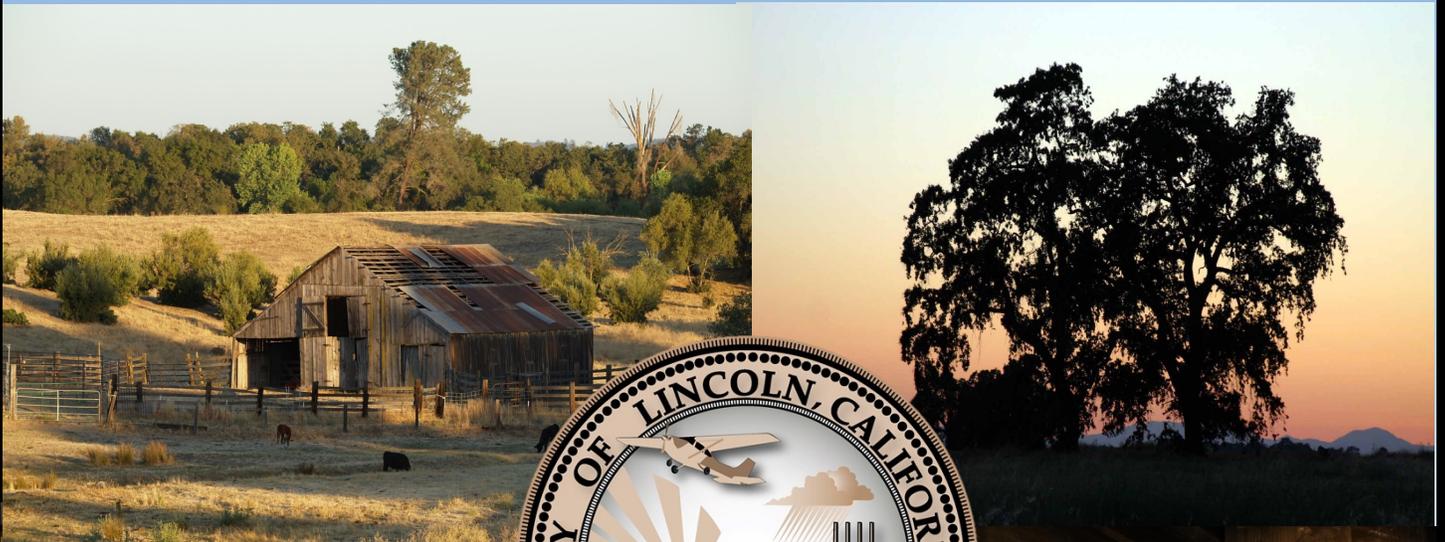


Annual Comprehensive Financial Report

Fiscal Year Ended
June 30, 2021



**CITY OF LINCOLN
STATE OF CALIFORNIA**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2021



PREPARED BY FINANCE DIVISION

CITY OF LINCOLN
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2021

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INTRODUCTORY SECTION





December 17, 2021

Honorable Mayor and Members of the City Council:

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the City of Lincoln (City) for the fiscal year ended June 30, 2021, 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. The Lincoln City Council is the governing body of the City and is comprised of five elected officials, who are elected by district, each for four-year terms. Each of the Councilmembers takes an annual turn as Mayor. City voters also elect a City Treasurer who serves a four-year term.

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

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

City Hall
600 Sixth Street
Lincoln, CA 95648
(916) 434-2400
www.lincolnca.gov

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

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

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

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

Major Initiatives

The aggressive growth in Lincoln is supporting installation of new infrastructure of all sorts. The most critical project in process is expansion of the City's Wastewater Regional Treatment Plant (WW RTP). This estimated \$30-40 million project, also serving a section of Placer County, will allow significant growth to serve the City's residential, commercial and future industrial growth. At the same time, the City's \$11.5 million allocation of American Rescue Planning Act funding will permit the City to upgrade older infrastructure in need of reinvestment.

Lincoln has experienced the same high turnover among key managers that other employers have during the last half of 2021. A new City Manager will be joining the Lincoln team in 2022 and will have the opportunity to appoint several new department heads to join the dedicated core of talent at the executive level. In addition to stabilizing the management team, the City is also investing in upgrade of its financial and technological infrastructure. These efforts will include implementation of a new enterprise resources planning (ERP) system, enhanced land management and permitting capability and improved cyber security.

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

Efforts are ongoing to bolster the City's Police and Fire services. The rapid growth of the City has not generated sufficient revenues to bring along enhancements in staffing these public safety services. This remains a very high priority for the City Council as we enter into the next year. Lincoln values its reputation as a very safe community. Additional State and local tax revenues were allocated to these functions last year and efforts are underway to increase their funding further.

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

Local Economy

The City continues to cope with the lingering impacts of the COVID crisis on the economy and on community activity. However, after nearly two years under the effects of the pandemic, the City continues to experience one of the strongest residential housing booms in the State. The beautiful vistas, lower density and more affordable housing in South Placer County continues to attract new homeowners and business investors.

The City always takes a more cautious approach in revenue and expense forecasting to avoid midyear surprises. The City's sales tax and property tax revenues remain stable, as is the case countywide.

Building permit fee revenue is over the amount budgeted for the second year in a row. 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, as well as the City's ability to expand infrastructure capacity to accommodate the growth.

The City is cognizant of the need to build its commercial tax base, which has lagged behind residential development, but is made increasingly more viable due to the remarkable number of "residential rooftops." Coupled with the City's favorable location along Highway 65, the City places high priority on recruiting retail and commercial tax base and good new jobs.

The City continues to maintain proper Reserve funds, to increase its OPEB trust fund, and to monitor an improving CalPERS unfunded liability.

Long-term Financial Planning

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

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

Acknowledgements

Preparation of this report was made possible by the efforts of the dedicated and talented staff in the City's Finance Department. I extend a special thank you to Acting Director of Finance Sandra Cooke, Budget Manager Ruthann Codina, and to our dedicated Finance staff and those in other City departments who have assisted in the process.

Respectfully submitted,



Mark Scott
Interim City Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Lincoln
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

CITY OF LINCOLN

CITY OFFICIALS

JUNE 30, 2021

ELECTED OFFICIALS

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

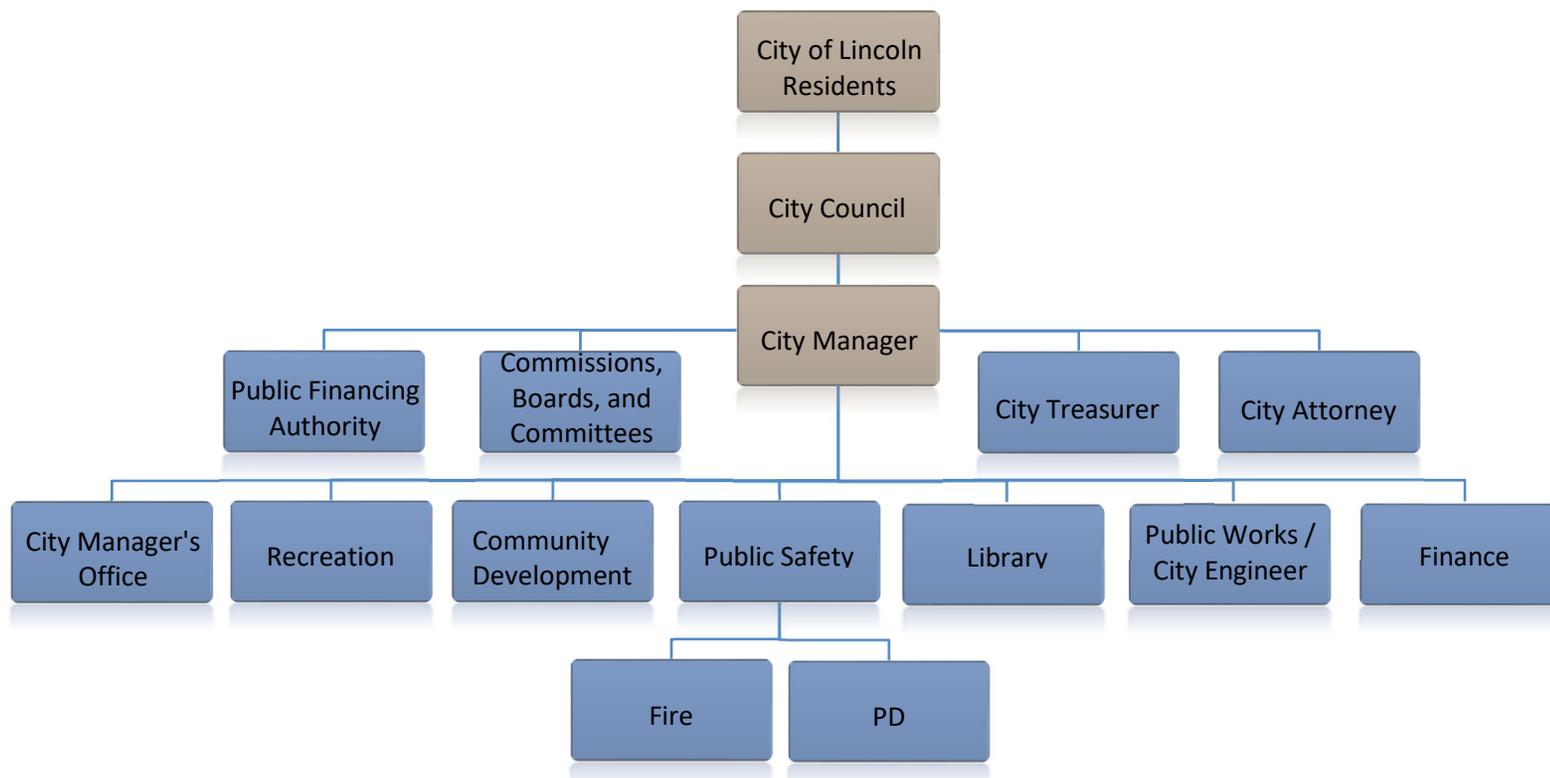
APPOINTED OFFICIALS

Interim City Manager	Mark Scott
City Clerk	Gwen Scanlon

DEPARTMENT HEADS

Interim Director of Finance	Mark Scott
Director of Community Development	Steve Prosser
Director of Public Works/City Engineer	Jim Bermudez
Public Safety Chief	Matt Alves
Library Manager	Kathryn Hunt

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



FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

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

Report on the 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, 2021, 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, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2021, the City adopted new accounting guidance, GASB Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, 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 December 17, 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.

Mann, Annetta, Nalson CPA's

Sacramento, California
December 17, 2021

CITY OF LINCOLN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021

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, 2021. 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 \$25,435,941 and total liabilities of \$1,237,369, and a total fund balance of \$24,166,803. Of the total fund balance, the unassigned fund balance of the General Fund totaled \$12,147,645 or 62% of total General Fund expenditures at year-end.
- The assets and deferred outflows of resources of the City of Lincoln exceeded its liabilities and deferred inflows of resources at June 30, 2021 by \$839,739,504 (net position). Of this amount, \$686,220,254 is invested in capital assets, net of related debt; \$86,288,724 is restricted for debt service, capital projects, insurance, grants, taxes, and fees; and \$67,230,526 is unrestricted.
- The City's total net position increased by \$21,148,913, of which \$14,018,252 of the increase was attributable to governmental activities and \$7,130,661 to business-type activities.
- As of June 30, 2021, the City's governmental funds reported combined ending fund balances of \$126,695,768, an increase of \$26,230,579 from the prior year's balance of \$100,465,189. Nonspendable, restricted, committed and assigned fund balances totaled \$114,800,517, whereas unassigned fund balance totaled \$11,895,251.

OVERVIEW OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT

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

Government-Wide Financial Statements

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

The Statement of Net Position presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City 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, 2021

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 resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term capability of maintaining service delivery levels.

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

The City 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, 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.

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, 2021

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, and Development Services fund can be found on pages 80 - 86. 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 87 - 118.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

A comparative analysis of the government-wide data follows.

Statement of Net Position
As of June 30, 2021 and 2020
(in thousands)

	<u>Governmental Activities</u>			<u>Business-Type Activities</u>			<u>Total Government</u>		
	<u>2021</u>	<u>2020</u>	<u>Net Change</u>	<u>2021</u>	<u>2020</u>	<u>Net Change</u>	<u>2021</u>	<u>2020</u>	<u>Net Change</u>
ASSETS									
Current and other assets	\$ 145,692	\$ 118,743	\$ 26,949	\$ 60,083	\$ 50,561	\$ 9,522	\$ 205,775	\$ 169,304	\$ 36,471
Capital assets	<u>352,604</u>	<u>362,246</u>	<u>(9,642)</u>	<u>349,818</u>	<u>353,011</u>	<u>(3,193)</u>	<u>702,422</u>	<u>715,257</u>	<u>(12,835)</u>
Total Assets	<u>498,296</u>	<u>480,989</u>	<u>17,307</u>	<u>409,901</u>	<u>403,572</u>	<u>6,329</u>	<u>908,197</u>	<u>884,561</u>	<u>23,636</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>13,965</u>	<u>14,356</u>	<u>(391)</u>	<u>3,789</u>	<u>4,054</u>	<u>(265)</u>	<u>17,754</u>	<u>18,410</u>	<u>(656)</u>
LIABILITIES									
Long-term liabilities	55,805	54,561	1,244	11,623	11,121	502	67,428	65,682	1,746
Other liabilities	<u>12,805</u>	<u>10,904</u>	<u>1,901</u>	<u>5,070</u>	<u>6,408</u>	<u>(1,338)</u>	<u>17,875</u>	<u>17,312</u>	<u>563</u>
Total Liabilities	<u>68,610</u>	<u>65,465</u>	<u>3,145</u>	<u>16,693</u>	<u>17,529</u>	<u>(836)</u>	<u>85,303</u>	<u>82,994</u>	<u>2,309</u>
DEFERRED INFLOWS OF RESOURCES	<u>771</u>	<u>1,016</u>	<u>(245)</u>	<u>138</u>	<u>369</u>	<u>(231)</u>	<u>909</u>	<u>1,385</u>	<u>(476)</u>
NET POSITION									
Net investment in capital assets	336,402	344,847	(8,445)	349,818	353,011	(3,193)	686,221	697,859	(11,638)
Restricted	71,644	69,876	1,768	14,645	7,205	7,440	86,289	77,081	9,208
Unrestricted	<u>34,834</u>	<u>14,139</u>	<u>20,695</u>	<u>32,396</u>	<u>29,512</u>	<u>2,884</u>	<u>67,230</u>	<u>43,651</u>	<u>23,579</u>
Total Net Position	<u>\$ 442,880</u>	<u>\$ 428,862</u>	<u>\$ 14,018</u>	<u>\$ 396,859</u>	<u>\$ 389,728</u>	<u>\$ 7,131</u>	<u>\$ 839,740</u>	<u>\$ 818,591</u>	<u>\$ 21,149</u>

By far, the largest portion of the City's net position is unspendable (\$686,220,254 or 82%) 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 \$86,288,724 which are resources subject to external restrictions, and unrestricted net position totaling \$67,230,526.

CITY OF LINCOLN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021

Changes in Net Position
As of June 30, 2021 and 2020
(in thousands)

	<u>Governmental Activities</u>			<u>Business-Type Activities</u>			<u>Total Government</u>		
	<u>2021</u>	<u>2020</u>	<u>Net Change</u>	<u>2021</u>	<u>2020</u>	<u>Net Change</u>	<u>2021</u>	<u>2020</u>	<u>Net Change</u>
REVENUES:									
Program Revenues									
Charges for services	\$ 29,594	\$ 19,346	\$ 10,248	\$ 38,515	\$ 34,477	\$ 4,038	\$ 68,109	\$ 53,823	\$ 14,286
Operating grants and contributions	5,356	5,185	171	233	459	(226)	5,589	5,644	(55)
Capital grants and contributions	1,560	1,119	441	4,578	1,637	2,941	6,138	2,756	3,382
General Revenues									
Property taxes	12,606	11,103	1,503	-	-	-	12,606	11,103	1,503
Sales taxes	4,900	4,210	690	307	1,297	(990)	5,207	5,507	(300)
Franchise taxes	941	924	17	-	-	-	941	924	17
Other taxes	203	260	(57)	-	-	-	203	260	(57)
Investment earnings	563	4,910	(4,347)	130	2,329	(2,199)	693	7,239	(6,546)
Other revenues	1,055	1,123	(68)	1,704	2,323	(619)	2,759	3,446	(687)
Gain on sale of asset	-	-	-	17	34	(17)	17	34	(17)
Total Revenues	<u>56,778</u>	<u>48,180</u>	<u>8,598</u>	<u>45,484</u>	<u>42,556</u>	<u>2,928</u>	<u>102,262</u>	<u>90,736</u>	<u>11,526</u>
EXPENSES:									
General government	7,237	5,111	2,126	-	-	-	7,237	5,111	2,126
Public safety	14,494	13,881	613	-	-	-	14,494	13,881	613
Public works and facilities	23,765	24,586	(821)	-	-	-	23,765	24,586	(821)
Culture & recreation	642	1,018	(376)	-	-	-	642	1,018	(376)
Urban redevelopment and housing	683	768	(85)	-	-	-	683	768	(85)
Education	1,172	1,164	8	-	-	-	1,172	1,164	8
Interest	557	586	(29)	-	-	-	557	586	(29)
Water	-	-	-	16,976	15,417	1,559	16,976	15,417	1,559
Wastewater	-	-	-	14,621	15,161	(540)	14,621	15,161	(540)
Solid waste	-	-	-	6,140	6,292	(152)	6,140	6,292	(152)
Airport	-	-	-	1,270	1,385	(115)	1,270	1,385	(115)
Transit	-	-	-	445	763	(318)	445	763	(318)
Total Expenses	<u>48,550</u>	<u>47,114</u>	<u>1,436</u>	<u>39,452</u>	<u>39,018</u>	<u>434</u>	<u>88,002</u>	<u>86,132</u>	<u>1,870</u>
Change in net position before transfers and special items	<u>8,228</u>	<u>1,066</u>	<u>7,162</u>	<u>6,032</u>	<u>3,538</u>	<u>2,494</u>	<u>14,260</u>	<u>4,604</u>	<u>9,656</u>
Transfers	(1,099)	841	(1,940)	1,099	(841)	1,940	-	-	-
Special items	<u>6,890</u>	<u>(12,549)</u>	<u>19,439</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,890</u>	<u>(12,549)</u>	<u>19,439</u>
Change in net position	14,019	(10,642)	24,661	7,131	2,697	4,434	21,150	(7,945)	29,095
Net Position Beginning, as restated	<u>428,862</u>	<u>439,504</u>	<u>(10,642)</u>	<u>389,728</u>	<u>387,031</u>	<u>2,697</u>	<u>818,590</u>	<u>826,535</u>	<u>(7,945)</u>
Net Position Ending	<u>\$ 442,881</u>	<u>\$ 428,862</u>	<u>\$ 14,019</u>	<u>\$ 396,859</u>	<u>\$ 389,728</u>	<u>\$ 7,131</u>	<u>\$ 839,740</u>	<u>\$ 818,590</u>	<u>\$ 21,150</u>

Governmental activities increased the City's net position by \$14,018,252 and business-type activities increased the City's net position by \$7,130,661. Total net position increased by \$21,148,913, or 3% over the prior year.

CITY OF LINCOLN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021

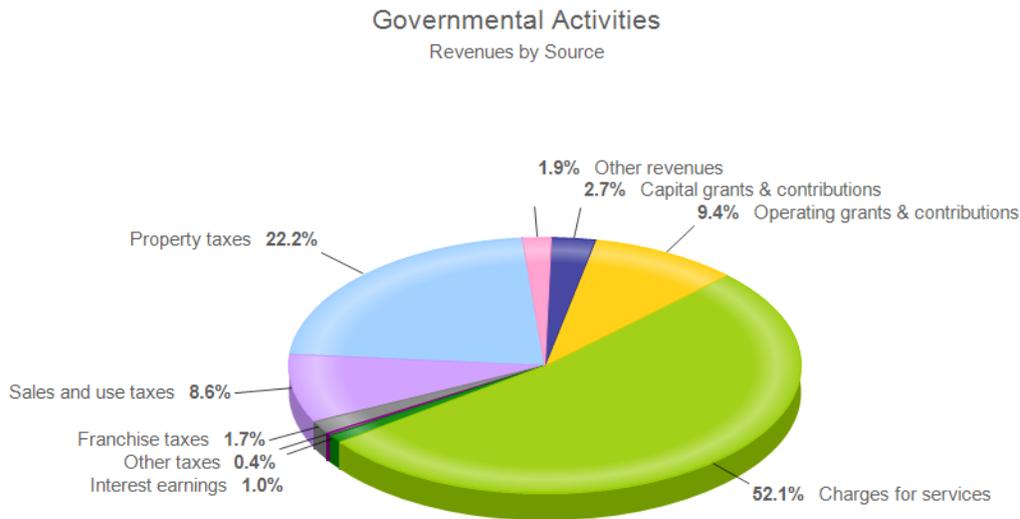
Governmental Activities

Governmental activities increased the City's net position by \$14,018,252 or 66% as of June 30, 2021.

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

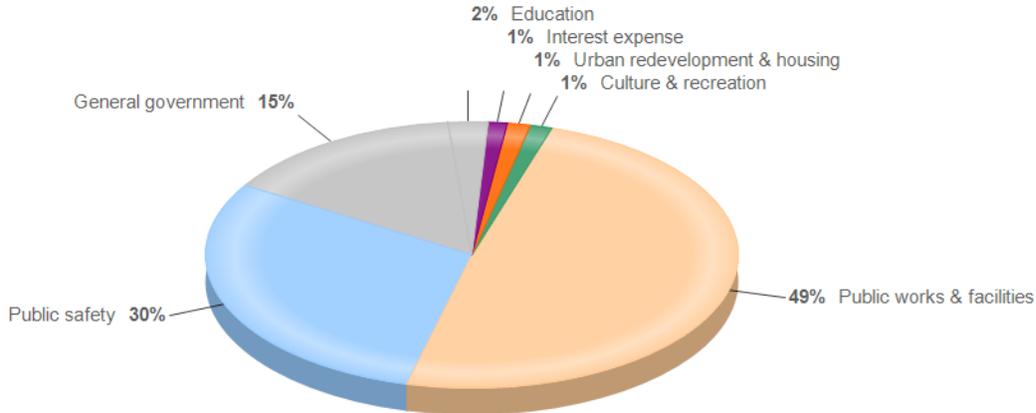
- Charges for services increased \$10.2 million primarily due to an increase in the number of new residential construction permits issued.
- Interest and investment earnings decreased \$4.3 million primarily as a result of changes in market values.
- Property taxes increased \$1.5 million resulting primarily from a new Limited Term Agreement with the county and annual property increases and increased home sales activity.
- General government expenses increased by \$2.1 million largely due to an additional OPEB contribution.
- Public works and facilities expenses decreased by \$1.3 million resulting primarily from lower overall capital project expenditures.
- Special items causing an increase to net position of \$6.8 million was the result of a contribution from custodial funds during the year for 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, 2021

Governmental Activities
Expenses by Function



Business-Type Activities

Business-type activities increased the City's net position by \$7,130,661 or 34% as of June 30, 2021.

