19.5	19.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0
Library	5.7	2.0	2.0	3.5	3.9	3.9	5.6	3.4	5.7	5.9
Recreation (a)	5.5	4.0	4.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0
Redevelopment	-	-	-	-	-	-	-	-	-	-
<b>Total Full-Time Equivalents</b>	<b>163.4</b>	<b>147.0</b>	<b>144.6</b>	<b>155.1</b>	<b>152.8</b>	<b>142.0</b>	<b>149.2</b>	<b>157.0</b>	<b>168.0</b>	<b>164.9</b>

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

Source: City of Lincoln Original Budget Documents

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

	Fiscal Year Ending June 30								
	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Business Licenses</b>									
Annual business license	1,916	---	1,120	1,182	1,938	1,988	1,979	2,330	2,442
<b>Environment and Utilities</b>									
Gallons of wastewater treated per year (in millions)	1,239	1,135	1,144	1,095	1,062	1,178	1,935	1,709	1,880
Gallons of wastewater discharged per year (in millions)	1,144	999	843	1,063	813	969	1,748	1,572	1,765
<b>Fire</b>									
Fires per year	114	134	137	121	142	149	152	158	145
Emergency medical calls per year	2,047	2,212	2,465	2,667	2,637	2,637	3,153	3,280	3,306
Hazardous materials incidents per year	45	35	45	49	40	41	58	52	49
Non-emergency service calls per year	1,027	857	933	969	749	1,250	1,442	1,261	1,176
<b>Police</b>									
911 calls per year	9,597	10,187	10,998	8,710	8,852	10,577	11,082	13,095	13,442
Cases investigated per year	2,134	1,890	1,898	1,142	1,866	1,872	2,288	2,226	2,310
Arrests per year	602	458	429	314	479	403	517	786	812
<b>Building Permits</b>									
New Single Family Dwellings	56	138	314	280	233	188	252	70	115
Commercial (New and Tenant Improvements)	n/a	n/a	n/a	125	135	146	132	26	119
All Other	n/a	n/a	n/a	1,505	2,313	2,820	2,314	1,100	1,847

n/a = information not available

\*\* new licenses applied for

Source : City of Lincoln