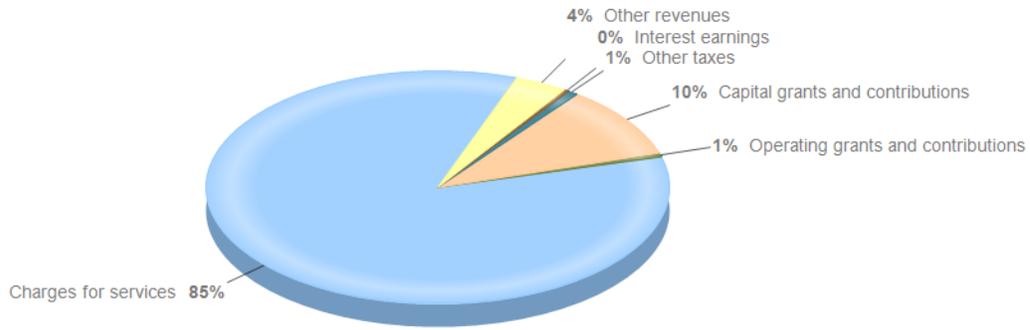
Key elements accounting for the changes in revenues and expenses for business-type activities are as follows:

- Charges for services increased by \$4 million primarily due to increased construction, water use, and increased residential permits.
- Capital grants and contributions increased by \$2.9 million due to a transfer in from the Water Connection fund to pay for the capital portion of current metered water rates, increased construction permits, and reimbursement from the county for a joint project.
- Investment earnings decreased by \$2.2 million primarily due to the pandemic and unstable market conditions.
- Water expenses increased by \$1.6 million resulting primarily from increased construction and the addition of new residential customers.
- Wastewater expenses decreased by \$.5 million primarily due to the completion of several large sewer rehabilitation projects.

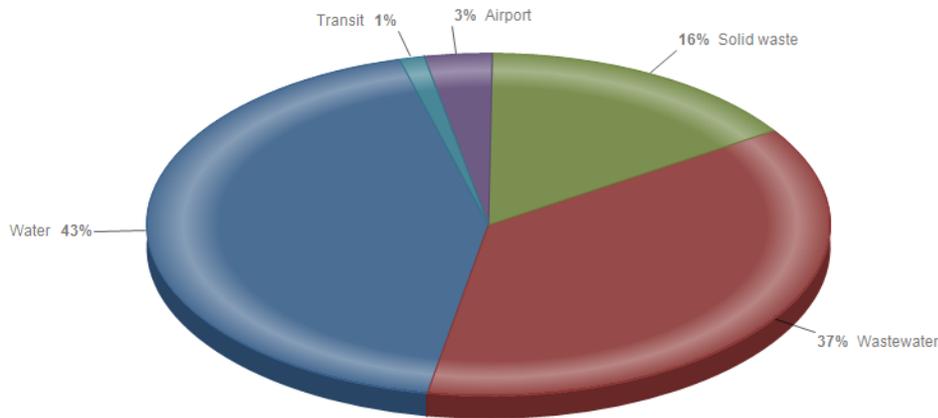
CITY OF LINCOLN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021

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, 2021

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 \$126,695,768, an increase of \$26,230,579, or 26% over the prior year balance. The increased fund balance is the result of revenues and contributions from property owners exceeding expenditures and net transfers out. When comparing total revenues and expenditures against the prior year, net revenues increased.

Nonspendable fund balances totaled \$15,944,639, restricted fund balances totaled \$82,950,907, committed fund balances totaled \$6,280,471, assigned fund balances totaled \$9,624,500, and unassigned fund balances totaled \$11,895,251. The General Fund has a positive unassigned fund balance of \$12,147,645. The Federal Grants fund has a negative unassigned fund balance of \$252,394 up from a negative \$321,838. The accumulated negative fund balance in the Federal Grants fund is the result of delayed grant reimbursements, which were subsequently received in the next fiscal year.

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

General Fund

The General Fund is the chief operating fund of the City of Lincoln. Fiscal year 2020-21 increased the City's General Fund balance by \$4,249,123 to an ending fund balance of \$24,166,803. The unassigned fund balance of the General Fund was \$12,147,645. The committed fund balance at year-end was \$6,280,471 which contains reserves of \$4,992,195 for operating, \$814,818 for OPEB, \$392,742 for capital replacement and \$80,716 for youth programs. The nonspendable fund balance at year-end of \$5,059,976 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 \$4,861,945. The City's unassigned fund balance increased by \$6.9 million.

General Fund revenues exceeded expenditures by \$4,631,998 while other financing sources resulted in a reduction of \$382,875 thus resulting in a year-end gain of \$4,249,123. This gain is due to a stable increase in all revenue sources and the year closing with expenses significantly less than what was budgeted.

As a measure of the General Fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. Including sources and uses, the unassigned fund balance represents 62% of total General Fund expenditures, up from 27% in the prior year due to a steady increase in revenues and a reduction of expenses in comparison to what was budgeted for the year due to cost cutting and deferral of any unnecessary expenses.

CITY OF LINCOLN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021

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

Revenues Classified by Source
General Fund
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>		<u>2020</u>		<u>Increase (Decrease)</u>	
	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>Percent</u>
Taxes and assessments	\$ 18,649,818	77 %	\$ 16,497,580	77 %	\$ 2,152,238	13 %
Licenses and permits	1,608,493	7 %	1,126,967	5 %	481,526	43 %
Intergovernmental	1,037,979	4 %	346,621	2 %	691,358	199 %
Fines and forfeitures	52,932	- %	56,661	- %	(3,729)	(7)%
Use of money and property	(8,547)	- %	797,919	4 %	(806,466)	(101)%
Charges for services	2,634,869	11 %	2,052,334	10 %	582,535	28 %
Other revenues	<u>356,136</u>	<u>1 %</u>	<u>568,685</u>	<u>3 %</u>	<u>(212,549)</u>	<u>(37)%</u>
	<u>\$ 24,331,680</u>	<u>100 %</u>	<u>\$ 21,446,767</u>	<u>101 %</u>	<u>\$ 2,884,913</u>	<u>13 %</u>

Total General Fund revenues increased by \$2,884,913 or 13% from the prior fiscal year and are driven by a combination of factors:

- Taxes and assessments increased by \$2,152,238 or 13%, primarily due to the new Limited Term Agreement with the County, annual property increases and increased home sales activity.
- Licenses and permits increased by \$481,526 or 43% resulting largely from increased building and related permitting activities.
- Intergovernmental revenues increased by \$691,358 or 199% as a result of the COVID-19 pandemic and allocation of relief funds received
- Use of money and property decreased by \$806,466 or 101% because market value decreases during the year.

Expenditures by Function
General Fund
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>		<u>2020</u>		<u>Increase (Decrease)</u>	
	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>Percent</u>
General government	\$ 4,684,343	24 %	\$ 3,781,808	20 %	\$ 902,535	24 %
Public safety	11,899,707	60 %	11,796,385	61 %	103,322	1 %
Public works & facilities	1,064,966	5 %	1,105,561	6 %	(40,595)	(4)%
Culture & recreation	559,933	3 %	954,402	5 %	(394,469)	(41)%
Urban development & housing	662,105	3 %	721,220	4 %	(59,115)	(8)%
Education	579,810	3 %	630,410	3 %	(50,600)	(8)%
Capital outlay	-	- %	245,348	1 %	(245,348)	100 %
Debt principal	193,810	1 %	27,261	- %	166,549	611 %
Debt interest	<u>55,008</u>	<u>- %</u>	<u>11,259</u>	<u>- %</u>	<u>43,749</u>	<u>389 %</u>
	<u>\$ 19,699,682</u>	<u>99 %</u>	<u>\$ 19,273,654</u>	<u>100 %</u>	<u>\$ 426,028</u>	<u>2 %</u>

The above General Fund expenditures remain categorically consistent and increased by \$426,028 or 2% from the prior fiscal year primarily due to rising salary, benefit, and retirement costs, as well as increased insurance costs.

CITY OF LINCOLN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021

Public Facility Element (PFE) Fund

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

The PFE fund has a total fund balance of \$13,304,551 at the end of the fiscal year. This is improvement from the fund balance of \$6,198,317 as of June 30, 2020. 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.

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 \$45,947,054, or an increase of 10% from prior fiscal year.

Development Services Fund

This fund is used to account for monies received in relation to property development and other projects within the City of Lincoln. Ending fund balance totaled \$9,058,396.

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 \$1,700,438.

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, 2021 projected revenue of \$22,244,268 and expenditures of \$19,727,163, and an increase in fund balance of \$2,517,105. The General Fund's actual performance for the year however, ended with revenues totaling \$24,331,680 or \$2,087,412 more than projected and expenditures totaling \$19,699,682, or \$27,481 less than budgeted, resulting in an annual operating surplus of \$4,631,998.

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, 2021, the City's total investment in capital assets for its governmental and business-type activities totaled \$702,421,716 (net of accumulated depreciation) which decreased from the prior fiscal year by \$12,835,245 or 1.8%, which is the result of current year annual depreciation exceeding asset investments.

CITY OF LINCOLN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021

CAPITAL ASSETS (NET OF DEPRECIATION)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land and easements	\$ 15,154,594	\$ 15,154,594	\$ 1,591,640	\$ 1,591,640	\$ 16,746,234	\$ 16,746,234
Construction in progress	9,609,764	14,134,321	1,481,776	15,025,610	11,091,540	29,159,931
Buildings & improvements	74,825,543	76,018,141	12,865,754	12,151,347	87,691,297	88,169,488
Furniture & equipment	2,960,755	3,665,261	7,821,331	7,681,130	10,782,086	11,346,391
Infrastructure	<u>250,053,037</u>	<u>253,273,450</u>	<u>326,057,522</u>	<u>316,561,467</u>	<u>576,110,559</u>	<u>569,834,917</u>
Total	<u>\$ 352,603,693</u>	<u>\$ 362,245,767</u>	<u>\$ 349,818,023</u>	<u>\$ 353,011,194</u>	<u>\$ 702,421,716</u>	<u>\$ 715,256,961</u>

Governmental activities decreased by \$9,642,074 or 2.7% and business-type activities decreased by 3,193,171 or 0.9%. Additional information on the City's capital assets can be found in Note 5 of this report.

Long-term Debt

As of June 30, 2021, the City of Lincoln had total debt outstanding of \$19,318,444. This amount is comprised of \$15,008,802 in bond debt, 1,192,660 in capital leases, and \$3,116,982 in compensated absences.

CITY'S OUTSTANDING DEBT

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Bonds, net	\$ 15,008,802	\$ 16,012,191	\$ -	\$ -	\$ 15,008,802	\$ 16,012,191
Capital leases	1,192,660	1,386,471	-	-	1,192,660	1,386,471
Compensated absences	<u>2,573,719</u>	<u>2,440,100</u>	<u>543,263</u>	<u>563,884</u>	<u>3,116,982</u>	<u>3,003,984</u>
Total	<u>\$ 18,775,181</u>	<u>\$ 19,838,762</u>	<u>\$ 543,263</u>	<u>\$ 563,884</u>	<u>\$ 19,318,444</u>	<u>\$ 20,402,646</u>

The City's total debt decreased by \$1,084,202 or 5% during the fiscal year due to the continuance of scheduled debt service payments. Additional information about the City's long-term debt can be found in Note 7 to the financial statements.

City's Pension and OPEB Liabilities

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Net pension liability	\$ 18,821,841	\$ 17,183,322	\$ 5,786,564	\$ 5,412,694	\$ 24,608,405	\$ 22,596,016
Net OPEB liability	<u>21,498,711</u>	<u>20,686,357</u>	<u>5,422,115</u>	<u>5,156,305</u>	<u>26,920,826</u>	<u>25,842,662</u>
Total	<u>\$ 40,320,552</u>	<u>\$ 37,869,679</u>	<u>\$ 11,208,679</u>	<u>\$ 10,568,999</u>	<u>\$ 51,529,231</u>	<u>\$ 48,438,678</u>

The City's net pension liability and net OPEB liability increased by \$3,090,553 or 6%. 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, 2021

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City of Lincoln's economic health continues to improve resulting from the re-opening of the economy post COVID-19. New residential and commercial construction within the City has exceeded the conservative assumptions used in revenue forecasting, which has resulted in additional strength in the local economy. However, lasting impacts of the COVID-19 pandemic continue to affect local economics, primarily related to interruptions in the supply chain for construction and service industries, which have, and continue to cause significant delays and shortages in these fields. The unemployment rate in Placer County has stabilized this year from a high of 13% in April 2020 of last year, down to 4.3% in September 2021.

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, 2021

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and investments (Note 2)	\$ 125,441,827	\$ 55,737,359	\$ 181,179,186
Accounts receivable, net	1,810,067	9,124,309	10,934,376
Interest receivable	17,728	9,032	26,760
Taxes receivable	695,156	371	695,527
Intergovernmental receivable	2,047,602	-	2,047,602
Prepaid items	363,533	387,729	751,262
Inventory	-	75,363	75,363
Internal balances	5,447,628	(5,447,628)	-
Advances to Successor Agency (Note 18)	3,215,691	-	3,215,691
Restricted cash and cash equivalents (Note 2)	349,852	196,519	546,371
Loans receivable, net of allowance (Note 3)	6,303,362	-	6,303,362
Capital assets (Note 5)			
Land and construction in progress	24,764,358	3,073,416	27,837,774
Other capital assets, net of depreciation	<u>327,839,335</u>	<u>346,744,607</u>	<u>674,583,942</u>
Total capital assets	<u>352,603,693</u>	<u>349,818,023</u>	<u>702,421,716</u>
Total Assets	<u>498,296,139</u>	<u>409,901,077</u>	<u>908,197,216</u>
<u>Deferred Outflows of Resources</u>			
Changes in the net pension liability (Note 12)	4,818,346	1,262,254	6,080,600
Changes in net OPEB liability (Note 13)	<u>9,146,489</u>	<u>2,526,330</u>	<u>11,672,819</u>
Total Deferred Outflows of Resources	<u>13,964,835</u>	<u>3,788,584</u>	<u>17,753,419</u>
<u>LIABILITIES</u>			
Accounts payable	5,165,309	3,709,563	8,874,872
Accrued payroll and benefits	598,684	183,749	782,433
Accrued liabilities	436,749	-	436,749
Accrued interest payable	130,636	-	130,636
Retention payable	343,144	-	343,144
Deposits payable	2,839,033	617,435	3,456,468
Unearned revenue (Note 6)	-	124,502	124,502
Net pension liability (Note 12)			
Due in more than one year	18,821,841	5,786,564	24,608,405
Other postemployment benefits (Note 13)			
Due in more than one year	21,498,711	5,422,115	26,920,826
Accrued compensated absences (Note 7):			
Due within one year	2,058,975	434,611	2,493,586
Due in more than one year	514,744	108,652	623,396
Post-closure liability (Note 9)	-	305,414	305,414
Long-term liabilities (Note 7):			
Due within one year	1,232,108	-	1,232,108
Due in more than one year	<u>14,969,354</u>	<u>-</u>	<u>14,969,354</u>
Total Liabilities	<u>68,609,288</u>	<u>16,692,605</u>	<u>85,301,893</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Changes in the net pension liability (Note 12)	<u>771,178</u>	<u>138,060</u>	<u>909,238</u>
Total Deferred Inflows of Resources	<u>771,178</u>	<u>138,060</u>	<u>909,238</u>
<u>NET POSITION</u>			
Net investment in capital assets	336,402,231	349,818,023	686,220,254
Restricted for:			
Debt service	2,195,629	-	2,195,629
Capital projects	6,635,775	-	6,635,775
Grants	249,463	-	249,463
Loan programs and housing	3,942,019	-	3,942,019
Assessments and fees	58,067,230	-	58,067,230
Public facility element	-	14,644,566	14,644,566
Endowments			
Nonexpendable	356,659	-	356,659
Expendable	197,383	-	197,383
Unrestricted	<u>34,834,119</u>	<u>32,396,407</u>	<u>67,230,526</u>
Total Net Position	<u>\$ 442,880,508</u>	<u>\$ 396,858,996</u>	<u>\$ 839,739,504</u>

See accompanying notes to the basic financial statements.

CITY OF LINCOLN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total Primary Government
PRIMARY GOVERNMENT							
Governmental activities:							
General government	\$ 7,237,227	\$ 2,718,096	\$ 305,302	\$ -	\$ (4,213,829)	\$ -	\$ (4,213,829)
Public safety	14,493,876	1,797,174	251,427	-	(12,445,275)	-	(12,445,275)
Public works and facilities	23,764,510	21,628,437	4,161,306	1,559,687	3,584,920	-	3,584,920
Culture and recreation	642,096	3,448,733	-	-	2,806,637	-	2,806,637
Urban redevelopment and housing	683,418	1,372	-	-	(682,046)	-	(682,046)
Education	1,172,252	-	637,831	-	(534,421)	-	(534,421)
Interest and fiscal charges	556,611	-	-	-	(556,611)	-	(556,611)
Total governmental activities	<u>48,549,990</u>	<u>29,593,812</u>	<u>5,355,866</u>	<u>1,559,687</u>	<u>(12,040,625)</u>	<u>-</u>	<u>(12,040,625)</u>
Business-type activities:							
Water	16,976,467	15,322,625	2,691	2,383,386	-	732,235	732,235
Wastewater	14,621,387	14,256,920	524	1,582,799	-	1,218,856	1,218,856
Solid waste	6,139,631	7,462,223	3,146	611,940	-	1,937,678	1,937,678
Airport	1,270,254	1,473,336	36,488	-	-	239,570	239,570
Transit	445,062	63	190,599	-	-	(254,400)	(254,400)
Total business-type activities	<u>39,452,801</u>	<u>38,515,167</u>	<u>233,448</u>	<u>4,578,125</u>	<u>-</u>	<u>3,873,939</u>	<u>3,873,939</u>
Total primary government	<u>\$ 88,002,791</u>	<u>\$ 68,108,979</u>	<u>\$ 5,589,314</u>	<u>\$ 6,137,812</u>	<u>\$ (12,040,625)</u>	<u>\$ 3,873,939</u>	<u>\$ (8,166,686)</u>
General revenues:							
Taxes:							
Property taxes					\$ 12,605,783	\$ -	\$ 12,605,783
Sales and use taxes					4,900,418	306,900	5,207,318
Franchise taxes					941,096	-	941,096
Other taxes					202,521	-	202,521
Interest and investment earnings					563,204	129,650	692,854
Gain on disposal of capital assets					-	17,097	17,097
Other revenue					1,054,574	1,704,393	2,758,967
Transfers					(1,098,682)	1,098,682	-
Capital contribution from property owners					6,889,963	-	6,889,963
Total general revenues, transfers, and special items					<u>26,058,877</u>	<u>3,256,722</u>	<u>29,315,599</u>
Change in net position					14,018,252	7,130,661	21,148,913
Net position - July 1, 2020					<u>428,862,256</u>	<u>389,728,335</u>	<u>818,590,591</u>
Net position - June 30, 2021					<u>\$ 442,880,508</u>	<u>\$ 396,858,996</u>	<u>\$ 839,739,504</u>

See accompanying notes to the basic financial statements.

CITY OF LINCOLN
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	General Fund	Public Facility Element (PFE)	Water Connections	Development Services
<u>ASSETS</u>				
Cash and investments	\$ 18,440,283	\$ 22,384,312	\$ 37,563,399	\$ 13,155,292
Accounts receivable, net	1,424,566	-	-	105,270
Interest receivable	233	3,656	6,065	2,109
Taxes receivable	479,114	-	-	-
Intergovernmental receivable	-	-	-	-
Due from other funds	-	-	-	-
Prepaid items	198,031	63,665	-	22,337
Advances to other funds	4,861,945	1,577,478	5,390,100	-
Advances to Successor Agency	-	-	3,215,691	-
Restricted cash and investments	-	86,897	246,712	-
Loans receivable, net	31,769	-	-	-
Total Assets	\$ 25,435,941	\$ 24,116,008	\$ 46,421,967	\$ 13,285,008
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)</u>				
LIABILITIES				
Accounts payable	\$ 794,317	\$ 984,795	\$ -	\$ 1,207,192
Accrued payroll and benefits	422,553	-	-	32,210
Accrued liabilities	13,699	-	228,201	135,765
Retention payable	-	49,843	246,712	-
Deposits and other payables	6,800	-	-	2,755,202
Due to other funds	-	-	-	-
Advances from other funds	-	9,776,819	-	-
Total Liabilities	1,237,369	10,811,457	474,913	4,130,369
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	31,769	-	-	96,243
FUND BALANCES (DEFICITS)				
Nonspendable	5,059,976	1,641,143	5,390,100	22,337
Restricted	-	11,663,408	40,556,954	90,270
Committed	6,280,471	-	-	-
Assigned	678,711	-	-	8,945,789
Unassigned	12,147,645	-	-	-
Total Fund Balances (Deficits)	24,166,803	13,304,551	45,947,054	9,058,396
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 25,435,941	\$ 24,116,008	\$ 46,421,967	\$ 13,285,008

See accompanying notes to the basic financial statements.

CITY OF LINCOLN
BALANCE SHEET (continued)
GOVERNMENTAL FUNDS
JUNE 30, 2021

	Low/Moderate Income Housing	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash and investments	\$ 1,700,159	\$ 29,514,299	\$ 122,757,744
Accounts receivable, net	-	264,401	1,794,237
Interest receivable	279	4,790	17,132
Taxes receivable	-	216,042	695,156
Intergovernmental receivable	-	2,047,602	2,047,602
Due from other funds	-	293,005	293,005
Prepaid items	-	79,500	363,533
Advances to other funds	-	3,394,924	15,224,447
Advances to Successor Agency	-	-	3,215,691
Restricted cash and investments	-	16,243	349,852
Loans receivable, net	3,618,689	2,652,904	6,303,362
 Total Assets	\$ 5,319,127	\$ 38,483,710	\$ 153,061,761
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)</u>			
LIABILITIES			
Accounts payable	\$ -	\$ 2,015,683	\$ 5,001,987
Accrued payroll and benefits	-	59,058	513,821
Accrued liabilities	-	59,084	436,749
Retention payable	-	46,589	343,144
Deposits and other payables	-	77,031	2,839,033
Due to other funds	-	293,005	293,005
Advances from other funds	-	-	9,776,819
 Total Liabilities	-	2,550,450	19,204,558
 DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	3,618,689	3,414,734	7,161,435
 FUND BALANCES (DEFICITS)			
Nonspendable	-	3,831,083	15,944,639
Restricted	1,700,438	28,939,837	82,950,907
Committed	-	-	6,280,471
Assigned	-	-	9,624,500
Unassigned	-	(252,394)	11,895,251
 Total Fund Balances (Deficits)	1,700,438	32,518,526	126,695,768
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 5,319,127	\$ 38,483,710	\$ 153,061,761

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, 2021

Total fund balances of governmental funds	\$ 126,695,768
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 \$252,819,546.	351,845,428
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.	6,303,362
Other long-term assets are not available to pay for current period expenditures and therefore, are reported as unavailable revenues in the governmental funds.	858,073
Deferred outflows of resources related to changes in the net pension liability are not applicable to the current period.	4,818,346
Deferred outflows of resources related to changes in the net OPEB liability are not applicable to the current period.	9,146,489
Long-term liabilities are not due in the current period and, therefore are not reported in the governmental funds.	
Net pension liability	(18,821,841)
Net OPEB liability	(21,498,711)
Compensated absences	(2,174,125)
Long-term liabilities net of premiums and discounts	(16,201,462)
Deferred inflows related to changes in the net pension liability	(771,178)
Accrued interest payable from the current portion of interest due on long-term liabilities has not been reported in the governmental funds.	(130,636)
Internal service funds are used by management to charge costs of certain activities such as equipment replacement, to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities of the Statement of Net Position.	<u>2,810,995</u>
Net position of governmental activities	\$ <u><u>442,880,508</u></u>

See accompanying notes to the basic financial statements.

CITY OF LINCOLN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>General Fund</u>	<u>Public Facility Element (PFE)</u>	<u>Water Connections</u>	<u>Development Services</u>
<u>REVENUES</u>				
Taxes and assessments	\$ 18,649,818	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
License and permits	1,608,493	-	-	4,024,623
Intergovernmental	1,037,979	-	-	27,544
Fines and forfeitures	52,932	-	-	-
Use of money and property	(8,547)	47,277	122,689	19,763
Charges for services	2,634,869	7,251,527	6,441,788	2,801,571
Other revenues	<u>356,136</u>	<u>394,676</u>	<u>159,573</u>	<u>39,605</u>
Total Revenues	<u>24,331,680</u>	<u>7,693,480</u>	<u>6,724,050</u>	<u>6,913,106</u>
<u>EXPENDITURES</u>				
Current:				
General government	4,684,343	17,920	-	-
Public safety	11,899,707	-	-	-
Public works and facilities	1,064,966	9,728	18,785	2,574,924
Cultural and recreation	559,933	-	-	-
Urban development and housing	662,105	-	-	-
Education	579,810	71,716	-	-
Capital outlay	-	1,850,459	635,694	61,226
Debt service:				
Principal	193,810	-	-	-
Interest and fiscal charges	<u>55,008</u>	<u>38,457</u>	-	-
Total Expenditures	<u>19,699,682</u>	<u>1,988,280</u>	<u>654,479</u>	<u>2,636,150</u>
Excess (Deficiency) of Revenues over Expenditures	<u>4,631,998</u>	<u>5,705,200</u>	<u>6,069,571</u>	<u>4,276,956</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Contribution from property owners	-	1,401,034	-	-
Transfers in	410,288	-	-	-
Transfers out	<u>(793,163)</u>	<u>-</u>	<u>(1,933,451)</u>	<u>(194,656)</u>
Total Other Financing Sources (Uses)	<u>(382,875)</u>	<u>1,401,034</u>	<u>(1,933,451)</u>	<u>(194,656)</u>
Net Change in Fund Balances	4,249,123	7,106,234	4,136,120	4,082,300
Fund Balances (Deficits) - July 1, 2020	<u>19,917,680</u>	<u>6,198,317</u>	<u>41,810,934</u>	<u>4,976,096</u>
Fund Balances (Deficits) - June 30, 2021	<u>\$ 24,166,803</u>	<u>\$ 13,304,551</u>	<u>\$ 45,947,054</u>	<u>\$ 9,058,396</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, 2021

	<u>Low/Moderate Income Housing</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>			
Taxes and assessments	\$ -	\$ -	\$ 18,649,818
Special assessments	-	4,463,644	4,463,644
License and permits	-	-	5,633,116
Intergovernmental	-	5,271,455	6,336,978
Fines and forfeitures	-	-	52,932
Use of money and property	4,471	232,622	418,275
Charges for services	-	631,047	19,760,802
Other revenues	-	<u>84,860</u>	<u>1,034,850</u>
Total Revenues	<u>4,471</u>	<u>10,683,628</u>	<u>56,350,415</u>
<u>EXPENDITURES</u>			
Current:			
General government	-	72,591	4,774,854
Public safety	-	218,153	12,117,860
Public works and facilities	940	5,434,415	9,103,758
Cultural and recreation	-	210	560,143
Urban development and housing	-	4,218	666,323
Education	-	-	651,526
Capital outlay	-	4,000,226	6,547,605
Debt service:			
Principal	-	945,000	1,138,810
Interest and fiscal charges	-	<u>526,378</u>	<u>619,843</u>
Total Expenditures	<u>940</u>	<u>11,201,191</u>	<u>36,180,722</u>
Excess (Deficiency) of Revenues over Expenditures	<u>3,531</u>	<u>(517,563)</u>	<u>20,169,693</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Contribution from property owners	-	5,488,929	6,889,963
Transfers in	-	1,830,854	2,241,142
Transfers out	-	<u>(148,949)</u>	<u>(3,070,219)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>7,170,834</u>	<u>6,060,886</u>
Net Change in Fund Balances	3,531	6,653,271	26,230,579
Fund Balances (Deficits) - July 1, 2020	<u>1,696,907</u>	<u>25,865,255</u>	<u>100,465,189</u>
Fund Balances (Deficits) - June 30, 2021	<u>\$ 1,700,438</u>	<u>\$ 32,518,526</u>	<u>\$ 126,695,768</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, 2021

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	\$ 26,230,579
<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	6,547,600
Depreciation expense	(16,117,409)
<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>	
	578,575
<p>Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.</p>	
Debt principal payments	1,138,811
Net accretion on bond premiums/discounts	58,389
<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>	
	(93,075)
<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	(316,682)
Accrued interest on loans	135,434
<p>Accrued interest payable is interest due on long-term liabilities. This is the net change in accrued interest in the current period.</p>	
	4,843
<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	(1,364,264)
OPEB expense related to deferred outflows and inflows of resources	(1,232,554)
<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>(1,551,995)</u>
Change in net position of governmental activities	<u>\$ 14,018,252</u>

See accompanying notes to the basic financial statements.

CITY OF LINCOLN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Business-Type Activities			
	Major Funds			
	Water	Wastewater	Solid Waste	Airport
ASSETS				
Current Assets				
Cash and investments	\$ 21,385,498	\$ 20,220,866	\$ 12,672,286	\$ 392,061
Accounts receivable, net	1,866,332	6,303,701	957,124	(2,848)
Interest receivable	3,460	3,285	2,060	54
Taxes receivable	-	-	-	371
Prepaid items	199,040	102,085	66,724	12,835
Inventory	-	-	-	75,363
Total Current Assets	23,454,330	26,629,937	13,698,194	477,836
Non Current Assets				
Restricted cash and investments	93,419	103,100	-	-
Advances to other funds	-	-	1,018,716	-
Capital assets, net of accumulated depreciation	167,767,476	168,807,587	6,833,017	5,803,465
Total Non-Current Assets	167,860,895	168,910,687	7,851,733	5,803,465
Total Assets	191,315,225	195,540,624	21,549,927	6,281,301
DEFERRED OUTFLOWS OF RESOURCES				
Changes in the net pension liability	366,432	240,627	442,335	110,052
Changes in net OPEB liability	839,465	689,481	851,415	88,680
Total Deferred Outflows of Resources	1,205,897	930,108	1,293,750	198,732
LIABILITIES				
Current Liabilities				
Accounts payable	1,559,157	1,648,394	227,370	73,257
Accrued salaries and benefits	64,509	51,423	61,796	6,021
Deposits payable	78,000	500,000	-	39,435
Unearned revenue	-	-	12,418	26,802
Compensated absences - current	199,228	102,152	120,593	10,133
Total Current Liabilities	1,900,894	2,301,969	422,177	155,648
Non-Current Liabilities				
Advances from other funds	-	548,575	-	5,917,769
Compensated absences - noncurrent	49,807	25,538	30,148	2,533
Postclosure liability	-	-	305,414	-
Net pension liability	1,776,618	1,273,240	1,985,317	401,943
Net OPEB liability	1,674,905	1,492,442	1,829,455	233,121
Total Non-Current Liabilities	3,501,330	3,339,795	4,150,334	6,555,366
Total Liabilities	5,402,224	5,641,764	4,572,511	6,711,014
DEFERRED INFLOWS OF RESOURCES				
Changes in the net pension liability	43,319	26,965	31,963	17,184
Total Deferred Inflows of Resources	43,319	26,965	31,963	17,184
NET POSITION:				
Net investment in capital assets	167,767,476	168,807,587	6,833,017	5,803,465
Restricted for public facility element	4,992,869	5,783,806	3,867,891	-
Unrestricted	14,315,234	16,210,610	7,538,295	(6,051,630)
Total Net Position	\$ 187,075,579	\$ 190,802,003	\$ 18,239,203	\$ (248,165)

See accompanying notes to the basic financial statements.

CITY OF LINCOLN
STATEMENT OF NET POSITION (continued)
PROPRIETARY FUNDS
JUNE 30, 2021

	<u>Business-Type Activities</u>		<u>Governmental Activities</u>
	<u>Major Funds</u>		<u>Internal Service Funds</u>
	<u>Transit</u>	<u>Total</u>	
ASSETS			
Current Assets			
Cash and investments	\$ 1,066,648	\$ 55,737,359	\$ 2,684,083
Accounts receivable, net	-	9,124,309	15,830
Interest receivable	173	9,032	596
Taxes receivable	-	371	-
Prepaid items	7,045	387,729	-
Inventory	-	75,363	-
Total Current Assets	<u>1,073,866</u>	<u>65,334,163</u>	<u>2,700,509</u>
Non Current Assets			
Restricted cash and investments	-	196,519	-
Advances to other funds	-	1,018,716	-
Capital assets, net of accumulated depreciation	606,478	349,818,023	758,265
Total Non-Current Assets	<u>606,478</u>	<u>351,033,258</u>	<u>758,265</u>
Total Assets	<u>1,680,344</u>	<u>416,367,421</u>	<u>3,458,774</u>
DEFERRED OUTFLOWS OF RESOURCES			
Changes in the net pension liability	102,808	1,262,254	-
Changes in net OPEB liability	57,289	2,526,330	-
Total Deferred Outflows of Resources	<u>160,097</u>	<u>3,788,584</u>	<u>-</u>
LIABILITIES			
Current Liabilities			
Accounts payable	201,385	3,709,563	163,322
Accrued salaries and benefits	-	183,749	84,863
Deposits payable	-	617,435	-
Unearned revenue	85,282	124,502	-
Compensated absences - current	2,505	434,611	319,675
Total Current Liabilities	<u>289,172</u>	<u>5,069,860</u>	<u>567,860</u>
Non-Current Liabilities			
Advances from other funds	-	6,466,344	-
Compensated absences - noncurrent	626	108,652	79,919
Postclosure liability	-	305,414	-
Net pension liability	349,446	5,786,564	-
Net OPEB liability	192,192	5,422,115	-
Total Non-Current Liabilities	<u>542,264</u>	<u>18,089,089</u>	<u>79,919</u>
Total Liabilities	<u>831,436</u>	<u>23,158,949</u>	<u>647,779</u>
DEFERRED INFLOWS OF RESOURCES			
Changes in the net pension liability	18,629	138,060	-
Total Deferred Inflows of Resources	<u>18,629</u>	<u>138,060</u>	<u>-</u>
NET POSITION:			
Net investment in capital assets	606,478	349,818,023	758,265
Restricted for public facility element	-	14,644,566	-
Unrestricted	383,898	32,396,407	2,052,730
Total Net Position	<u>\$ 990,376</u>	<u>\$ 396,858,996</u>	<u>\$ 2,810,995</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, 2021

	Business-Type Activities			
	Major Funds			
	Water	Wastewater	Solid Waste	Airport
<u>OPERATING REVENUES</u>				
Charges for services	\$ 15,242,572	\$ 14,256,920	\$ 7,462,223	\$ 1,473,336
Connection fees	80,053	-	-	-
Other revenue	<u>195,268</u>	<u>1,353,952</u>	<u>78,221</u>	<u>5,461</u>
Total Operating Revenue	<u>15,517,893</u>	<u>15,610,872</u>	<u>7,540,444</u>	<u>1,478,797</u>
<u>OPERATING EXPENSES</u>				
Salaries and benefits	2,182,625	1,733,604	2,362,639	247,427
Services and supplies	10,547,372	7,282,982	2,820,356	607,816
Support services	558,965	456,365	294,096	59,917
Depreciation	<u>3,687,505</u>	<u>5,148,436</u>	<u>564,986</u>	<u>246,783</u>
Total Operating Expenses	<u>16,976,467</u>	<u>14,621,387</u>	<u>6,042,077</u>	<u>1,161,943</u>
Operating Income (Loss)	<u>(1,458,574)</u>	<u>989,485</u>	<u>1,498,367</u>	<u>316,854</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>				
Taxes	-	-	-	37,984
Intergovernmental	2,691	524	3,146	36,488
Interest income (expense)	51,418	43,654	34,593	(113)
Other non-operating revenues	-	71,491	-	-
Gain (loss) on sale of capital assets	953	16,144	(97,554)	-
Interest expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>(108,311)</u>
Total Non-Operating Revenues (Expenses)	<u>55,062</u>	<u>131,813</u>	<u>(59,815)</u>	<u>(33,952)</u>
Income (Loss) Before Transfers and Contributions	<u>(1,403,512)</u>	<u>1,121,298</u>	<u>1,438,552</u>	<u>282,902</u>
<u>TRANSFERS AND CONTRIBUTIONS</u>				
Capital grants and contributions	-	-	12,125	-
Capital connection fees	2,383,386	1,582,799	599,815	-
Transfers in	1,933,451	-	-	-
Transfers out	<u>(205,420)</u>	<u>(194,782)</u>	<u>(270,616)</u>	<u>(163,951)</u>
Total Transfers and Contributions	<u>4,111,417</u>	<u>1,388,017</u>	<u>341,324</u>	<u>(163,951)</u>
Change in net position	2,707,905	2,509,315	1,779,876	118,951
Net Position - July 1, 2020	<u>184,367,674</u>	<u>188,292,688</u>	<u>16,459,327</u>	<u>(367,116)</u>
Net Position - June 30, 2021	<u>\$ 187,075,579</u>	<u>\$ 190,802,003</u>	<u>\$ 18,239,203</u>	<u>\$ (248,165)</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, 2021

	<u>Business-Type Activities</u>		<u>Governmental Activities</u>
	<u>Major Funds</u>		<u>Internal Service Funds</u>
	<u>Transit</u>	<u>Total</u>	
<u>OPERATING REVENUES</u>			
Charges for services	\$ 63	\$ 38,435,114	\$ 3,687,699
Connection fees	-	80,053	-
Other revenue	-	<u>1,632,902</u>	<u>19,724</u>
Total Operating Revenue	<u>63</u>	<u>40,148,069</u>	<u>3,707,423</u>
<u>OPERATING EXPENSES</u>			
Salaries and benefits	60,598	6,586,893	2,867,250
Services and supplies	302,040	21,560,566	2,026,415
Support services	34,901	1,404,244	-
Depreciation	<u>47,523</u>	<u>9,695,233</u>	<u>92,180</u>
Total Operating Expenses	<u>445,062</u>	<u>39,246,936</u>	<u>4,985,845</u>
Operating Income (Loss)	<u>(444,999)</u>	<u>901,133</u>	<u>(1,278,422)</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Taxes	268,916	306,900	-
Intergovernmental	190,599	233,448	-
Interest income (expense)	98	129,650	9,489
Other non-operating revenues	-	71,491	-
Gain (loss) on sale of capital assets	-	(80,457)	-
Interest expense	<u>-</u>	<u>(108,311)</u>	<u>-</u>
Total Non-Operating Revenues (Expenses)	<u>459,613</u>	<u>552,721</u>	<u>9,489</u>
Income (Loss) Before Transfers and Contributions	<u>14,614</u>	<u>1,453,854</u>	<u>(1,268,933)</u>
<u>TRANSFERS AND CONTRIBUTIONS</u>			
Capital grants and contributions	-	12,125	(299,700)
Capital connection fees	-	4,566,000	-
Transfers in	-	1,933,451	-
Transfers out	<u>-</u>	<u>(834,769)</u>	<u>(269,605)</u>
Total Transfers and Contributions	<u>-</u>	<u>5,676,807</u>	<u>(569,305)</u>
Change in net position	14,614	7,130,661	(1,838,238)
Net Position - July 1, 2020	<u>975,762</u>	<u>389,728,335</u>	<u>4,649,233</u>
Net Position - June 30, 2021	<u>\$ 990,376</u>	<u>\$ 396,858,996</u>	<u>\$ 2,810,995</u>

See accompanying notes to the basic financial statements.

CITY OF LINCOLN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities			
	Major Funds			
	Water	Wastewater	Solid Waste	Airport
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Cash received from customers	\$ 15,537,376	\$ 11,909,896	\$ 7,479,678	\$ 1,606,152
Cash paid to suppliers	(11,529,143)	(8,764,025)	(3,309,762)	(713,943)
Cash paid to employees	(1,948,674)	(1,548,106)	(2,116,374)	(226,551)
Net Cash Provided by (Used For) Operating Activities	<u>2,059,559</u>	<u>1,597,765</u>	<u>2,053,542</u>	<u>665,658</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>				
Intergovernmental and other nonoperating	2,691	524	3,146	36,488
Taxes	-	-	-	37,613
Rents	-	71,491	-	-
Interfund repayments paid	-	(130,248)	(6,278)	(173,317)
Transfers from other funds	1,933,451	-	-	-
Transfers to other funds	(205,420)	(194,782)	(270,616)	(163,951)
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>1,730,722</u>	<u>(253,015)</u>	<u>(273,748)</u>	<u>(263,167)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>				
Capital grant contributions	-	-	12,125	-
Connection fees	2,383,386	1,582,799	599,815	-
Proceeds from disposal of capital assets	954	16,144	42,245	-
Acquisition of capital assets	(4,019,221)	(1,496,316)	(1,068,658)	(57,667)
Interest paid on long-term debt	-	-	-	(108,311)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(1,634,881)</u>	<u>102,627</u>	<u>(414,473)</u>	<u>(165,978)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Interest and dividends	56,341	48,605	37,521	(157)
Net Cash Provided by (Used for) Investing Activities	<u>56,341</u>	<u>48,605</u>	<u>37,521</u>	<u>(157)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,211,741	1,495,982	1,402,842	236,356
Cash and Cash Equivalents - July 1, 2020	<u>19,267,176</u>	<u>18,827,984</u>	<u>11,269,444</u>	<u>155,705</u>
Cash and Cash Equivalents - June 30, 2021	<u>\$ 21,478,917</u>	<u>\$ 20,323,966</u>	<u>\$ 12,672,286</u>	<u>\$ 392,061</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</u>				
Operating Income (Loss)	\$ (1,458,574)	\$ 989,485	\$ 1,498,367	\$ 316,854
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation expense	3,687,505	5,148,436	564,986	246,783
Pension expense	89,928	74,099	98,133	6,553
OPEB expense	130,268	111,649	146,289	11,692
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	139,285	(3,647,876)	(61,059)	104,973
(Increase) decrease in prepaid expenses	(162,103)	(76,035)	(30,145)	1,330
Increase in inventory	-	-	-	(38,174)
Increase (decrease) in accounts payable	(260,703)	(948,643)	(31,662)	(9,366)
Increase (decrease) in accrued wages	12,489	11,076	15,253	1,158
Increase (decrease) in deposits	(18,000)	50,000	-	1,250
Increase (decrease) in compensated absences	1,266	(11,326)	(13,410)	1,473
Increase (decrease) in unearned revenue	(101,802)	(103,100)	293	21,132
Decrease in postclosure liability	-	-	(133,503)	-
Net Cash Provided by (Used For) Operating Activities	<u>\$ 2,059,559</u>	<u>\$ 1,597,765</u>	<u>\$ 2,053,542</u>	<u>\$ 665,658</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, 2021

	Business-Type Activities		Governmental Activities
	Major Funds		Internal Service Funds
	Transit	Total	
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash received from customers	\$ 508	\$ 36,533,610	\$ 3,707,529
Cash paid to suppliers	(291,947)	(24,608,820)	(2,050,971)
Cash paid to employees	(53,929)	(5,893,634)	(2,832,201)
Net Cash Provided by (Used For) Operating Activities	(345,368)	6,031,156	(1,175,643)
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>			
Intergovernmental and other nonoperating	518,077	560,926	-
Taxes	1,530,856	1,568,469	-
Rents	-	71,491	-
Interfund repayments paid	(636,842)	(946,685)	-
Transfers from other funds	-	1,933,451	-
Transfers to other funds	-	(834,769)	(269,605)
Net Cash Provided by (Used for) Non-Capital Financing Activities	1,412,091	2,352,883	(269,605)
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Capital grant contributions	-	12,125	-
Connection fees	-	4,566,000	-
Proceeds from disposal of capital assets	-	59,343	-
Acquisition of capital assets	-	(6,641,862)	(33,370)
Interest paid on long-term debt	-	(108,311)	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	-	(2,112,705)	(33,370)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest and dividends	(75)	142,235	10,558
Net Cash Provided by (Used for) Investing Activities	(75)	142,235	10,558
Net Increase (Decrease) in Cash and Cash Equivalents	1,066,648	6,413,569	(1,468,060)
Cash and Cash Equivalents - July 1, 2020	-	49,520,309	4,152,143
Cash and Cash Equivalents - June 30, 2021	\$ 1,066,648	\$ 55,933,878	\$ 2,684,083
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</u>			
Operating Income (Loss)	\$ (444,999)	\$ 901,133	\$ (1,278,422)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation expense	47,523	9,695,233	92,180
Pension expense	1,516	270,229	-
OPEB expense	4,663	404,561	-
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	-	(3,464,677)	106
(Increase) decrease in prepaid expenses	6,011	(260,942)	155,768
Increase in inventory	-	(38,174)	-
Increase (decrease) in accounts payable	38,983	(1,211,391)	(180,324)
Increase (decrease) in accrued wages	(886)	39,090	(5,495)
Increase (decrease) in deposits	-	33,250	-
Increase (decrease) in compensated absences	1,376	(20,621)	40,544
Increase (decrease) in unearned revenue	445	(183,032)	-
Decrease in postclosure liability	-	(133,503)	-
Net Cash Provided by (Used For) Operating Activities	\$ (345,368)	\$ 6,031,156	\$ (1,175,643)

See accompanying notes to the basic financial statements.

CITY OF LINCOLN
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2021

	<u>Redevelopment Obligation Retirement Fund</u>	<u>OPEB Trust Fund</u>	<u>Custodial Funds</u>
<u>ASSETS</u>			
Cash and investments (Note 2)	\$ 1,175,322	\$ -	\$ 19,449,347
Assessments receivable	-	-	208,086
Interest receivable	300	-	3,126
Due from other governments	-	-	-
Deferred costs	34,566	-	-
Restricted cash and investments (Note 2)	-	-	29,591,284
Restricted investments held in trust (Note 2):			
Mutual funds	-	9,614,017	-
Loans receivable	181,119	-	-
Capital assets, net of accumulated depreciation (Note 18)	<u>891,356</u>	<u>-</u>	<u>-</u>
Total Assets	<u>2,282,663</u>	<u>9,614,017</u>	<u>49,251,843</u>
<u>LIABILITIES</u>			
Accounts payable and other liabilities	1	-	21,781
Interest payable	71,216	-	-
Developer deposits payable	-	-	65,535
Due to property owners	-	-	-
Advances from the City (Note 18)	3,215,691	-	-
Long-term liabilities (Note 18)	<u>5,915,027</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>9,201,935</u>	<u>-</u>	<u>87,316</u>
<u>NET POSITION</u>			
Held in trust	(6,919,272)	-	-
Restricted for:			
OPEB	-	9,614,017	-
Individuals, organizations and other governments	<u>-</u>	<u>-</u>	<u>49,164,527</u>
Total Net Position	<u>\$ (6,919,272)</u>	<u>\$ 9,614,017</u>	<u>\$ 49,164,527</u>

See accompanying notes to the basic financial statements.

CITY OF LINCOLN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Redevelopment Obligation Retirement Fund</u>	<u>OPEB Trust Fund</u>	<u>Custodial Funds</u>
<u>ADDITIONS</u>			
Property taxes and assessments	\$ 1,534,101	\$ -	\$ 13,518,313
Administrative fees	-	-	36,879
Amounts received from bond refundings	-	-	5,009,372
Contributions from employer	-	1,783,793	-
Other revenue	-	-	12,789
Investment income:			
Interest income	30,256	245,065	73,556
Net increase (decrease) in fair value	<u>(21,658)</u>	<u>1,459,818</u>	<u>255</u>
Net investment income	<u>8,598</u>	<u>1,704,883</u>	<u>73,811</u>
Total Additions	<u>1,542,699</u>	<u>3,488,676</u>	<u>18,651,164</u>
<u>DEDUCTIONS</u>			
Professional services	68,062	-	474,127
Administrative expense	-	21,934	-
Distribution to City	-	-	6,889,963
Amount paid for bond refunding	-	-	4,906,482
Bond issuance costs	-	-	235,344
Debt service:			
Principal	-	-	6,679,000
Interest	<u>247,766</u>	<u>-</u>	<u>4,885,660</u>
Total Deductions	<u>315,828</u>	<u>21,934</u>	<u>24,070,576</u>
Change in Fiduciary Net Position	<u>1,226,871</u>	<u>3,466,742</u>	<u>(5,419,412)</u>
Fiduciary Net Position - July 1, 2020	(8,146,143)	6,147,275	-
Change in accounting principle (Note 19)	<u>-</u>	<u>-</u>	<u>54,583,939</u>
Fiduciary Net Position - July 1, 2020, Restated	<u>(8,146,143)</u>	<u>6,147,275</u>	<u>54,583,939</u>
Fiduciary Net Position - June 30, 2021	<u>\$ (6,919,272)</u>	<u>\$ 9,614,017</u>	<u>\$ 49,164,527</u>

See accompanying notes to the basic financial statements.

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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, 2021

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, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Proprietary Funds

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

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

Fiduciary Funds (not included in government-wide statements)

The City reports the following additional fund types:

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

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

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

Major Funds

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

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

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

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

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

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

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

The City also reports the following additional fund types:

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

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

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

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

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

C. Measurement Focus and Basis of Accounting

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

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus

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

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

Basis of Accounting

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

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

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.

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Cash Equivalents

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

E. Investments

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

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

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

F. Accounts and Interest Receivable

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Receivables are recorded in the financial statements net of any allowance for doubtful accounts, if applicable, and estimated refunds due. Management records an allowance for doubtful accounts based on historical trends and the periodic aging of receivables. The allowance for doubtful accounts as of June 30, 2021 totaled \$562,340, for business-type activities. There was no allowance for doubtful accounts as of June 30, 2021 for governmental activities. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, grants, fines, interest, and other fees. Federal and state grants are considered receivable and accrued as revenue when reimbursable costs are incurred.

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

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.

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Prepaid Expenses

Payments made for services that will benefit periods beyond June 30, 2021 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.

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.

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

N. Pensions

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

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Other Postemployment Benefits (OPEB)

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

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

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 - June 30, 2020

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, 2021

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, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U. Implementation of Governmental Accounting Standards Board Statements

Effective July 1, 2020, the City implemented the following accounting and financial reporting standards:

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 adopted this accounting guidance for its June 30, 2021 year-end.

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 adopted this accounting guidance for its ending June 30, 2021 year-end.

V. Future Governmental Accounting Standards Board Statements

These statements are not effective until July 1, 2021 or later. The City has not determined the effects on the financial statements.

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, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 assets, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The City has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement are effective for the City's fiscal year ending June 30, 2023.

Government Accounting Standards Board Statement No. 96

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

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2021 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	\$ 125,441,827	\$ 349,852	\$ 125,791,679
Business-type activities	<u>55,737,359</u>	<u>196,519</u>	<u>55,933,878</u>
Total government-wide cash and investments	<u>181,179,186</u>	<u>546,371</u>	<u>181,725,557</u>
Fiduciary activities	<u>20,624,669</u>	<u>39,205,301</u>	<u>59,829,970</u>
Total cash and investments	<u>\$ 201,803,855</u>	<u>\$ 39,751,672</u>	<u>\$ 241,555,527</u>

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Cash and investments were carried at fair value as of June 30, 2021 and consisted of the following:

Cash on hand	\$ 1,940
Cash in banks	<u>32,073,123</u>
Total cash	<u>32,075,063</u>
Money market funds	30,434,441
U.S. treasury obligations	49,805,653
Government agency securities	35,769,775
Medium term corporate notes	44,571,487
Municipal issues	2,025,437
Local Agency Investment Fund (LAIF)	36,976,238
Held by SCIP trustee:	
Mutual funds	283,416
Held by OPEB trustee:	
Mutual funds	<u>9,614,017</u>
Total investments	<u>209,480,464</u>
Total cash and investments	<u>\$ 241,555,527</u>

Authorized Investments of the City

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

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, 2021

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 itself regarded as a type of investment and looking through to the underlying investments of the pool is not appropriate.

At June 30, 2021, the City had the following recurring fair value measurements:

<u>Investments</u>	Fair Value Measurements Using			<u>Fair Value</u>
	<u>Level 1 Inputs</u>	<u>Level 2 inputs</u>	<u>Level 3 inputs</u>	
Money market funds	\$ -	\$ 30,434,441	\$ -	\$ 30,434,441
U.S. treasury obligations	-	49,805,653	-	49,805,653
Government agency securities	-	35,769,775	-	35,769,775
Medium term corporate notes	-	44,571,487	-	44,571,487
Municipal issues	-	2,025,437	-	2,025,437
Local Agency Investment Fund	-	-	-	36,976,238
Held by SCIP trustee:				
Mutual funds	283,416	-	-	283,416
Held by OPEB trustee:				
Mutual funds	<u>9,614,017</u>	<u>-</u>	<u>-</u>	<u>9,614,017</u>
Total Investments	<u>\$ 9,897,433</u>	<u>\$ 162,606,793</u>	<u>\$ -</u>	<u>\$ 209,480,464</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, 2021

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, 2021:

Investments	Interest Rates	Remaining Maturity		Fair Value
		< 12 months	1-5 years	
Money market funds	0.010%	\$ 30,434,441	\$ -	\$ 30,434,441
U.S. treasury obligations	0.50% - 2.75%	2,329,708	47,475,945	49,805,653
Government agency securities	0.125% - 3.375%	1,447,533	34,322,242	35,769,775
Medium term corporate notes	0.125% - 3.875%	7,105,340	37,466,147	44,571,487
Municipal issues	0.56% - 2.05%	-	2,025,437	2,025,437
Local Agency Investment Fund	Variable	36,976,238	-	36,976,238
Held by SCIP trustee:				
Mutual funds	Variable	283,416	-	283,416
Held by OPEB trustee:				
Mutual funds	Variable	<u>9,614,017</u>	<u>-</u>	<u>9,614,017</u>
		<u>\$ 88,190,693</u>	<u>\$ 121,289,771</u>	<u>\$ 209,480,464</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, 2021.

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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	\$ 30,434,441	N/A	Not rated	Not rated
U.S. Treasury obligations	48,711,108	N/A	N/A	AAA
U.S. Treasury obligations	785,243	N/A	N/R	AAA
U.S. Treasury obligations	309,302	N/A	N/R	AAA
Government agency securities	35,433,503	N/A	AA+	AAA
Government agency securities	336,272	N/A	N/A	N/A
Medium term corporate notes	2,508,576	A	A	A1
Medium term corporate notes	2,796,500	A	A	A2
Medium term corporate notes	258,503	A	A	Baa2
Medium term corporate notes	5,090,601	A	A-	A2
Medium term corporate notes	4,885,482	A	A-	A3
Medium term corporate notes	582,998	A	A-	Baa1
Medium term corporate notes	840,321	A	A+	A1
Medium term corporate notes	2,155,683	A	A+	A2
Medium term corporate notes	258,325	A	A+	A3
Medium term corporate notes	1,321,619	A	A+	AA3
Medium term corporate notes	1,304,258	A	AA	A1
Medium term corporate notes	2,425,229	A	AA-	AA3
Medium term corporate notes	1,845,488	A	AA+	AA1
Medium term corporate notes	262,075	A	BBB	A3
Medium term corporate notes	370,720	A	BBB+	A1
Medium term corporate notes	1,784,205	A	BBB+	A2
Medium term corporate notes	1,260,725	A	BBB+	A3
Medium term corporate notes	301,032	A	N/R	WR
Medium term corporate notes	7,000	A	N/A	N/A
Medium term corporate notes	3,254,877	A	N/A	N/A
Medium term corporate notes	790,114	A	AAA	N/A
Medium term corporate notes	7,349,164	A	N/R	N/R
Medium term corporate notes	2,917,992	A	AAA	AAA
Municipal issues	303,087	A	AAA	AAA
Municipal issues	749,280	A	N/A	AAA
Municipal issues	973,070	A	AAA	AA1
Local Agency Investment Fund	36,976,238	N/A	Not rated	Not rated
Held by SCIP trustee:				
Mutual funds	283,416	N/A	Not rated	Not rated
Held by OPEB trustee:				
Mutual funds	9,614,017	N/A	Not rated	Not rated
	<u>\$ 209,480,464</u>			

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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, 2021, 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	\$ 4,993,838

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, 2021, the carrying amount of the City's deposits was \$32,073,123 and bank balances were \$31,862,946. 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, 2021

NOTE 3: LOANS RECEIVABLE (CONTINUED)

Total loans receivable, including accrued interest, net of allowance as of June 30, 2021 was as follows:

	<u>Loans Receivable</u>	<u>Accrued Interest</u>	<u>Allowance</u>	<u>Total Loans Receivable, net</u>
Motel occupancy tax	\$ 31,769	\$ -	\$ -	\$ 31,769
Community development block grants	308,153	114,989	-	423,142
Home investment partnership	1,267,356	475,493	-	1,742,849
CalHOME	456,404	30,509	-	486,913
Housing Successor Agency	<u>2,358,000</u>	<u>1,260,689</u>	-	<u>3,618,689</u>
Totals	<u>\$ 4,421,682</u>	<u>\$ 1,881,680</u>	<u>\$ -</u>	<u>\$ 6,303,362</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, 2021 was as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Description</u>	<u>Amount</u>
<u>Governmental Funds</u>			
Gas Tax	Federal Grants	Overdrawn cash	\$ <u>293,005</u>
		Total Governmental Funds	\$ <u>293,005</u>

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

Advances to/from Other Funds

Advances to/from other funds are non-current interfund loans and are offset by a nonspendable fund balance in applicable governmental funds to indicate they are not in spendable form. The composition of advances to/from other funds as of June 30, 2021 was as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Description</u>	<u>Maturity</u>	<u>Amount</u>
<u>Governmental Funds</u>				
General Fund	Airport	Fund deficit	June 2079	\$ 4,861,945
Water Connections	Public Facility Element	Capital project funding	June 2026	5,390,100
Oak Tree Mitigation	Public Facility Element	Capital project funding	June 2026	2,339,100
LPFA Series 2016	Airport	Capital lease refinance	October 2028	1,055,824
Public Facility Element	Public Facility Element	Capital project funding	June 2028	1,028,903
Public Facility Element	Wastewater	Conveyance	2020	163,158
Public Facility Element	Wastewater	Oversizing	2020	<u>385,417</u>
		Total Governmental Funds		\$ <u>15,224,447</u>
<u>Proprietary Funds</u>				
Solid Waste	Public Facility Element	Capital project funding	June 2028	\$ <u>1,018,716</u>
		Total Proprietary Funds		\$ <u>1,018,716</u>

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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

Interfund Transfers to/from Other Funds

Transfers between funds during the fiscal year ended June 30, 2021 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	\$ 298,595
		LLAD general benefits	
General Fund	Special Assessment Districts	costs	494,568
Water Connections	Water	Rate subsidy	1,933,451
Special Assessment Districts	LPFA Refunding Series 2016	Debt service	47,913
Gas Tax	LPFA Refunding Series 2016	Debt service	25,133
Street Fund	LPFA Refunding Series 2016	Debt service	75,903
Development Services	LPFA Refunding Series 2016	Debt service	<u>194,656</u>
		Total Governmental Interfund Transfers	\$ <u>3,070,219</u>
<u>Proprietary Funds</u>			
Water	LPFA Refunding Series 2016	Debt service	\$ 205,420
Wastewater	LPFA Refunding Series 2016	Debt service	194,782
Solid Waste	LPFA Refunding Series 2016	Debt service	270,616
Airport	General Fund	Debt service	140,683
Airport	LPFA Refunding Series 2016	Debt service	23,268
Vehicle/Equipment Replacement	General Fund	Close out fund	<u>269,605</u>
		Total Proprietary Interfund Transfers	\$ <u>1,104,374</u>

Intra-fund Transfers between Funds

The following table represents intra-fund transfers made during the year ended June 30, 2021:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Description</u>	<u>Amount</u>
Supplemental Fees	General Fund	Annual budget transfer	\$ 464,814
2018-1 Maintenance	L & L North of Auburn Ravine	LLAD shared costs	97,879
Regional Sewer Project	Wastewater	Close out fund	1,760,869
Solid Waste	Solid Waste Capital Improvement	Capital expenses/reserve	<u>3,100,000</u>
		Total Intra-fund Transfers	\$ <u>5,423,562</u>

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021, was as follows:

Governmental Activities:

	<u>Balance at July 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance at June 30, 2021</u>
Capital assets not being depreciated					
Land	\$ 14,911,990	\$ -	\$ -	\$ -	\$ 14,911,990
Easements	242,604	-	-	-	242,604
Construction-in-progress	<u>14,134,321</u>	<u>4,393,018</u>	<u>-</u>	<u>(8,917,575)</u>	<u>9,609,764</u>
Total capital assets not being depreciated	<u>29,288,915</u>	<u>4,393,018</u>	<u>-</u>	<u>(8,917,575)</u>	<u>24,764,358</u>
Capital assets being depreciated					
Buildings and improvements	78,257,298	128,973	-	1,489,716	79,875,987
Machinery and equipment	9,455,882	578,165	(351,791)	-	9,682,256
Infrastructure	453,695,315	1,400,122	-	6,976,564	462,072,001
Land improvements	<u>29,536,376</u>	<u>67,237</u>	<u>-</u>	<u>451,295</u>	<u>30,054,908</u>
Total capital assets being depreciated	<u>570,944,871</u>	<u>2,174,497</u>	<u>(351,791)</u>	<u>8,917,575</u>	<u>581,685,152</u>
Less accumulated depreciation					
Buildings and improvements	(21,923,313)	(2,047,096)	-	-	(23,970,409)
Machinery and equipment	(5,790,621)	(1,282,671)	351,791	-	(6,721,501)
Infrastructure	(200,421,865)	(11,597,099)	-	-	(212,018,964)
Land improvements	<u>(9,852,220)</u>	<u>(1,282,723)</u>	<u>-</u>	<u>-</u>	<u>(11,134,943)</u>
Total accumulated depreciation	<u>(237,988,019)</u>	<u>(16,209,589)</u>	<u>351,791</u>	<u>-</u>	<u>(253,845,817)</u>
Total capital assets being depreciated, net	<u>332,956,852</u>	<u>(14,035,092)</u>	<u>-</u>	<u>8,917,575</u>	<u>327,839,335</u>
Total Capital Assets, net	<u>\$ 362,245,767</u>	<u>\$ (9,642,074)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 352,603,693</u>

Depreciation expense was charged to governmental functions as follows:

Governmental Activities:

General government	\$ 703,193
Public safety	729,219
Public works and facilities	14,126,633
Culture and recreation	55,859
Education	502,505
Internal service funds	<u>92,180</u>

Total governmental activities depreciation expense \$ 16,209,589

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5: CAPITAL ASSETS (CONTINUED)

Business-type Activities:

	<u>Balance at July 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance at June 30, 2021</u>
Capital assets not being depreciated					
Land	\$ 1,549,390	\$ -	\$ -	\$ -	\$ 1,549,390
Easements	42,250	-	-	-	42,250
Construction-in-progress	<u>15,025,610</u>	<u>5,211,052</u>	<u>-</u>	<u>(18,754,886)</u>	<u>1,481,776</u>
Total capital assets not being depreciated	<u>16,617,250</u>	<u>5,211,052</u>	<u>-</u>	<u>(18,754,886)</u>	<u>3,073,416</u>
Capital assets being depreciated					
Buildings and improvements	25,339,115	28,533	-	1,197,885	26,565,533
Machinery and equipment	13,449,187	1,387,038	(488,811)	-	14,347,414
Infrastructure	443,205,516	15,239	-	17,557,001	460,777,756
Land improvements	<u>1,154,850</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,154,850</u>
Total capital assets being depreciated	<u>483,148,668</u>	<u>1,430,810</u>	<u>(488,811)</u>	<u>18,754,886</u>	<u>502,845,553</u>
Less accumulated depreciation					
Buildings and improvements	(13,837,211)	(453,402)	-	-	(14,290,613)
Machinery and equipment	(5,768,057)	(1,107,037)	349,011	-	(6,526,083)
Infrastructure	(126,644,049)	(8,076,185)	-	-	(134,720,234)
Land improvements	<u>(505,407)</u>	<u>(58,609)</u>	<u>-</u>	<u>-</u>	<u>(564,016)</u>
Total accumulated depreciation	<u>(146,754,724)</u>	<u>(9,695,233)</u>	<u>349,011</u>	<u>-</u>	<u>(156,100,946)</u>
Total capital assets being depreciated, net	<u>336,393,944</u>	<u>(8,264,423)</u>	<u>(139,800)</u>	<u>18,754,886</u>	<u>346,744,607</u>
Total Capital Assets, net	<u>\$ 353,011,194</u>	<u>\$ (3,053,371)</u>	<u>\$ (139,800)</u>	<u>\$ -</u>	<u>\$ 349,818,023</u>

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

Business-type Activities:

Water	\$ 3,687,505
Wastewater	5,148,436
Solid Waste	564,986
Airport	246,783
Transit	<u>47,523</u>
Total business-type activities depreciation expense	<u>\$ 9,695,233</u>

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6: UNEARNED REVENUE

At June 30, 2021, components of unearned revenue were as follows:

	Amount
<u>Proprietary Funds</u>	
Solid Waste	
Beverage Container Recycling Program advance	\$ 12,418
Airport	
Airport Improvement Program grant advances	26,802
Transit	
State grant advances	85,282
Total Proprietary Funds	\$ 124,502

NOTE 7: LONG-TERM LIABILITIES

A. Governmental Activities

Governmental activities long-term debt issued and outstanding at June 30, 2021 was comprised of the following:

Type of Indebtedness	Maturity	Interest Rates	Authorized and Issued	Outstanding June 30, 2021
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	525,000
Bond issuance premiums (discounts)				
Series 2016A net premium				928,802
Capital leases			1,726,900	1,192,660
Compensated absences				2,573,719
Total Governmental Activities				\$ 18,775,181

The following is a summary of changes in the City's governmental long-term liabilities for the fiscal year ended June 30, 2021:

	Balance at July 1, 2020	Additions	Reductions	Balance June 30, 2021	Current Portion
Governmental Activities:					
Bonds and leases payable:					
LPFA Refunding Bonds Series 2016A	\$ 13,555,000	\$ -	\$ -	\$ 13,555,000	\$ 445,000
LPFA Refunding Bonds Series 2016B	1,470,000	-	(945,000)	525,000	525,000
Premium (discount) on bonds, net	987,191	-	(58,389)	928,802	60,006
Capital leases	1,386,471	-	(193,811)	1,192,660	202,102
Total bonds and leases payable	17,398,662	-	(1,197,200)	16,201,462	1,232,108
Other liabilities:					
Compensated absences	2,440,100	1,619,655	(1,486,036)	2,573,719	2,058,975
Total Governmental Activities	\$ 19,838,762	\$ 1,619,655	\$ (2,683,236)	\$ 18,775,181	\$ 3,291,083

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

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
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	1,125,000	345,338	-	-	1,125,000	345,338
2027 - 2031	4,720,000	1,071,990	-	-	4,720,000	1,071,990
2032 - 2036	3,390,000	391,901	-	-	3,390,000	391,901
2037	<u>745,000</u>	<u>12,106</u>	<u>-</u>	<u>-</u>	<u>745,000</u>	<u>12,106</u>
Total	<u>\$ 13,555,000</u>	<u>\$ 3,626,987</u>	<u>\$ 525,000</u>	<u>\$ 5,854</u>	<u>\$ 14,080,000</u>	<u>\$ 3,632,841</u>

Premium/Discount on Bonds

Net capitalized premiums (discount) on bonds related to the above issuances have been recorded in the amount of \$928,802 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, 2021 totaled \$58,389.

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, 2021, equipment, net of accumulated depreciation under the capital lease totaled \$105,766.

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, 2021, equipment, net of accumulated depreciation under the capital lease totaled \$91,618.

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7: LONG-TERM LIABILITES (CONTINUED)

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, 2021, equipment, net of accumulated depreciation under the capital lease totaled \$62,438.

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, 2021, equipment, net of accumulated depreciation under the capital lease totaled \$1,069,915.

Future debt service payments on the leases is as follows:

<u>For the Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 202,102	\$ 44,014
2023	210,883	35,332
2024	199,576	26,435
2025	137,750	19,836
2026	142,475	15,111
2027 - 2028	<u>299,874</u>	<u>15,395</u>
Total	<u>\$ 1,192,660</u>	<u>\$ 156,123</u>

Compensated Absences

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

Total Governmental Activities Long-Term Liabilities Future Debt Service

<u>For the Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 1,172,102	\$ 560,806
2023	1,210,883	508,370
2024	1,244,576	458,573
2025	1,222,750	409,374
2026	1,267,475	360,449
2027 - 2031	5,019,874	1,087,385
2032 - 2036	3,390,000	391,901
2037	<u>745,000</u>	<u>12,106</u>
Total	<u>\$ 15,272,660</u>	<u>\$ 3,788,964</u>

B. Business-type Activities

Business-type activities long-term debt issued and outstanding at June 30, 2021 was comprised of the following:

<u>Type of Indebtedness</u>	<u>Outstanding June 30, 2021</u>
Compensated absences	\$ <u>543,263</u>

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7: LONG-TERM LIABILITES (CONTINUED)

The following is a summary of changes in the City's business-type long-term liabilities for the fiscal year ended June 30, 2021:

	<u>Balance at July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2021</u>	<u>Current Portion</u>
Business-Type Activities:					
Other liabilities:					
Compensated absences	\$ <u>563,884</u>	\$ <u>351,304</u>	\$ <u>(371,925)</u>	\$ <u>543,263</u>	\$ <u>434,611</u>
Total Business-Type Activities	\$ <u>563,884</u>	\$ <u>351,304</u>	\$ <u>(371,925)</u>	\$ <u>543,263</u>	\$ <u>434,611</u>

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 Custodial funds. The debt will be paid from and is secured solely by the revenues of these special assessment districts and does not constitute an indebtedness of the City. At June 30, 2021, the principal amount of special assessment debt outstanding for which the City is not obligated was as follows:

<u>Assessment Debt</u>	<u>Project Description</u>	<u>Original Amount</u>	<u>Outstanding June 30, 2021</u>
Special Tax Bonds, Series 1998 Lincoln Airpark 98-1	Lincoln Airpark	\$ 3,380,000	\$ 695,000
Refunding Bond, Series 2011A Twelve Bridges Series 2004	Twelve Bridges	28,305,000	12,015,000
Refunding Bond, Series 2011B Twelve Bridges Series 2004	Twelve Bridges	13,495,000	6,055,000
Special Tax Refunding Bonds 2018 CFD Lincoln Crossing Project Series 2018	Lincoln Crossing	64,470,000	59,855,000
Special Tax Refunding Bonds, Series 2021 Lakeside Series 2021 Refunding	Lakeside	4,510,000	4,510,000
Special Tax Revenue Bonds, Series 2013 CFD Sorrento Series 2013	Sorrento Project	5,165,000	1,310,000
Special Tax Revenue Bonds, Series 2014 CFD Sorrento Series 2014	Sorrento Project	5,680,000	5,620,000
Special Tax Revenue Bonds, Series 2017 CFD Lakeside Series 2006-1	Lakeside	6,235,000	5,680,000
Special Tax Revenue Bonds, Series 2016 CFD Sorrento Series 2005-1	Sorrento Project	8,860,000	8,555,000
Special Tax Revenue Bonds, Series 2017 CFD Foskett Ranch 2017-1	Foskett Ranch	2,975,000	<u>2,570,000</u>
			<u>\$ 106,865,000</u>

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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 \$305,414 as of June 30, 2021. 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, 2021. 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, 2021

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, 2021, were distributed as follows:

	General Fund	Public Facility Element (PFE)	Water Connections	Develop- ment Services	Low/ Moderate Income Housing	Non-Major Govern- mental Funds	Total Governmental Funds
Nonspendable							
Prepaid items	\$ 198,031	\$ 63,665	\$ -	\$ 22,337	\$ -	\$ 79,500	\$ 363,533
Advances to other funds	4,861,945	1,577,478	5,390,100	-	-	3,394,924	15,224,447
Endowments - principal	-	-	-	-	-	356,659	356,659
Total Nonspendable	<u>5,059,976</u>	<u>1,641,143</u>	<u>5,390,100</u>	<u>22,337</u>	<u>-</u>	<u>3,831,083</u>	<u>15,944,639</u>
Restricted							
Public facility improvements	-	11,663,408	-	-	-	-	11,663,408
Water capacity expansion	-	-	40,556,954	-	-	-	40,556,954
Public improvements and maintenance	-	-	-	-	-	9,647,324	9,647,324
Parks and recreation	-	-	-	-	-	1,707,921	1,707,921
Streets and roads	-	-	-	-	-	3,993,020	3,993,020
Grants	-	-	-	-	-	249,463	249,463
Debt service	-	-	-	-	-	2,195,629	2,195,629
Loan programs	-	-	-	-	-	2,241,581	2,241,581
Capital projects	-	-	-	-	-	6,635,775	6,635,775
Housing	-	-	-	-	1,700,438	-	1,700,438
Oak tree replacement	-	-	-	-	-	2,071,741	2,071,741
Mandated training fee	-	-	-	90,270	-	-	90,270
Endowments - open space preservation	-	-	-	-	-	197,383	197,383
Total Restricted	<u>-</u>	<u>11,663,408</u>	<u>40,556,954</u>	<u>90,270</u>	<u>1,700,438</u>	<u>28,939,837</u>	<u>82,950,907</u>
Committed							
Youth programs	80,716	-	-	-	-	-	80,716
OPEB	814,818	-	-	-	-	-	814,818
Operating reserve	4,992,195	-	-	-	-	-	4,992,195
Capital replacement	392,742	-	-	-	-	-	392,742
Total Committed	<u>6,280,471</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,280,471</u>
Assigned							
PERS UAL	678,711	-	-	-	-	-	678,711
Fees for future improvements	-	-	-	8,945,789	-	-	8,945,789
Total Assigned	<u>678,711</u>	<u>-</u>	<u>-</u>	<u>8,945,789</u>	<u>-</u>	<u>-</u>	<u>9,624,500</u>
Unassigned							
	<u>12,147,645</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(252,394)</u>	<u>11,895,251</u>
Total Fund Balance	<u>\$ 24,166,803</u>	<u>\$ 13,304,551</u>	<u>\$ 45,947,054</u>	<u>\$ 9,058,396</u>	<u>\$ 1,700,438</u>	<u>\$32,518,526</u>	<u>\$126,695,768</u>

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11: DEFICIT FUND BALANCE / UNRESTRICTED NET POSITION

Governmental Funds

As of June 30, 2021, the following governmental fund had a fund balance deficit:

Governmental Fund	Amount
Federal Grants	\$ 252,394

The deficit in the Federal Grants fund of \$252,394 was a result of expenditures incurred in advance of receipt of revenue and will be eliminated through future revenues.

Proprietary Funds

As of June 30, 2021, the following proprietary fund had a negative unrestricted net position:

Proprietary Fund	Amount
Airport	\$ 6,051,630

The Airport fund had a negative unrestricted net position of \$6,051,630. This fund does not have an immediate revenue source to cover this negative amount. The unrestricted net position deficit is due to airport revenue generating activities such as fuel sales, tie downs, and hanger rentals which have not kept up with operating expenses and capital improvement costs.

NOTE 12: DEFINED BENEFIT PENSION PLAN

A. General Information about the Pensions Plan

Plan Description

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

Benefits Provided

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

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 12: DEFINED BENEFIT PENSION PLAN (CONTINUED)

The rate plan's provisions and benefits in effect at June 30, 2021, are summarized as follows:

	Miscellaneous		
	Prior to February 13, 2011	Between February 13, 2011 and January 1, 2013	On or After January 1, 2013
Hire Date	Tier I	Tier II	PEPRA
Benefit Formula	2.7% @ 55	2.0% @ 60	2.0% @ 62
Benefit Vesting Schedule	5 years service	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life	monthly for life
Retirement Age	50 - 55	50 - 60	52 - 62
Monthly Benefits, as a % of Eligible Compensation	2.000 - 2.700%	1.092 - 2.418%	1.000 - 2.500%
Required Employee Contribution Rates	8.00%	7.00%	6.75%
Required Employer Contribution Rates*	40.930%	9.432%	7.970%

	Safety		
	Prior to January 1, 2013	On or After January 1, 2013	On or After January 1, 2013
Hire Date	Tier I	PEPRA Fire	PEPRA Police
Benefit Formula	3.0% @ 50	2.7% @ 57	2.7% @ 57
Final compensation	Three-year average	Three-year average	Three-year average
Benefit Vesting Schedule	5 years service	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life	monthly for life
Retirement Age	50	50 - 57	50 - 57
Monthly Benefits, as a % of Eligible Compensation	3.0%	2.0% - 2.7%	2.0% - 2.7%
Required Employee Contribution Rates	9.00%	13.00%	13.00%
Required Employer Contribution Rates*	35.631%	15.017%	13.928%

* 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, 2021 were \$3,286,549.

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

As of June 30, 2021, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$24,608,405. \$18,821,841 of the liability is reported in governmental activities and \$5,786,564 of the liability is reported in business-type activities.

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 12: DEFINED BENEFIT PENSION PLAN (CONTINUED)

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2020, 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, 2019 rolled forward to June 30, 2020 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, 2019 and 2020 was as follows:

Proportion - June 30, 2019	0.22051%
Proportion - June 30, 2020	0.22617%
Change - Increase (Decrease)	0.00566%

For the year ended June 30, 2021, the City recognized pension expense of \$4,924,767. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to the measurement date	\$ 3,286,549	\$ -
Changes of assumptions	-	140,517
Differences between actual and expected experience	1,507,641	-
Differences between projected and actual investment earnings	657,629	-
Differences between employer's contributions and proportionate share of contributions	-	639,406
Change in employer's proportion	<u>628,781</u>	<u>129,315</u>
Total	<u>\$ 6,080,600</u>	<u>\$ 909,238</u>

\$3,286,549 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, 2022. 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>
2022	\$ 288,314
2023	715,994
2024	560,803
2025	319,702

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 12: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions

The total pension liabilities in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.15% net of pension plan investment expenses; includes inflation
Mortality (1)	Derived using CalPERS membership data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until purchasing power protection allowance floor on purchasing power applies, 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 of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report available on CalPERS website.

All other actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Changes in Assumptions

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

Discount Rate

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

Long-term Expected Rate of Return

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

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 12: DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

The table below reflects long-term expected real rates of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective on December 19, 2017.

<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)	\$ 37,836,347	\$ 24,608,405	\$ 13,711,311

Pension Plan Fiduciary Net Position

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

NOTE 13: OTHER POST EMPLOYMENT BENEFITS

Plan Description

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

CITY OF LINCOLN
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 13: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Benefits provided: Employees become eligible to retire and receive City-paid healthcare benefits upon attainment of age 50 and 5 years of service. For retirees hired prior to January 1, 1998, the City pays the full premium of the retiree, spouse, and eligible dependents. Supplemental contributions are paid from a City-funded Retirement Medical Account to the extent necessary to achieve compliance with PEMHCA's equal contribution method with respect to these retirees. For all others, the City pays 50% of the applicable "State Formula" dollar amount for retirees with 10 years of service, plus an additional 5% per year of service, to a maximum of 100% after 20 years. Benefits are paid for the lifetime of the retiree, spouse or surviving spouse, and dependents up to the age of 26. The 2019 State Formula monthly dollar amounts are \$734 single, \$1,398 two-party, and \$1,788 family, and for 2020 the corresponding amounts are \$767, \$1,461, and \$1,868. In addition, the City pays a 0.33%-of-premium administrative fee to PEMHCA for each retiree.

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

Employees Covered

As of the June 30, 2020 measurement period, membership consisted of the following:

Active plan members	155
Inactive plan members or beneficiaries currently receiving benefit payments	64
Inactive plan members entitled to, but not yet receiving benefits	15
Total	234

Contributions

The contribution requirements of plan members and the City are established and may be amended by the City Council. The required contribution is based on projected pay-as-you-go financing requirements. Total contributions for the year ended June 30, 2021 were \$2,565,589

Net OPEB Liability

The City's net OPEB liability ("NOL") was measured as of June 30, 2020 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%, net of plan investment expenses and including inflation
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.

CITY OF LINCOLN
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 13: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Changes in Assumptions

In the June 30, 2019 valuation, there were no changes in assumptions.

Expected Long-term Return on Trust Assets

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

<u>Mutual Fund</u>	<u>Current Allocation</u>	<u>Long-term Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Domestic Equity	33.6%	30.0%	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:

- f. 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;
- g. 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, 2021	June 30, 2020	5.80%	5.80%

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 13: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

<u>Changes in the Net OPEB Liability</u>	<u>Total OPEB Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net OPEB Liability/(Asset) (c) = (a) - (b)</u>
Balance June 30, 2019 (measurement date)	\$ 30,855,241	\$ 5,012,579	\$ 25,842,662
Service cost	1,312,491	-	1,312,491
Interest cost	1,838,522	-	1,838,522
Employer contributions	-	1,918,161	(1,918,161)
Net investment income	-	170,678	(170,678)
Benefit payments	(938,156)	(938,156)	-
Administrative expense	-	(15,990)	15,990
Net change during 2019-20	<u>2,212,857</u>	<u>1,134,693</u>	<u>1,078,164</u>
Balance at June 30, 2020 (measurement date)	<u>\$ 33,068,098</u>	<u>\$ 6,147,272</u>	<u>\$ 26,920,826</u>
Plan fiduciary net position as a percentage of the total OPEB liability			18.59 %

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

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

	<u>1% Decrease (4.80%)</u>	<u>Current Discount Rate (5.80%)</u>	<u>1% Increase (6.80%)</u>
Net OPEB Liability (Asset)	<u>\$ 31,996,840</u>	<u>\$ 26,920,826</u>	<u>\$ 22,804,214</u>

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

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

	<u>1% Decrease (4.40%)</u>	<u>Current Healthcare Cost Trend Rate (5.40%)</u>	<u>1% Increase (6.40%)</u>
Net OPEB Liability (Asset)	<u>\$ 22,221,363</u>	<u>\$ 26,920,826</u>	<u>\$ 32,837,117</u>

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 13: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

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

For the fiscal year ended June 30, 2020, the City recognized OPEB expense of \$4,475,809. 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	\$ 2,838,692	\$ -
Changes of assumptions	6,307,460	-
Differences between expected and actual experience	2,362,410	-
Net difference between projected and actual return on investments	164,257	-
Total	\$ 11,672,819	\$ -

\$2,838,692 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
2022	\$ 1,627,494
2023	1,617,292
2024	1,610,306
2025	1,603,079
2026	1,573,479
Thereafter	802,477

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, 2021, the nonspendable amount was \$356,659 and the spendable amount was \$197,383.

NOTE 15: RISK MANAGEMENT

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

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

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

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 15: RISK MANAGEMENT (CONTINUED)

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

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

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

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

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

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

The City's investment in the NCCSIF of \$751,262 is recorded in the funds as prepaid insurance. The net change is shown as an income or expenditure/expense item in the funds.

CITY OF LINCOLN
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2021

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	\$ 18,785
Parks and Recreation Tax	448
Police Grants	20,713
Revitalization and Rehabilitation Loans	501
Home Investment Partnership Program	4,154
Federal Grants	12,232

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 \$10,796,321 related to various capital projects.

Joint Powers Agreement

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

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

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 17: CONTINGENCIES AND COMMITMENTS (CONTINUED)

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.

Contingent Developer Liabilities

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

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

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

Within the Area 1 Improvement District, a total of \$3,261,095.09 in costs were approved by the City for reimbursement to JMC for the construction of critical improvements and fees paid. As of June 30, 2021, the remaining balance due to JMC was \$3,193,516.33. City management considers the amount owed to be contingent on certain future events and therefore has not recorded a liability on the statement of fiduciary net position.

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

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

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

Within the Area 2 Improvement District, a total of \$2,293,028.30 in costs were approved by the City for reimbursement to JMC for the construction of critical improvements and fees paid. As of June 30, 2021, the remaining balance due to JMC was \$1,628,364.38. City management considers the amount owed to be contingent on certain future events and therefore has not recorded a liability on the statement of fiduciary net position.

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 17: CONTINGENCIES AND COMMITMENTS (CONTINUED)

Del Webb/Pulte Critical Facilities Fees

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

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

In 2012, the Del Webb developer agreement was terminated and replaced by an agreement with Pulte Home Corporation. At that time, the balance due to Pulte for the remaining PFE credits was \$2,692,290 and an additional \$270,457.50 was due for wastewater interceptor oversizing. As of June 30, 2021, the balance due to the developer was \$1,930,279 for PFE fees and \$0 for wastewater oversizing. City management considers the amount owed to be contingent on certain future events and therefore has not recorded a liability on the government-wide statement of net position.

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

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

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the Successor Agency Trust under the requirements of the Bill. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City. Amounts owed to the City are included in Advances to Successor Agency and consisted of \$3,215,691 due to the Water Connections fund.

Capital assets activity for the year ended June 30, 2021, was as follows:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2021</u>
Capital assets, not being depreciated				
Land	\$ <u>891,356</u>	\$ _____ -	\$ _____ -	\$ <u>891,356</u>
Total capital assets, not being depreciated	<u>891,356</u>	_____ -	_____ -	<u>891,356</u>
Capital assets, net	<u>\$ 891,356</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ 891,356</u>

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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

The following is a summary of changes in long-term liabilities for the year ended June 30, 2021:

	<u>Balance at July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2021</u>	<u>Current Portion</u>
Tax Allocation Refunding					
Series 2016A	\$ 6,100,000	\$ -	\$ (475,000)	\$ 5,625,000	\$ 745,000
Tax Allocation Refunding					
Series 2016B	245,000	-	(245,000)	-	-
Premium (discount) on bonds, net	<u>310,272</u>	<u>-</u>	<u>(20,245)</u>	<u>290,027</u>	<u>23,202</u>
Total Long-Term Liabilities	<u>\$ 6,655,272</u>	<u>\$ -</u>	<u>\$ (740,245)</u>	<u>\$ 5,915,027</u>	<u>\$ 768,202</u>

A description of the long-term liabilities related to the Successor Agency at June 30, 2021 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.

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

For the Year Ending June 30,	2016A		Total	
	Principal	Interest	Principal	Interest
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	885,000	74,181	885,000	74,181
2027 - 2031	1,180,000	133,722	1,180,000	133,722
2032 - 2034	<u>390,000</u>	<u>22,704</u>	<u>390,000</u>	<u>22,704</u>
Total	<u>\$ 5,625,000</u>	<u>\$ 925,731</u>	<u>\$ 5,625,000</u>	<u>\$ 925,731</u>

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 19: CHANGE IN ACCOUNTING PRINCIPLE

As a result of implementing GASB Statement No. 84, *Fiduciary Activities*, beginning net position of custodial funds has been restated to \$54,583,939. Prior to GASB Statement No. 84, custodial funds (previously, agency funds) only reported assets and liabilities and reported no net position or measurement of results of operations.

NOTE 20: SUBSEQUENT EVENTS

American Rescue Plan Act Funding

Signed into law on March 11, 2021, the American Rescue Plan Act of 2021 ("ARPA") provides \$350 billion in additional funding for state and local governments. The local funding portion is approximately \$130 billion, equally divided between cities and counties. Localities will receive the funds in two tranches - the first after the U.S. Treasury certifies the proceeds to each jurisdiction and the second one year later. The City's portion was determined to be \$11,548,406. As of June 30, 2021, the City had not received their funding portion.

Management has evaluated subsequent events through December 17, 2021 the date on which the financial statements were available for issuance. Management has determined no other subsequent events requiring disclosure have occurred.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LINCOLN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Prepared for the City's Miscellaneous and Safety Plan, a Cost Sharing Defined Benefit Pension Plan
As of June 30, 2021
Last 10 Years *

	Measurement Period			
	2020	2019	2018	2017
Proportion of the net pension liability	0.22617 %	0.22051 %	0.21781 %	0.21651 %
Proportionate share of the net pension liability	\$24,608,405	\$22,596,016	\$20,988,366	\$21,472,079
Covered payroll	\$13,246,028	\$12,523,804	\$12,408,728	\$11,448,542
Proportionate share of the net pension liability as a percentage of covered payroll	185.78 %	180.42 %	169.14 %	187.55 %
Plan fiduciary net position as a percentage of the total pension liability	75.10 %	75.30 %	73.69 %	73.29 %

Notes to Schedule:

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

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

CITY OF LINCOLN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (CONTINUED)
Prepared for the City's Miscellaneous and Safety Plan, a Cost Sharing Defined Benefit Pension Plan
As of June 30, 2021
Last 10 Years *

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

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, 2021
Last 10 Years *

	Fiscal Year-End			
	2021	2020	2019	2018
Contractually required contribution (actuarially determined)	\$ 3,286,549	\$ 2,951,400	\$ 2,357,589	\$ 2,387,695
Contributions in relation to the actuarially determined contributions	<u>3,286,549</u>	<u>2,951,400</u>	<u>2,357,589</u>	<u>2,387,695</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$13,343,483	\$13,246,028	\$12,523,804	\$12,408,728
Contributions as a percentage of covered payroll	24.63 %	22.28 %	18.82 %	19.24 %

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

CITY OF LINCOLN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS (CONTINUED)
Prepared for the City's Miscellaneous and Safety Plan, a Cost Sharing Defined Benefit Pension Plan
As of June 30, 2021
Last 10 Years *

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

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

	<u>2020</u>	<u>2021</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability				
Service cost	\$ 1,312,491	\$ 458,435	\$ 458,434	\$ 428,445
Interest	1,838,522	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>(938,156)</u>	<u>(715,734)</u>	<u>(642,049)</u>	<u>(641,837)</u>
Net change in total OPEB liability	2,212,857	12,828,444	987,074	894,677
Total OPEB liability, beginning	<u>30,855,241</u>	<u>18,026,797</u>	<u>17,039,723</u>	<u>16,145,046</u>
Total OPEB liability, ending (a)	<u>\$ 33,068,098</u>	<u>\$ 30,855,241</u>	<u>\$ 18,026,797</u>	<u>\$ 17,039,723</u>
Plan fiduciary net position				
Contributions - employer	\$ 1,918,161	\$ 1,680,769	\$ 1,387,317	\$ 641,837
Net investment income	170,678	263,013	232,736	265,305
Benefit payments	(938,156)	(715,734)	(642,049)	(641,837)
Administrative expenses	<u>(15,990)</u>	<u>(13,083)</u>	<u>(32,510)</u>	<u>(31,048)</u>
Net change in plan fiduciary net position	1,134,693	1,214,965	945,494	234,257
Plan fiduciary net position, beginning	<u>5,012,579</u>	<u>3,797,614</u>	<u>2,852,120</u>	<u>2,617,863</u>
Plan fiduciary net position, ending (b)	<u>\$ 6,147,272</u>	<u>\$ 5,012,579</u>	<u>\$ 3,797,614</u>	<u>\$ 2,852,120</u>
Net OPEB liability, ending (a) - (b)	<u>\$ 26,920,826</u>	<u>\$ 25,842,662</u>	<u>\$ 14,229,183</u>	<u>\$ 14,187,603</u>
Plan fiduciary net position as a percentage of the total OPEB liability	18.59 %	16.25 %	21.07 %	16.74 %
Covered-employee payroll	\$ 14,551,020	\$ 15,063,799	\$ 14,446,929	\$ 13,889,533
Net OPEB liability as a percentage of covered-employee payroll	185.01 %	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 four 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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially Determined Contribution (ADC)	\$ 2,887,227	\$ 1,918,161	\$ 1,291,605	\$ 1,222,832
Contributions in relation to the ADC	<u>(2,838,692)</u>	<u>(1,918,161)</u>	<u>(1,680,769)</u>	<u>(1,461,479)</u>
Contribution deficiency (excess)	<u>\$ 48,535</u>	<u>\$ -</u>	<u>\$ (389,164)</u>	<u>\$ (238,647)</u>
Covered-employee payroll	15,553,955	14,551,020	14,446,929	13,889,533
Contributions as a percentage of covered-employee payroll	18.25%	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 four 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, 2021

	2020 - 2021			Variance with Final Budget Positive (Negative)
	Budgeted Amounts			
	Original	Final	Actual Amounts	
REVENUES				
Taxes and assessments	\$ 15,361,964	\$ 17,390,964	\$ 18,649,818	\$ 1,258,854
Licenses and permits	475,600	1,003,100	1,608,493	605,393
Intergovernmental	466,087	1,089,087	1,037,979	(51,108)
Fines and forfeitures	64,500	57,500	52,932	(4,568)
Use of money and property	275,664	275,664	(8,547)	(284,211)
Charges for services	1,319,189	2,136,549	2,634,869	498,320
Other revenues	<u>279,772</u>	<u>291,404</u>	<u>356,136</u>	<u>64,732</u>
Total Revenues	<u>18,242,776</u>	<u>22,244,268</u>	<u>24,331,680</u>	<u>2,087,412</u>
EXPENDITURES				
Current:				
General Government				
Administration allocation	2,674,447	2,689,747	3,491,784	(802,037)
City council	169,393	217,893	274,035	(56,142)
City treasurer	8,699	8,699	8,481	218
City attorney	238,704	228,704	218,565	10,139
City manager administration	-	15,000	7,059	7,941
Human resources	14,650	19,650	19,515	135
Economic development	270,588	189,388	129,335	60,053
Administrative services	-	-	5,000	(5,000)
IT	7,100	7,100	1,761	5,339
Finance	<u>414,885</u>	<u>414,885</u>	<u>528,808</u>	<u>(113,923)</u>
Total General Government	<u>3,798,466</u>	<u>3,791,066</u>	<u>4,684,343</u>	<u>(893,277)</u>
Public Safety				
Fire operations	5,149,963	5,586,833	5,573,311	13,522
Police operations	<u>6,458,417</u>	<u>6,542,167</u>	<u>6,326,396</u>	<u>215,771</u>
Total Public Safety	<u>11,608,380</u>	<u>12,129,000</u>	<u>11,899,707</u>	<u>229,293</u>
Public Works and Facilities				
Parks	327,897	327,897	197,901	129,996
Facilities Maintenance	662,973	685,473	560,958	124,515
Fleet Maintenance	<u>302,949</u>	<u>328,900</u>	<u>306,107</u>	<u>22,793</u>
Total Public Works	<u>1,293,819</u>	<u>1,342,270</u>	<u>1,064,966</u>	<u>277,304</u>
Culture and Recreation				
Recreation and administration	254,669	158,738	140,012	18,726
Adult sports	66,299	70,199	44,633	25,566
Youth sports	137,102	110,452	76,204	34,248
Community classes/facility rental	165,245	228,676	130,635	98,041
Special events	91,712	78,487	68,131	10,356
Contract classes	82,695	61,895	34,619	27,276
Aquatic programs	<u>77,403</u>	<u>75,603</u>	<u>65,699</u>	<u>9,904</u>
Total Culture and Recreation	<u>875,125</u>	<u>784,050</u>	<u>559,933</u>	<u>224,117</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, 2021

	2020 - 2021		Actual	Variance
	Budgeted Amounts			
	Original	Final	Amounts	with Final
				Positive
				(Negative)
Urban Development and Housing				
Development services administration	219,417	219,417	211,639	7,778
Planning	146,502	146,502	141,171	5,331
Engineering	109,707	109,707	109,935	(228)
Building	<u>215,093</u>	<u>215,093</u>	<u>199,360</u>	<u>15,733</u>
Total Urban Development and Housing	<u>690,719</u>	<u>690,719</u>	<u>662,105</u>	<u>28,614</u>
Education				
Twelve Bridges library	<u>728,829</u>	<u>728,829</u>	<u>579,810</u>	<u>149,019</u>
Total Education	<u>728,829</u>	<u>728,829</u>	<u>579,810</u>	<u>149,019</u>
Debt Service:				
Principal	261,229	261,229	193,810	67,419
Interest	<u>-</u>	<u>-</u>	<u>55,008</u>	<u>(55,008)</u>
Total Debt Service	<u>261,229</u>	<u>261,229</u>	<u>248,818</u>	<u>12,411</u>
Total Expenditures	<u>19,256,567</u>	<u>19,727,163</u>	<u>19,699,682</u>	<u>27,481</u>
Excess (deficiency) of revenues over expenditures	<u>(1,013,791)</u>	<u>2,517,105</u>	<u>4,631,998</u>	<u>2,114,893</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	805,386	875,086	410,288	(464,798)
Transfers out	<u>(1,136,175)</u>	<u>(1,136,175)</u>	<u>(793,163)</u>	<u>343,012</u>
Total Other Financing Sources (Uses)	<u>(330,789)</u>	<u>(261,089)</u>	<u>(382,875)</u>	<u>(121,786)</u>
Net change in fund balance	<u>\$ (1,344,580)</u>	<u>\$ 2,256,016</u>	4,249,123	<u>\$ 1,993,107</u>
Fund balance - July 1, 2020			<u>19,917,680</u>	
Fund balance - June 30, 2021			<u>\$ 24,166,803</u>	

CITY OF LINCOLN
PUBLIC FACILITY ELEMENT (PFE) - MAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	2020 - 2021		Actual	Variance
	Budgeted Amounts			
	Original	Final	Actual	Positive
				(Negative)
<u>REVENUES</u>				
Use of money and property	\$ 200,619	\$ 200,619	\$ 47,277	\$ (153,342)
Charges for services	1,064,502	3,898,502	7,251,527	3,353,025
Other revenues	<u>450,000</u>	<u>474,500</u>	<u>394,676</u>	<u>(79,824)</u>
Total Revenues	<u>1,715,121</u>	<u>4,573,621</u>	<u>7,693,480</u>	<u>3,119,859</u>
<u>EXPENDITURES</u>				
Current:				
General government	76,676	76,676	17,920	58,756
Public works and facilities	-	-	9,728	(9,728)
Education	80,000	80,000	71,716	8,284
Capital outlay	7,530,250	1,850,457	1,850,459	(2)
Debt service:				
Interest and fiscal charges	<u>20,248</u>	<u>20,248</u>	<u>38,457</u>	<u>(18,209)</u>
Total Expenditures	<u>7,707,174</u>	<u>2,027,381</u>	<u>1,988,280</u>	<u>39,101</u>
Excess (deficiency) of revenues over expenditures	<u>(5,992,053)</u>	<u>2,546,240</u>	<u>5,705,200</u>	<u>3,158,960</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Contribution from property owners	-	1,401,034	1,401,034	-
Total Other Financing Sources (Uses)	-	<u>1,401,034</u>	<u>1,401,034</u>	-
Net change in fund balance	<u>\$ (5,992,053)</u>	<u>\$ 3,947,274</u>	7,106,234	<u>\$ 3,158,960</u>
Fund balance - July 1, 2020			<u>6,198,317</u>	
Fund balance - June 30, 2021			<u>\$ 13,304,551</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, 2021

	2020 - 2021			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Use of money and property	\$ 484,000	\$ 484,000	\$ 122,689	\$ (361,311)
Charges for services	1,304,996	3,704,996	6,441,788	2,736,792
Other revenues	<u>-</u>	<u>159,600</u>	<u>159,573</u>	<u>(27)</u>
Total Revenues	<u>1,788,996</u>	<u>4,348,596</u>	<u>6,724,050</u>	<u>2,375,454</u>
<u>EXPENDITURES</u>				
Current:				
Public works and facilities	-	-	18,785	(18,785)
Capital outlay	<u>-</u>	<u>635,694</u>	<u>635,694</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>635,694</u>	<u>654,479</u>	<u>(18,785)</u>
Excess of revenues over expenditures	<u>1,788,996</u>	<u>3,712,902</u>	<u>6,069,571</u>	<u>2,356,669</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>-</u>	<u>(1,933,451)</u>	<u>(1,933,451)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,933,451)</u>	<u>(1,933,451)</u>	<u>-</u>
Net change in fund balance	<u>\$ 1,788,996</u>	<u>\$ 1,779,451</u>	4,136,120	<u>\$ 2,356,669</u>
Fund balance - July 1, 2020			<u>41,810,934</u>	
Fund balance - June 30, 2021			<u>\$ 45,947,054</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, 2021

	2020 - 2021		Actual	Variance
	Budgeted Amounts			
	Original	Final	Actual	Positive
				(Negative)
REVENUES				
License and permits	\$ 673,550	\$ 2,591,250	\$ 4,024,623	\$ 1,433,373
Intergovernmental	100,000	50,000	27,544	(22,456)
Use of money and property	84,800	84,800	19,763	(65,037)
Charges for services	968,500	1,890,000	2,801,571	911,571
Other revenues	<u>24,000</u>	<u>24,000</u>	<u>39,605</u>	<u>15,605</u>
Total Revenues	<u>1,850,850</u>	<u>4,640,050</u>	<u>6,913,106</u>	<u>2,273,056</u>
EXPENDITURES				
Current:				
Public works and facilities	2,283,855	3,234,760	2,574,924	659,836
Capital outlay	<u>92,875</u>	<u>64,101</u>	<u>61,226</u>	<u>2,875</u>
Total Expenditures	<u>2,376,730</u>	<u>3,298,861</u>	<u>2,636,150</u>	<u>662,711</u>
Excess (deficiency) of revenues over expenditures	<u>(525,880)</u>	<u>1,341,189</u>	<u>4,276,956</u>	<u>2,935,767</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(189,236)</u>	<u>(189,236)</u>	<u>(194,656)</u>	<u>(5,420)</u>
Total Other Financing Sources (Uses)	<u>(189,236)</u>	<u>(189,236)</u>	<u>(194,656)</u>	<u>(5,420)</u>
Net change in fund balance	<u>\$ (715,116)</u>	<u>\$ 1,151,953</u>	4,082,300	<u>\$ 2,930,347</u>
Fund balance - July 1, 2020			<u>4,976,096</u>	
Fund balance - June 30, 2021			<u>\$ 9,058,396</u>	

CITY OF LINCOLN
 LOW/MODERATE INCOME HOUSING - NONMAJOR SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	2020 - 2021		Actual	Variance
	Budgeted Amounts			
	Original	Final	Amounts	with Final
				Positive
				(Negative)
<u>REVENUES</u>				
Use of money and property	\$ <u>35,000</u>	\$ <u>35,000</u>	\$ <u>4,471</u>	\$ <u>(30,529)</u>
Total Revenues	<u>35,000</u>	<u>35,000</u>	<u>4,471</u>	<u>(30,529)</u>
<u>EXPENDITURES</u>				
Current:				
Public works and facilities	<u>5,000</u>	<u>5,000</u>	<u>940</u>	<u>4,060</u>
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>940</u>	<u>4,060</u>
Net change in fund balance	\$ <u>30,000</u>	\$ <u>30,000</u>	3,531	\$ <u>(26,469)</u>
Fund balance - July 1, 2020			<u>1,696,907</u>	
Fund balance - June 30, 2021			<u>\$ 1,700,438</u>	

**CITY OF LINCOLN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY ACCOUNTING AND CONTROL
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 1: BUDGETARY BASIS OF ACCOUNTING

Formal budgetary integration is employed as a management control device during the year for the general fund and special revenue funds, and is controlled at the department level for the City. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). The City has not formally adopted a budget for revenues and expenditures in the State Grants 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	\$ 2,689,747	\$ 3,491,784	\$ 802,037
City council	217,893	274,035	56,142
Administrative services	-	5,000	5,000
Finance	414,885	528,808	113,923
Engineering	109,707	109,935	228
Debt service - interest	-	55,008	55,008

COMBINING FINANCIAL SCHEDULES AND OTHER SUPPLEMENTARY INFORMATION

NON-MAJOR GOVERNMENTAL FUNDS

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

SPECIAL REVENUE FUNDS

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

Park In-Lieu

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

Gas Tax

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

Street Fund

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

Parks and Recreation Tax

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

Special Assessment Districts

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

State Grants

Accounts for state grants received and used for capital projects.

Police Grants

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

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.

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS (CONTINUED)

Cal Home Grants

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

Oak Tree Mitigation

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

Federal Grants

Accounts for Federal grant revenues and project expenditures.

CAPITAL PROJECT FUNDS

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

Capital Projects

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

Twelve Bridges Capital Project

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

Lincoln Crossing

Accounts for monies provided and used for Lincoln Crossing improvements.

DEBT SERVICE FUNDS

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

Lincoln Public Financing Authority Series 2016

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

PERMANENT FUNDS

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

Stormwater Retention Maintenance

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

Suncal Open Space Endowment

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

NON-MAJOR GOVERNMENTAL FUNDS

PERMANENT FUNDS (CONTINUED)

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, 2021

Special Revenue Funds

	<u>Park In-Lieu</u>	<u>Gas Tax</u>	<u>Street Fund</u>	<u>Parks and Recreation Tax</u>	<u>Special Assessment Districts</u>	<u>State Grants</u>
ASSETS						
Cash and investments	\$ 1,006,788	\$ 2,226,561	\$ 1,802,172	\$ 706,350	\$ 9,966,741	\$ 204,408
Accounts receivable	-	118,534	5,500	-	-	-
Interest receivable	165	403	281	116	1,593	-
Taxes receivable	-	-	-	-	216,042	-
Intergovernmental receivable	-	-	633,750	-	-	-
Due from other funds	-	293,005	-	-	-	-
Prepaid items	744	-	25,074	307	53,375	-
Advances to other funds	-	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-	-
Loans receivable, net	-	-	-	-	-	-
Total Assets	<u>\$ 1,007,697</u>	<u>\$ 2,638,503</u>	<u>\$ 2,466,777</u>	<u>\$ 706,773</u>	<u>\$ 10,237,751</u>	<u>\$ 204,408</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)						
LIABILITIES:						
Accounts payable	\$ -	\$ 116,360	\$ 254,899	\$ 5,498	\$ 389,424	\$ -
Accrued payroll and benefits	-	22,563	12,983	-	17,431	-
Accrued liabilities	-	42	-	-	53,166	-
Retention payable	-	33,090	13,499	-	-	-
Deposits and other payables	-	-	-	-	77,031	-
Due to other funds	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>172,055</u>	<u>281,381</u>	<u>5,498</u>	<u>537,052</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES:						
Unavailable revenues	-	-	633,750	-	-	-
FUND BALANCES (DEFICITS):						
Nonspendable	744	-	25,074	307	53,375	-
Restricted	1,006,953	2,466,448	1,526,572	700,968	9,647,324	204,408
Unassigned	-	-	-	-	-	-
Total Fund Balances (Deficits)	<u>1,007,697</u>	<u>2,466,448</u>	<u>1,551,646</u>	<u>701,275</u>	<u>9,700,699</u>	<u>204,408</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 1,007,697</u>	<u>\$ 2,638,503</u>	<u>\$ 2,466,777</u>	<u>\$ 706,773</u>	<u>\$ 10,237,751</u>	<u>\$ 204,408</u>

CITY OF LINCOLN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (continued)
JUNE 30, 2021

	Special Revenue Funds					
	Police Grants	Revitalization and Rehabilitation Loans	Community Development Block Grant (CDBG)	HOME Investment Partnership Program	Cal Home Grants	
ASSETS						
Cash and investments	\$ 51,128	\$ 906,248	\$ 142,017	\$ 342,840	\$ 711,082	\$ 2,071,882
Accounts receivable	-	-	67,889	683	71,795	-
Interest receivable	8	149	25	66	107	340
Taxes receivable	-	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	2,339,100
Restricted cash and investments	-	-	-	-	-	-
Loans receivable, net	-	-	423,142	1,742,849	486,913	-
Total Assets	\$ 51,136	\$ 906,397	\$ 633,073	\$ 2,086,438	\$ 1,269,897	\$ 4,411,322
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)						
LIABILITIES:						
Accounts payable	\$ -	\$ -	\$ 440	\$ 440	\$ 440	\$ 481
Accrued payroll and benefits	6,081	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-
Retention payable	-	-	-	-	-	-
Deposits and other payables	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total Liabilities	6,081	-	440	440	440	481
DEFERRED INFLOWS OF RESOURCES:						
Unavailable revenues	-	-	423,142	1,742,849	486,913	-
FUND BALANCES (DEFICITS):						
Nonspendable	-	-	-	-	-	2,339,100
Restricted	45,055	906,397	209,491	343,149	782,544	2,071,741
Unassigned	-	-	-	-	-	-
Total Fund Balances (Deficits)	45,055	906,397	209,491	343,149	782,544	4,410,841
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 51,136	\$ 906,397	\$ 633,073	\$ 2,086,438	\$ 1,269,897	\$ 4,411,322

CITY OF LINCOLN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (continued)
JUNE 30, 2021

	Special Revenue Funds	Capital Project Funds			Debt Service Funds	Permanent Funds
		Federal Grants	Capital Projects	Twelve Bridges Capital Project		
ASSETS						
Cash and investments	\$ -	\$ 1,468,286	\$ 56,646	\$ 5,116,425	\$ 2,195,266	\$ 36,614
Accounts receivable	-	-	-	-	-	-
Interest receivable	-	241	9	839	360	6
Taxes receivable	-	-	-	-	-	-
Intergovernmental receivable	1,413,852	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Advances to other funds	-	-	-	-	1,055,824	-
Restricted cash and investments	-	-	-	-	3	-
Loans receivable, net	-	-	-	-	-	-
Total Assets	\$ 1,413,852	\$ 1,468,527	\$ 56,655	\$ 5,117,264	\$ 3,251,453	\$ 36,620
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)						
LIABILITIES:						
Accounts payable	\$ 1,245,161	\$ 1,484	\$ 817	\$ -	\$ -	\$ -
Accrued payroll and benefits	-	-	-	-	-	-
Accrued liabilities	-	4,370	-	-	-	177
Retention payable	-	-	-	-	-	-
Deposits and other payables	-	-	-	-	-	-
Due to other funds	293,005	-	-	-	-	-
Total Liabilities	1,538,166	5,854	817	-	-	177
DEFERRED INFLOWS OF RESOURCES:						
Unavailable revenues	128,080	-	-	-	-	-
FUND BALANCES (DEFICITS):						
Nonspendable	-	-	-	-	1,055,824	25,439
Restricted	-	1,462,673	55,838	5,117,264	2,195,629	11,004
Unassigned	(252,394)	-	-	-	-	-
Total Fund Balances (Deficits)	(252,394)	1,462,673	55,838	5,117,264	3,251,453	36,443
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 1,413,852	\$ 1,468,527	\$ 56,655	\$ 5,117,264	\$ 3,251,453	\$ 36,620

CITY OF LINCOLN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (continued)
JUNE 30, 2021

	Permanent Funds					Total Non-major Governmental Funds
	Suncal Open Space Endowment	Brookview Open Space Maintenance Trust	Sterling Point Endowment	WWTRF Tertiary Storage Basin Maintenance	Lincoln Aircenter	
ASSETS						
Cash and investments	\$ 274,632	\$ -	\$ 67,464	\$ 68,187	\$ 92,562	\$ 29,514,299
Accounts receivable	-	-	-	-	-	264,401
Interest receivable	45	-	11	11	15	4,790
Taxes receivable	-	-	-	-	-	216,042
Intergovernmental receivable	-	-	-	-	-	2,047,602
Due from other funds	-	-	-	-	-	293,005
Prepaid items	-	-	-	-	-	79,500
Advances to other funds	-	-	-	-	-	3,394,924
Restricted cash and investments	-	16,240	-	-	-	16,243
Loans receivable, net	-	-	-	-	-	2,652,904
Total Assets	<u>\$ 274,677</u>	<u>\$ 16,240</u>	<u>\$ 67,475</u>	<u>\$ 68,198</u>	<u>\$ 92,577</u>	<u>\$ 38,483,710</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)						
LIABILITIES:						
Accounts payable	\$ -	\$ 239	\$ -	\$ -	\$ -	\$ 2,015,683
Accrued payroll and benefits	-	-	-	-	-	59,058
Accrued liabilities	1,329	-	-	-	-	59,084
Retention payable	-	-	-	-	-	46,589
Deposits and other payables	-	-	-	-	-	77,031
Due to other funds	-	-	-	-	-	293,005
Total Liabilities	<u>1,329</u>	<u>239</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,550,450</u>
DEFERRED INFLOWS OF RESOURCES:						
Unavailable revenues	-	-	-	-	-	3,414,734
FUND BALANCES (DEFICITS):						
Nonspendable	221,220	5,000	50,000	50,000	5,000	3,831,083
Restricted	52,128	11,001	17,475	18,198	87,577	28,939,837
Unassigned	-	-	-	-	-	(252,394)
Total Fund Balances (Deficits)	<u>273,348</u>	<u>16,001</u>	<u>67,475</u>	<u>68,198</u>	<u>92,577</u>	<u>32,518,526</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 274,677</u>	<u>\$ 16,240</u>	<u>\$ 67,475</u>	<u>\$ 68,198</u>	<u>\$ 92,577</u>	<u>\$ 38,483,710</u>

CITY OF LINCOLN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

Special Revenue Funds

	Park In-Lieu	Gas Tax	Street Fund	Parks and Recreation Tax	Special Assessment Districts	State Grants
REVENUES						
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ 4,463,644	\$ -
Intergovernmental	-	1,999,195	1,257,332	-	-	-
Use of money and property	2,930	5,702	7,002	1,307	10,772	-
Charges for services	9,984	39,683	-	230,111	4,775	-
Other revenue	-	40	31,592	-	53,206	-
Total Revenues	<u>12,914</u>	<u>2,044,620</u>	<u>1,295,926</u>	<u>231,418</u>	<u>4,532,397</u>	<u>-</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	58,402	-
Public safety	-	-	-	-	35,440	-
Public works and facilities	575	788,265	1,527,614	419	3,090,980	-
Cultural and recreation	210	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Capital outlay	67,237	1,200,623	589,789	35,398	91,051	-
Debt service:						
Principal	-	-	-	-	-	-
Interest (accretion) and other charges	-	-	-	-	-	-
Total Expenditures	<u>68,022</u>	<u>1,988,888</u>	<u>2,117,403</u>	<u>35,817</u>	<u>3,275,873</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(55,108)</u>	<u>55,732</u>	<u>(821,477)</u>	<u>195,601</u>	<u>1,256,524</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Contribution from property owners	-	-	-	-	-	-
Transfers in	-	-	-	-	494,568	-
Transfers out	-	(25,133)	(75,903)	-	(47,913)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(25,133)</u>	<u>(75,903)</u>	<u>-</u>	<u>446,655</u>	<u>-</u>
Net change in fund balances	(55,108)	30,599	(897,380)	195,601	1,703,179	-
Fund balances (deficits) - July 1, 2020	<u>1,062,805</u>	<u>2,435,849</u>	<u>2,449,026</u>	<u>505,674</u>	<u>7,997,520</u>	<u>204,408</u>
Fund balances (deficits) - June 30, 2021	<u>\$ 1,007,697</u>	<u>\$ 2,466,448</u>	<u>\$ 1,551,646</u>	<u>\$ 701,275</u>	<u>\$ 9,700,699</u>	<u>\$ 204,408</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, 2021

	Special Revenue Funds					
	Police Grants	Revitalization and Rehabilitation Loans	Community Development Block Grant (CDBG)	HOME Investment Partnership Program	Cal Home Grants	Oak Tree Mitigation
REVENUES						
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	156,121	-	-	-	-	-
Use of money and property	176	2,384	18,690	2,897	151,718	13,032
Charges for services	-	-	49,579	5,753	203,735	86,055
Other revenue	-	-	-	22	-	-
Total Revenues	<u>156,297</u>	<u>2,384</u>	<u>68,269</u>	<u>8,672</u>	<u>355,453</u>	<u>99,087</u>
EXPENDITURES						
Current:						
General government	-	-	9,944	3,945	-	-
Public safety	182,713	-	-	-	-	-
Public works and facilities	-	501	83	209	-	5,257
Cultural and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	4,218	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest (accretion) and other charges	-	-	-	-	-	-
Total Expenditures	<u>182,713</u>	<u>501</u>	<u>10,027</u>	<u>4,154</u>	<u>4,218</u>	<u>5,257</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(26,416)</u>	<u>1,883</u>	<u>58,242</u>	<u>4,518</u>	<u>351,235</u>	<u>93,830</u>
OTHER FINANCING SOURCES (USES)						
Contribution from property owners	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(26,416)	1,883	58,242	4,518	351,235	93,830
Fund balances (deficits) - July 1, 2020	<u>71,471</u>	<u>904,514</u>	<u>151,249</u>	<u>338,631</u>	<u>431,309</u>	<u>4,317,011</u>
Fund balances (deficits) - June 30, 2021	<u>\$ 45,055</u>	<u>\$ 906,397</u>	<u>\$ 209,491</u>	<u>\$ 343,149</u>	<u>\$ 782,544</u>	<u>\$ 4,410,841</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, 2021

	Special Revenue Funds	Capital Project Funds			Debt Service Funds	Permanent Funds
	Federal Grants	Capital Projects	Twelve Bridges Capital Project	Lincoln Crossing	Lincoln Public Financing Authority Series 2016	Stormwater Retention Maintenance
REVENUES						
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,858,807	-	-	-	-	-
Use of money and property	(2)	4,113	(27)	(2,463)	12,970	97
Charges for services	-	1,372	-	-	-	-
Other revenue	-	-	-	-	-	-
Total Revenues	<u>1,858,805</u>	<u>5,485</u>	<u>(27)</u>	<u>(2,463)</u>	<u>12,970</u>	<u>97</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	20
Public safety	-	-	-	-	-	-
Public works and facilities	-	7,875	18	1,573	11,046	-
Cultural and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Capital outlay	1,789,361	34,719	5,237	186,811	-	-
Debt service:						
Principal	-	-	-	-	945,000	-
Interest (accretion) and other charges	-	-	-	-	526,378	-
Total Expenditures	<u>1,789,361</u>	<u>42,594</u>	<u>5,255</u>	<u>188,384</u>	<u>1,482,424</u>	<u>20</u>
Excess (Deficiency) of Revenues over Expenditures	<u>69,444</u>	<u>(37,109)</u>	<u>(5,282)</u>	<u>(190,847)</u>	<u>(1,469,454)</u>	<u>77</u>
OTHER FINANCING SOURCES (USES)						
Contribution from property owners	-	-	68,579	5,420,350	-	-
Transfers in	-	-	-	-	1,336,286	-
Transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>68,579</u>	<u>5,420,350</u>	<u>1,336,286</u>	<u>-</u>
Net change in fund balances	69,444	(37,109)	63,297	5,229,503	(133,168)	77
Fund balances (deficits) - July 1, 2020	<u>(321,838)</u>	<u>1,499,782</u>	<u>(7,459)</u>	<u>(112,239)</u>	<u>3,384,621</u>	<u>36,366</u>
Fund balances (deficits) - June 30, 2021	<u>\$ (252,394)</u>	<u>\$ 1,462,673</u>	<u>\$ 55,838</u>	<u>\$ 5,117,264</u>	<u>\$ 3,251,453</u>	<u>\$ 36,443</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, 2021

	Permanent Funds					Total Non-major Governmental Funds
	Suncal Open Space Endowment	Brookview Open Space Maintenance Trust	Sterling Point Endowment	WWTRF Tertiary Storage Basin Maintenance	Lincoln Aircenter	
REVENUES						
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,463,644
Intergovernmental	-	-	-	-	-	5,271,455
Use of money and property	722	1	178	179	244	232,622
Charges for services	-	-	-	-	-	631,047
Other revenue	-	-	-	-	-	84,860
Total Revenues	<u>722</u>	<u>1</u>	<u>178</u>	<u>179</u>	<u>244</u>	<u>10,683,628</u>
EXPENDITURES						
Current:						
General government	152	-	38	38	52	72,591
Public safety	-	-	-	-	-	218,153
Public works and facilities	-	-	-	-	-	5,434,415
Cultural and recreation	-	-	-	-	-	210
Urban redevelopment and housing	-	-	-	-	-	4,218
Capital outlay	-	-	-	-	-	4,000,226
Debt service:						
Principal	-	-	-	-	-	945,000
Interest (accretion) and other charges	-	-	-	-	-	526,378
Total Expenditures	<u>152</u>	<u>-</u>	<u>38</u>	<u>38</u>	<u>52</u>	<u>11,201,191</u>
Excess (Deficiency) of Revenues over Expenditures	<u>570</u>	<u>1</u>	<u>140</u>	<u>141</u>	<u>192</u>	<u>(517,563)</u>
OTHER FINANCING SOURCES (USES)						
Contribution from property owners	-	-	-	-	-	5,488,929
Transfers in	-	-	-	-	-	1,830,854
Transfers out	-	-	-	-	-	(148,949)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,170,834</u>
Net change in fund balances	570	1	140	141	192	6,653,271
Fund balances (deficits) - July 1, 2020	<u>272,778</u>	<u>16,000</u>	<u>67,335</u>	<u>68,057</u>	<u>92,385</u>	<u>25,865,255</u>
Fund balances (deficits) - June 30, 2021	<u>\$ 273,348</u>	<u>\$ 16,001</u>	<u>\$ 67,475</u>	<u>\$ 68,198</u>	<u>\$ 92,577</u>	<u>\$ 32,518,526</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, 2021

	2020 - 2021		Actual	Variance
	Budgeted Amounts			
	Original	Final	Actual	Positive
				(Negative)
<u>REVENUES</u>				
Use of money and property	\$ 28,480	\$ 28,480	\$ 2,930	\$ (25,550)
Charges for services	<u>960</u>	<u>3,960</u>	<u>9,984</u>	<u>6,024</u>
Total Revenues	<u>29,440</u>	<u>32,440</u>	<u>12,914</u>	<u>(19,526)</u>
<u>EXPENDITURES</u>				
Public works and facilities	-	-	575	(575)
Culture and recreation	896	896	210	686
Capital outlay	<u>85,000</u>	<u>67,238</u>	<u>67,237</u>	<u>1</u>
Total Expenditures	<u>85,896</u>	<u>68,134</u>	<u>68,022</u>	<u>112</u>
Excess (deficiency) of revenues over expenditures	<u>(56,456)</u>	<u>(35,694)</u>	<u>(55,108)</u>	<u>(19,414)</u>
Net change in fund balance	<u>\$ (56,456)</u>	<u>\$ (35,694)</u>	(55,108)	<u>\$ (19,414)</u>
Fund balance - July 1, 2020			<u>1,062,805</u>	
Fund balance - June 30, 2021			<u>\$ 1,007,697</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, 2021

	2020 - 2021		Actual	Variance
	Budgeted Amounts			
	Original	Final	Amounts	with Final
				Positive
				(Negative)
<u>REVENUES</u>				
Intergovernmental	\$ 1,929,421	\$ 1,989,421	\$ 1,999,195	\$ 9,774
Use of money and property	29,600	29,600	5,702	(23,898)
Charges for services	-	-	39,683	39,683
Other revenues	-	-	40	40
	<u>1,959,021</u>	<u>2,019,021</u>	<u>2,044,620</u>	<u>25,599</u>
Total Revenues				
<u>EXPENDITURES</u>				
Current:				
Public works and facilities	861,848	879,774	788,265	91,509
Capital outlay	-	1,200,621	1,200,623	(2)
	<u>861,848</u>	<u>2,080,395</u>	<u>1,988,888</u>	<u>91,507</u>
Total Expenditures				
Excess (deficiency) of revenues over expenditures	<u>1,097,173</u>	<u>(61,374)</u>	<u>55,732</u>	<u>117,106</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(10,183)</u>	<u>(10,183)</u>	<u>(25,133)</u>	<u>(14,950)</u>
Total Other Financing Sources (Uses)	<u>(10,183)</u>	<u>(10,183)</u>	<u>(25,133)</u>	<u>(14,950)</u>
Net change in fund balance	<u>\$ 1,086,990</u>	<u>\$ (71,557)</u>	30,599	<u>\$ 102,156</u>
Fund balance - July 1, 2020			<u>2,435,849</u>	
Fund balance - June 30, 2021			<u>\$ 2,466,448</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, 2021

	2020 - 2021			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Intergovernmental	\$ 1,858,947	\$ 2,179,147	\$ 1,257,332	\$ (921,815)
Use of money and property	28,080	28,080	7,002	(21,078)
Other revenues	<u>-</u>	<u>-</u>	<u>31,592</u>	<u>31,592</u>
Total Revenues	<u>1,887,027</u>	<u>2,207,227</u>	<u>1,295,926</u>	<u>(911,301)</u>
<u>EXPENDITURES</u>				
Current:				
Public works and facilities	2,148,994	2,149,556	1,527,614	621,942
Capital outlay	<u>43,075</u>	<u>605,004</u>	<u>589,789</u>	<u>15,215</u>
Total Expenditures	<u>2,192,069</u>	<u>2,754,560</u>	<u>2,117,403</u>	<u>637,157</u>
Excess (deficiency) of revenues over expenditures	<u>(305,042)</u>	<u>(547,333)</u>	<u>(821,477)</u>	<u>(274,144)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(63,356)</u>	<u>(63,356)</u>	<u>(75,903)</u>	<u>(12,547)</u>
Total Other Financing Sources (Uses)	<u>(63,356)</u>	<u>(63,356)</u>	<u>(75,903)</u>	<u>(12,547)</u>
Net change in fund balance	\$ <u>(368,398)</u>	\$ <u>(610,689)</u>	(897,380)	\$ <u>(286,691)</u>
Fund balance - July 1, 2020			<u>2,449,026</u>	
Fund balance - June 30, 2021			\$ <u>1,551,646</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, 2021

	2020 - 2021		Actual	Variance
	Budgeted Amounts			
	Original	Final	Amounts	with Final
				Positive
				(Negative)
<u>REVENUES</u>				
Use of money and property	\$ 5,120	\$ 5,120	\$ 1,307	\$ (3,813)
Charges for services	<u>61,596</u>	<u>111,596</u>	<u>230,111</u>	<u>118,515</u>
Total Revenues	<u>66,716</u>	<u>116,716</u>	<u>231,418</u>	<u>114,702</u>
<u>EXPENDITURES</u>				
Current:				
Public works and facilities	369	369	419	(50)
Capital outlay	<u>35,000</u>	<u>35,000</u>	<u>35,398</u>	<u>(398)</u>
Total Expenditures	<u>35,369</u>	<u>35,369</u>	<u>35,817</u>	<u>(448)</u>
Net change in fund balance	<u>\$ 31,347</u>	<u>\$ 81,347</u>	195,601	<u>\$ 114,254</u>
Fund balance - July 1, 2020			<u>505,674</u>	
Fund balance - June 30, 2021			<u>\$ 701,275</u>	

CITY OF LINCOLN
SPECIAL ASSESSMENT DISTRICTS - NONMAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	2020 - 2021			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Special assessments	\$ 4,191,344	\$ 4,463,344	\$ 4,463,644	\$ 300
Use of money and property	109,283	109,283	10,772	(98,511)
Charges for services	8,818	8,818	4,775	(4,043)
Other revenues	<u>-</u>	<u>-</u>	<u>53,206</u>	<u>53,206</u>
Total Revenues	<u>4,309,445</u>	<u>4,581,445</u>	<u>4,532,397</u>	<u>(49,048)</u>
<u>EXPENDITURES</u>				
Current:				
General government	103,383	103,383	58,402	44,981
Public safety	34,275	35,615	35,440	175
Public works and facilities	3,705,525	3,713,525	3,090,980	622,545
Capital outlay	<u>285,500</u>	<u>109,550</u>	<u>91,051</u>	<u>18,499</u>
Total Expenditures	<u>4,128,683</u>	<u>3,962,073</u>	<u>3,275,873</u>	<u>686,200</u>
Excess (deficiency) of revenues over expenditures	<u>180,762</u>	<u>619,372</u>	<u>1,256,524</u>	<u>637,152</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	849,496	849,496	494,568	(354,928)
Transfers out	<u>(568,793)</u>	<u>(568,793)</u>	<u>(47,913)</u>	<u>520,880</u>
Total Other Financing Sources (Uses)	<u>280,703</u>	<u>280,703</u>	<u>446,655</u>	<u>165,952</u>
Net change in fund balance	<u>\$ 461,465</u>	<u>\$ 900,075</u>	1,703,179	<u>\$ 803,104</u>
Fund balance - July 1, 2020			<u>7,997,520</u>	
Fund balance - June 30, 2021			<u>\$ 9,700,699</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, 2021

	2020 - 2021			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Intergovernmental	\$ 135,000	\$ 135,000	\$ 156,121	\$ 21,121
Use of money and property	<u>644</u>	<u>644</u>	<u>176</u>	<u>(468)</u>
Total Revenues	<u>135,644</u>	<u>135,644</u>	<u>156,297</u>	<u>20,653</u>
<u>EXPENDITURES</u>				
Current:				
Public safety	<u>130,000</u>	<u>162,000</u>	<u>182,713</u>	<u>(20,713)</u>
Total Expenditures	<u>130,000</u>	<u>162,000</u>	<u>182,713</u>	<u>(20,713)</u>
Net change in fund balance	<u>\$ 5,644</u>	<u>\$ (26,356)</u>	(26,416)	<u>\$ (60)</u>
Fund balance - July 1, 2020			<u>71,471</u>	
Fund balance - June 30, 2021			<u>\$ 45,055</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, 2021

	<u>2020 - 2021</u> <u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Use of money and property	\$ <u>13,702</u>	\$ <u>13,702</u>	\$ <u>2,384</u>	\$ <u>(11,318)</u>
Total Revenues	<u>13,702</u>	<u>13,702</u>	<u>2,384</u>	<u>(11,318)</u>
<u>EXPENDITURES</u>				
Current:				
Public works and facilities	<u>-</u>	<u>-</u>	<u>501</u>	<u>(501)</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>501</u>	<u>(501)</u>
Net change in fund balance	\$ <u><u>13,702</u></u>	\$ <u><u>13,702</u></u>	1,883	\$ <u><u>(11,819)</u></u>
Fund balance - July 1, 2020			<u>904,514</u>	
Fund balance - June 30, 2021			<u><u>\$ 906,397</u></u>	

CITY OF LINCOLN
COMMUNITY DEVELOPMENT BLOCK GRANT - NONMAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	2020 - 2021		Actual	Variance
	Budgeted Amounts			
	Original	Final	Actual	Positive
				(Negative)
<u>REVENUES</u>				
Use of money and property	\$ 2,353	\$ 2,353	\$ 18,690	\$ 16,337
Charges for services	<u>-</u>	<u>-</u>	<u>49,579</u>	<u>49,579</u>
Total Revenues	<u>2,353</u>	<u>2,353</u>	<u>68,269</u>	<u>65,916</u>
<u>EXPENDITURES</u>				
Current:				
General government	-	25,000	9,944	15,056
Public works and facilities	<u>-</u>	<u>-</u>	<u>83</u>	<u>(83)</u>
Total Expenditures	<u>-</u>	<u>25,000</u>	<u>10,027</u>	<u>14,973</u>
Net change in fund balance	<u>\$ 2,353</u>	<u>\$ (22,647)</u>	58,242	<u>\$ 80,889</u>
Fund balance - July 1, 2020			<u>151,249</u>	
Fund balance - June 30, 2021			<u>\$ 209,491</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, 2021

	2020 - 2021		Actual	Variance
	Budgeted Amounts			
	Original	Final	Amounts	with Final
				Positive
				(Negative)
<u>REVENUES</u>				
Use of money and property	\$ 6,414	\$ 6,414	\$ 2,897	\$ (3,517)
Charges for services	-	-	5,753	5,753
Other revenues	-	-	<u>22</u>	<u>22</u>
Total Revenues	<u>6,414</u>	<u>6,414</u>	<u>8,672</u>	<u>2,258</u>
<u>EXPENDITURES</u>				
Current:				
General government	-	-	3,945	(3,945)
Public works and facilities	-	-	<u>209</u>	<u>(209)</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>4,154</u>	<u>(4,154)</u>
Net change in fund balance	<u>\$ 6,414</u>	<u>\$ 6,414</u>	4,518	<u>\$ (1,896)</u>
Fund balance - July 1, 2020			<u>338,631</u>	
Fund balance - June 30, 2021			<u>\$ 343,149</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, 2021

	2020 - 2021		Actual	Variance
	Budgeted Amounts			
	Original	Final	Actual	Positive
				(Negative)
<u>REVENUES</u>				
Use of money and property	\$ 8,245	\$ 8,245	\$ 151,718	\$ 143,473
Charges for services	<u>-</u>	<u>-</u>	<u>203,735</u>	<u>203,735</u>
Total Revenues	<u>8,245</u>	<u>8,245</u>	<u>355,453</u>	<u>347,208</u>
<u>EXPENDITURES</u>				
Current:				
Urban development and housing	<u>10,000</u>	<u>10,000</u>	<u>4,218</u>	<u>5,782</u>
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>4,218</u>	<u>5,782</u>
Net change in fund balance	<u>\$ (1,755)</u>	<u>\$ (1,755)</u>	351,235	<u>\$ 352,990</u>
Fund balance - July 1, 2020			<u>431,309</u>	
Fund balance - June 30, 2021			<u>\$ 782,544</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, 2021

	2020 - 2021			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Use of money and property	\$ 26,858	\$ 26,858	\$ 13,032	\$ (13,826)
Charges for services	<u>150,000</u>	<u>150,000</u>	<u>86,055</u>	<u>(63,945)</u>
Total Revenues	<u>176,858</u>	<u>176,858</u>	<u>99,087</u>	<u>(77,771)</u>
<u>EXPENDITURES</u>				
Current:				
Parks works and facilities	<u>88,000</u>	<u>88,000</u>	<u>5,257</u>	<u>82,743</u>
Total Expenditures	<u>88,000</u>	<u>88,000</u>	<u>5,257</u>	<u>82,743</u>
Net change in fund balance	<u>\$ 88,858</u>	<u>\$ 88,858</u>	93,830	<u>\$ 4,972</u>
Fund balance - July 1, 2020			<u>4,317,011</u>	
Fund balance - June 30, 2021			<u>\$ 4,410,841</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, 2021

	2020 - 2021			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Intergovernmental	\$ 2,736,694	\$ 8,616,187	\$ 1,858,807	\$ (6,757,380)
Use of money and property	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>(2)</u>
Total Revenues	<u>2,736,694</u>	<u>8,616,187</u>	<u>1,858,805</u>	<u>(6,757,382)</u>
<u>EXPENDITURES</u>				
Current:				
Capital outlay	<u>-</u>	<u>1,777,129</u>	<u>1,789,361</u>	<u>(12,232)</u>
Total Expenditures	<u>-</u>	<u>1,777,129</u>	<u>1,789,361</u>	<u>(12,232)</u>
Net change in fund balance	<u>\$ 2,736,694</u>	<u>\$ 6,839,058</u>	69,444	<u>\$ (6,769,614)</u>
Fund balance (deficit) - July 1, 2020			<u>(321,838)</u>	
Fund balance (deficit) - June 30, 2021			<u>\$ (252,394)</u>	

INTERNAL SERVICE FUNDS

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

Internal Services

Accounts for the City's 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, 2021

	Governmental Activities - Internal Service Funds				
	Internal Services	Vehicle/ Equipment Replacement	Facility Maintenance	Technology Fund	Total Internal Service Funds
<u>ASSETS</u>					
Current Assets					
Cash and investments	\$ 1,393,753	\$ -	\$ 425,955	\$ 864,375	\$ 2,684,083
Accounts receivable, net	15,830	-	-	-	15,830
Interest receivable	<u>385</u>	<u>-</u>	<u>69</u>	<u>142</u>	<u>596</u>
Total Current Assets	<u>1,409,968</u>	<u>-</u>	<u>426,024</u>	<u>864,517</u>	<u>2,700,509</u>
Non Current Assets					
Non-depreciable capital assets	-	-	83,262	-	83,262
Depreciable capital assets, net	<u>246,106</u>	<u>-</u>	<u>367,613</u>	<u>61,284</u>	<u>675,003</u>
Total Non-Current Assets	<u>246,106</u>	<u>-</u>	<u>450,875</u>	<u>61,284</u>	<u>758,265</u>
Total Assets	<u>1,656,074</u>	<u>-</u>	<u>876,899</u>	<u>925,801</u>	<u>3,458,774</u>
<u>LIABILITIES</u>					
Current Liabilities					
Accounts payable	159,322	-	4,000	-	163,322
Accrued salaries and benefits	84,863	-	-	-	84,863
Compensated absences	<u>319,675</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>319,675</u>
Total Current Liabilities	<u>563,860</u>	<u>-</u>	<u>4,000</u>	<u>-</u>	<u>567,860</u>
Non-Current Liabilities					
Compensated absences - noncurrent	<u>79,919</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>79,919</u>
Total Non-Current Liabilities	<u>79,919</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>79,919</u>
Total Liabilities	<u>643,779</u>	<u>-</u>	<u>4,000</u>	<u>-</u>	<u>647,779</u>
<u>NET POSITION:</u>					
Net investment in capital assets	246,106	-	450,875	61,284	758,265
Unrestricted	<u>766,189</u>	<u>-</u>	<u>422,024</u>	<u>864,517</u>	<u>2,052,730</u>
Total Net Position	<u>\$ 1,012,295</u>	<u>\$ -</u>	<u>\$ 872,899</u>	<u>\$ 925,801</u>	<u>\$ 2,810,995</u>

CITY OF LINCOLN
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Governmental Activities - Internal Service Funds				
	<u>Internal Services</u>	<u>Vehicle/ Equipment Replacement</u>	<u>Facility Maintenance</u>	<u>Technology Fund</u>	<u>Total Internal Service Funds</u>
<u>OPERATING REVENUES</u>					
Charges for services	\$ 3,687,699	\$ -	\$ -	\$ -	\$ 3,687,699
Other revenue	<u>19,724</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,724</u>
Total Operating Revenue	<u>3,707,423</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,707,423</u>
<u>OPERATING EXPENSES</u>					
Salaries and benefits	2,867,250	-	-	-	2,867,250
Services and supplies	2,025,701	-	236	478	2,026,415
Depreciation	<u>55,520</u>	<u>-</u>	<u>22,071</u>	<u>14,589</u>	<u>92,180</u>
Total Operating Expenses	<u>4,948,471</u>	<u>-</u>	<u>22,307</u>	<u>15,067</u>	<u>4,985,845</u>
Operating Income (Loss)	<u>(1,241,048)</u>	<u>-</u>	<u>(22,307)</u>	<u>(15,067)</u>	<u>(1,278,422)</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>					
Interest income	6,068	2	1,146	2,273	9,489
Capital asset transfers	<u>-</u>	<u>(299,700)</u>	<u>-</u>	<u>-</u>	<u>(299,700)</u>
Total Non-Operating Revenues (Expenses)	<u>6,068</u>	<u>(299,698)</u>	<u>1,146</u>	<u>2,273</u>	<u>(290,211)</u>
Income (Loss) Before Transfers	<u>(1,234,980)</u>	<u>(299,698)</u>	<u>(21,161)</u>	<u>(12,794)</u>	<u>(1,568,633)</u>
<u>TRANSFERS</u>					
Transfers out	<u>-</u>	<u>(269,605)</u>	<u>-</u>	<u>-</u>	<u>(269,605)</u>
Total Transfers	<u>-</u>	<u>(269,605)</u>	<u>-</u>	<u>-</u>	<u>(269,605)</u>
Change in net position	(1,234,980)	(569,303)	(21,161)	(12,794)	(1,838,238)
Net Position - July 1, 2020	<u>2,247,275</u>	<u>569,303</u>	<u>894,060</u>	<u>938,595</u>	<u>4,649,233</u>
Net Position - June 30, 2021	<u>\$ 1,012,295</u>	<u>\$ -</u>	<u>\$ 872,899</u>	<u>\$ 925,801</u>	<u>\$ 2,810,995</u>

CITY OF LINCOLN
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Governmental Activities - Internal Service Funds				Total Internal Service Funds
	Internal Services	Vehicle/ Equipment Replacement	Facility Maintenance	Technology Fund	
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Cash received from customers	\$ 3,707,222	\$ 307	\$ -	\$ -	\$ 3,707,529
Cash paid to suppliers	(2,052,267)	(1,990)	3,764	(478)	(2,050,971)
Cash paid to employees	(2,832,201)	-	-	-	(2,832,201)
Net Cash Provided by (Used for) Operating Activities	<u>(1,177,246)</u>	<u>(1,683)</u>	<u>3,764</u>	<u>(478)</u>	<u>(1,175,643)</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>					
Transfers to other funds	-	(269,605)	-	-	(269,605)
Net Cash Used for Non-Capital Financing Activities	<u>-</u>	<u>(269,605)</u>	<u>-</u>	<u>-</u>	<u>(269,605)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>					
Acquisition of capital assets	(23,790)	-	(9,580)	-	(33,370)
Net Cash Used for Capital and Related Financing Activities	<u>(23,790)</u>	<u>-</u>	<u>(9,580)</u>	<u>-</u>	<u>(33,370)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Interest and dividends	6,660	119	1,267	2,512	10,558
Net Cash Provided by Investing Activities	<u>6,660</u>	<u>119</u>	<u>1,267</u>	<u>2,512</u>	<u>10,558</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,194,376)	(271,169)	(4,549)	2,034	(1,468,060)
Cash and Cash Equivalents - July 1, 2020	<u>2,588,129</u>	<u>271,169</u>	<u>430,504</u>	<u>862,341</u>	<u>4,152,143</u>
Cash and Cash Equivalents - June 30, 2021	<u>\$ 1,393,753</u>	<u>\$ -</u>	<u>\$ 425,955</u>	<u>\$ 864,375</u>	<u>\$ 2,684,083</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</u>					
Operating Income (Loss)	(1,241,048)	-	(22,307)	(15,067)	(1,278,422)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation expense	55,520	-	22,071	14,589	92,180
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(201)	307	-	-	106
Decrease in prepaid expenses	155,768	-	-	-	155,768
Increase (decrease) in accounts payable	(182,334)	(1,990)	4,000	-	(180,324)
(Decrease) in accrued wages	(5,495)	-	-	-	(5,495)
Increase in compensated absences	40,544	-	-	-	40,544
Net Cash Provided by (Used for) Operating Activities	<u>\$ (1,177,246)</u>	<u>\$ (1,683)</u>	<u>\$ 3,764</u>	<u>\$ (478)</u>	<u>\$ (1,175,643)</u>

FIDUCIARY FUNDS

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

Custodial Funds

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

Little League Fund

Accounts for monies held as agent for Little League activities.

Lincoln Airpark 98-1

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

Twelve Bridges Series 2011

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

Foskett Ranch CFD

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

Lakeside CFD

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

Lincoln Crossing CFD

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

Sorrento CFD

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

Independence Development CFD

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

CITY OF LINCOLN
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSOTIAL FUNDS
JUNE 30, 2021

	<u>Little League</u>	<u>Lincoln Airpark 98-1</u>	<u>Twelve Bridges Series 2011</u>	<u>Foskett Ranch CFD</u>
<u>ASSETS</u>				
Cash and investments	\$ 33,195	\$ 506,547	\$ 5,715,849	\$ 234,899
Assessments receivable	-	409	49,206	4,769
Interest receivable	5	83	940	39
Restricted cash and investments	<u>-</u>	<u>228,524</u>	<u>18,719,621</u>	<u>116,435</u>
Total Assets	<u>33,200</u>	<u>735,563</u>	<u>24,485,616</u>	<u>356,142</u>
<u>LIABILITIES</u>				
Accounts payable	-	-	11	2,250
Developer deposits payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>11</u>	<u>2,250</u>
<u>NET POSITION</u>				
Net position restricted for individuals, organizations, and other governments	<u>33,200</u>	<u>735,563</u>	<u>24,485,605</u>	<u>353,892</u>
Total Net Position	<u>\$ 33,200</u>	<u>\$ 735,563</u>	<u>\$ 24,485,605</u>	<u>\$ 353,892</u>

CITY OF LINCOLN
 COMBINING STATEMENT OF FIDUCIARY NET POSITION (continued)
 CUSTODIAL FUNDS
 JUNE 30, 2021

	<u>Lakeside CFD</u>	<u>Lincoln Crossing CFD</u>	<u>Sorrento CFD</u>	<u>Independence Development CFD</u>	<u>Total</u>
<u>ASSETS</u>					
Cash and investments	\$ 900,404	\$ 11,466,460	\$ 508,729	\$ 83,264	\$ 19,449,347
Assessments receivable	5,888	140,196	7,618	-	208,086
Interest receivable	62	1,900	83	14	3,126
Restricted cash and investments	<u>516,715</u>	<u>6,447,001</u>	<u>3,562,988</u>	<u>-</u>	<u>29,591,284</u>
Total Assets	<u>1,423,069</u>	<u>18,055,557</u>	<u>4,079,418</u>	<u>83,278</u>	<u>49,251,843</u>
<u>LIABILITIES</u>					
Accounts payable	-	-	3,050	16,470	21,781
Developer deposits payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,535</u>	<u>65,535</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>3,050</u>	<u>82,005</u>	<u>87,316</u>
<u>NET POSITION</u>					
Net position restricted for individuals, organizations, and other governments	<u>1,423,069</u>	<u>18,055,557</u>	<u>4,076,368</u>	<u>1,273</u>	<u>49,164,527</u>
Total Net Position	<u>\$ 1,423,069</u>	<u>\$ 18,055,557</u>	<u>\$ 4,076,368</u>	<u>\$ 1,273</u>	<u>\$ 49,164,527</u>

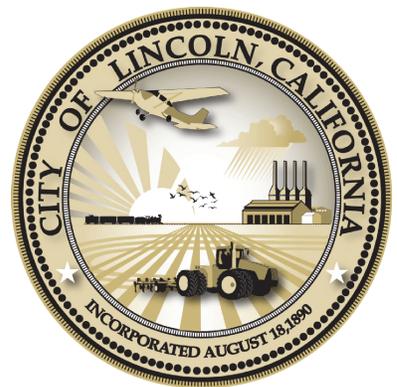
CITY OF LINCOLN
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Little League</u>	<u>Lincoln Airpark 98-1</u>	<u>Twelve Bridges Series 2011</u>	<u>Foskett Ranch CFD</u>
<u>ADDITIONS</u>				
Property taxes and assessments	\$ -	\$ 275,728	\$ 4,990,796	\$ 250,304
Administrative fees	-	-	-	-
Amounts received from bond refundings	-	-	-	-
Other revenue	-	196	-	-
Investment income:				
Interest income	1,160	673	30,927	176
Net increase (decrease) in fair value	-	-	-	3
Net investment income	<u>1,160</u>	<u>673</u>	<u>30,927</u>	<u>179</u>
Total Additions	<u>1,160</u>	<u>276,597</u>	<u>5,021,723</u>	<u>250,483</u>
<u>DEDUCTIONS</u>				
Professional services	19	15,928	87,358	21,607
Distribution to City	-	-	1,469,613	-
Amount paid for bond refunding	-	-	-	-
Bond issuance costs	-	-	-	-
Debt service:				
Principal	-	205,000	3,544,000	145,000
Interest	-	<u>45,458</u>	<u>920,274</u>	<u>82,707</u>
Total Deductions	<u>19</u>	<u>266,386</u>	<u>6,021,245</u>	<u>249,314</u>
Net increase (decrease) in fiduciary net position	1,141	10,211	(999,522)	1,169
Fiduciary Net Position - Beginning, Restated	<u>32,059</u>	<u>725,352</u>	<u>25,485,127</u>	<u>352,723</u>
Fiduciary Net Position - Ending	<u>\$ 33,200</u>	<u>\$ 735,563</u>	<u>\$ 24,485,605</u>	<u>\$ 353,892</u>

CITY OF LINCOLN
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Lakeside CFD</u>	<u>Lincoln Crossing CFD</u>	<u>Sorrento CFD</u>	<u>Independence Development CFD</u>	<u>Total</u>
<u>ADDITIONS</u>					
Property taxes and assessments	\$ 847,772	\$ 6,252,759	\$ 900,954	\$ -	\$ 13,518,313
Administrative fees	20,000	-	-	16,879	36,879
Amounts received from bond refundings	5,009,372	-	-	-	5,009,372
Other revenue	12,593	-	-	-	12,789
Investment income:					
Interest income	5,479	35,301	(135)	(25)	73,556
Net increase (decrease) in fair value	<u>34</u>	<u>-</u>	<u>218</u>	<u>-</u>	<u>255</u>
Net investment income	<u>5,513</u>	<u>35,301</u>	<u>83</u>	<u>(25)</u>	<u>73,811</u>
Total Additions	<u>5,895,250</u>	<u>6,288,060</u>	<u>901,037</u>	<u>16,854</u>	<u>18,651,164</u>
<u>DEDUCTIONS</u>					
Professional services	43,303	126,007	161,984	17,921	474,127
Distribution to City	-	5,420,350	-	-	6,889,963
Amount paid for bond refunding	4,906,482	-	-	-	4,906,482
Bond issuance costs	235,344	-	-	-	235,344
Debt service:					
Principal	250,000	2,365,000	170,000	-	6,679,000
Interest	<u>316,627</u>	<u>2,813,881</u>	<u>706,713</u>	<u>-</u>	<u>4,885,660</u>
Total Deductions	<u>5,751,756</u>	<u>10,725,238</u>	<u>1,038,697</u>	<u>17,921</u>	<u>24,070,576</u>
Net increase (decrease) in fiduciary net position	143,494	(4,437,178)	(137,660)	(1,067)	(5,419,412)
Fiduciary Net Position - Beginning, Restated	<u>1,279,575</u>	<u>22,492,735</u>	<u>4,214,028</u>	<u>2,340</u>	<u>54,583,939</u>
Fiduciary Net Position - Ending	<u>\$ 1,423,069</u>	<u>\$ 18,055,557</u>	<u>\$ 4,076,368</u>	<u>\$ 1,273</u>	<u>\$ 49,164,527</u>

STATISTICAL SECTION



STATISTICAL SECTION

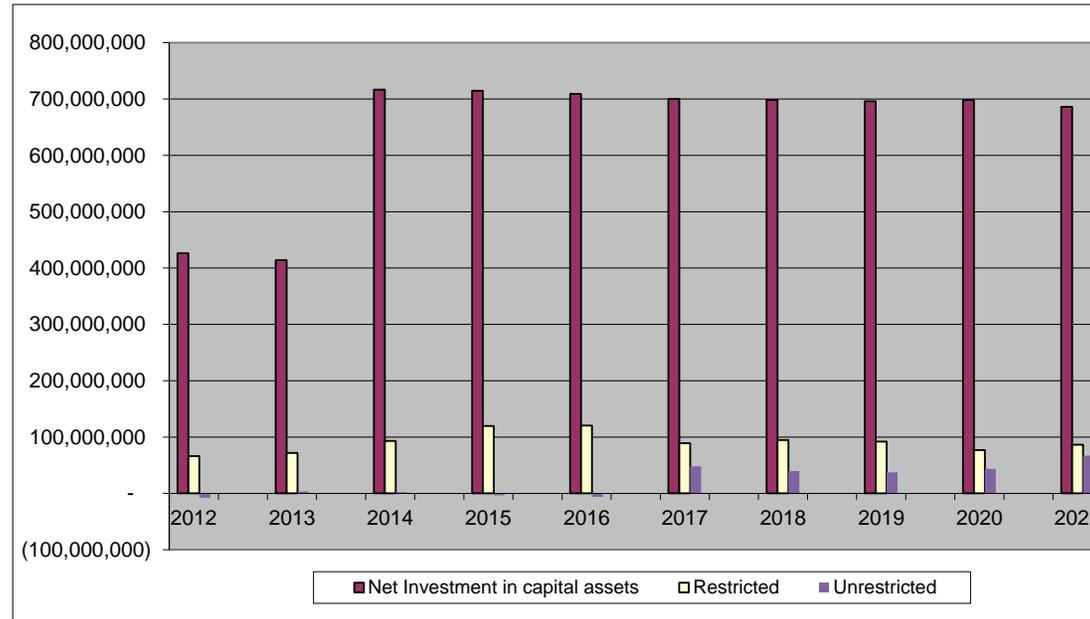
This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	120 - 124
Revenue Capacity	
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	125 - 126
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	127 - 131
Economic and Demographic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time with other governments.	132 - 134
Operating Information	
These schedules contain contextual information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	135 - 136

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

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net Investment in capital assets	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	336,402,231
Restricted	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	71,650,008
Unrestricted	(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	34,834,119
Total governmental activities net position	<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>	<u>442,886,358</u>
Business-type activities										
Net Investment in capital assets	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	349,818,023
Restricted	-	-	14,406,184	14,504,672	14,312,412	12,990,446	8,639,096	9,304,148	7,205,080	14,644,566
Unrestricted	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	32,396,407
Total business-type activities net position	<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>	<u>396,858,996</u>
Primary government										
Net Investment in capital assets	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	686,220,254
Restricted	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	86,294,574
Unrestricted	(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	67,230,526
Total primary government net position	<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>	<u>839,745,354</u>
	-3.3%	0.9%	66.0%	2.3%	-0.9%	1.7%	-0.5%	-0.9%	-0.8%	2.5%



Source : City of Lincoln Audited Financial Reports

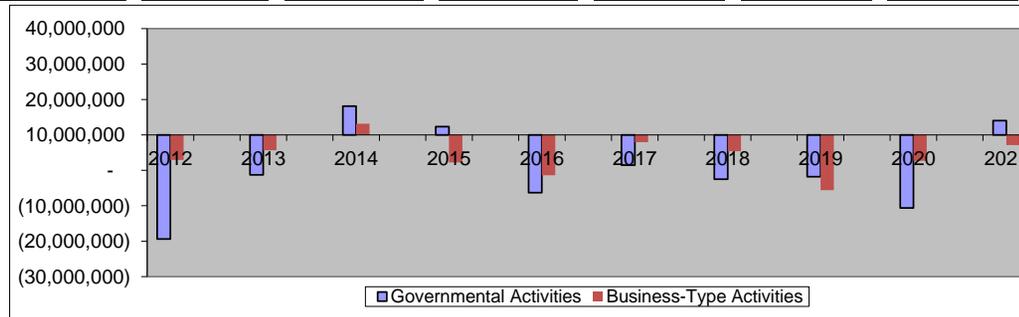
City of Lincoln
Change in Net Position
Last Ten Fiscal Years
(Full Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities										
General government	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	7,237,227
Public safety	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	14,493,876
Public works and facilities	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	23,764,510
Culture and recreation	591,312	743,858	714,789	745,314	839,156	735,780	939,858	1,043,517	1,017,823	642,096
Education	486,019	666,038	512,756	568,277	786,381	1,139,387	1,006,407	810,164	768,182	1,172,252
Urban redevelopment and housing	178,613	420,772	559,449	490,309	545,475	522,402	646,213	489,557	1,164,293	683,418
Interest on long-term debt	1,361,643	1,074,815	1,073,464	1,012,610	988,938	1,143,290	576,397	587,288	586,324	556,611
Total Governmental Activities	<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>	<u>48,549,990</u>
Business-Type Activities										
Water	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	16,976,467
Sewer	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	14,621,387
Solid Waste	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	6,139,631
Airport	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	1,270,254
Transit	939,595	979,330	855,631	980,587	796,960	1,208,851	1,019,402	831,545	763,389	445,062
Total Business-Type Activities	<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>	<u>39,452,801</u>
Total Expenses	<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>	<u>88,002,791</u>
Program Revenues										
Governmental Activities										
Charges for Services										
General government	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	2,718,096
Public Safety	260,351	555,899	634,161	569,572	746,075	836,963	511,568	698,400	1,053,814	1,797,174
Culture and recreation	918,670	1,506,132	971,265	909,070	1,252,263	1,317,891	1,459,252	1,405,219	2,415,811	3,448,733
Education	38,321	37,835	159,415	7,480	32,185	14,933	18,506	17,420	12,715	-
Public works and facilities	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	21,628,437
Operating Grants and Contributions	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	5,355,866
Capital Grants and Contributions	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	1,559,687
Total Governmental Activities	<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>	<u>36,509,365</u>
Business-Type Activities										
Charges for Services										
Water	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	15,322,625
Wastewater	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	14,256,920
Solid Waste	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	7,462,223
Airport	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	1,473,336
Transit	51,090	51,068	47,195	39,289	2,589	1,926	2,842	1,344	553	63
Operating Grants and Contributions	1,142,591	6,154,480	1,549,590	1,188,545	2,058,693	478,160	4,901,085	398,364	458,708	233,448
Capital Grants and Contributions	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	4,578,125
Total Business-Type Activities	<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>	<u>43,326,740</u>
Total Program Revenues	<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>	<u>79,836,105</u>

*The City restated historical data for Airport and Transit

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

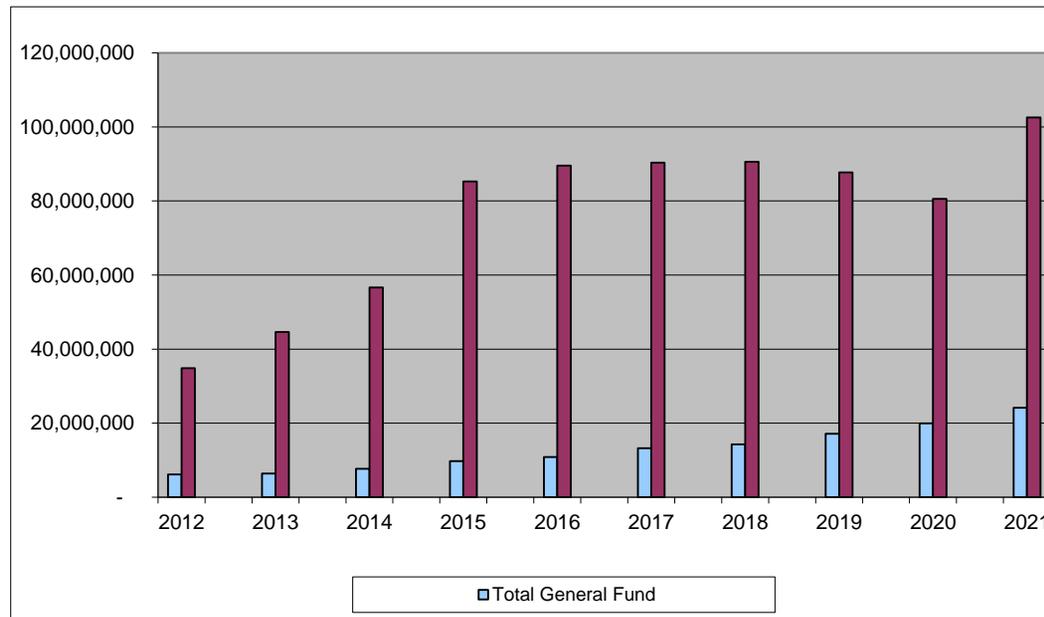
	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net (Expense)/Revenue										
Governmental Activities	(13,247,584)	(3,787,881)	4,347,529	(5,578,177)	(23,119,767)	(15,590,794)	(21,140,600)	(26,241,781)	(21,464,282)	(12,040,625)
Business-Type Activities	6,163,121	6,382,243	7,811,818	1,822,747	(2,395,995)	7,911,929	7,091,751	(6,015,876)	(2,445,514)	3,873,939
Total Net Expense	(7,084,463)	2,594,362	12,159,347	(3,755,430)	(25,515,762)	(7,678,865)	(14,048,849)	(32,257,657)	(23,909,796)	(8,166,686)
General Revenues										
Governmental Activities										
Taxes:										
Property taxes	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	12,605,783
Sales and use taxes	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	4,900,418
Franchise taxes				837,267	852,458	807,201	802,573	906,237	923,555	941,096
Other local taxes	990,613	975,649	191,278	259,982	222,229	283,663	303,022	346,865	260,495	202,521
Interest income	733,848	565,913	1,208,941	764,002	1,661,188	584,516	338,114	3,987,398	4,910,140	569,054
Miscellaneous	478,529	1,717,469	401,427	2,105,907	1,714,705	621,727	602,739	2,485,938	1,123,086	1,054,574
Special Item - agency fund bond proceeds	-	-	-	-	-	-	-	-	1,500,000	-
Special Item - return of unused bond procee	-	-	-	-	-	-	-	-	(14,048,856)	-
Capital Contribution from property owners	-	-	-	-	-	-	-	-	-	6,889,963
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers	2,195,637	-	717,066	1,858,685	-	1,375,484	2,868,785	2,022,620	840,575	(1,098,682)
Extraordinary gain	4,329,643	525,888	1,159,153	489,374	523,060	-	-	-	-	-
Prior period adjustments	(25,414,882)	(11,050,752)	-	-	-	-	-	-	-	-
Total Governmental Activities	(6,159,119)	2,497,530	13,766,469	17,933,936	16,802,429	17,064,616	18,642,805	24,434,216	10,822,525	26,064,727
Business-Type Activities										
Taxes:										
Property taxes	43,204	47,684	-	-	-	-	-	-	-	-
Sales and use taxes	-	-	850,659	412,877	492,068	417,342	997,032	127,713	1,296,925	306,900
Interest income	282,286	262,287	550,349	372,555	735,107	75,455	(19,206)	2,191,471	2,329,372	129,650
Miscellaneous	209,841	1,079,475	168,876	125,745	239,418	984,836	200,260	99,153	2,322,591	1,704,393
Gain on sale of capital assets	-	-	4,935,797	(39,829)	83,688	(40,665)	1,100	18,817	34,133	17,097
Transfers	(2,195,637)	(525,888)	(1,159,153)	(489,374)	(523,060)	(1,375,484)	(2,868,785)	(2,022,620)	(840,575)	1,098,682
Prior period adjustments	(1,585,120)	(1,545,410)	-	-	-	-	-	-	-	-
Total Business-Type Activities	(3,245,426)	(681,852)	5,346,528	381,974	1,027,221	61,484	(1,689,599)	414,534	5,142,446	3,256,722
Change in Net Position										
Governmental Activities	(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)	14,024,102
Business-Type Activities	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	7,130,661
Total Change in Net Position	(16,489,008)	4,410,040	31,272,344	14,560,480	(7,686,112)	9,447,235	2,904,357	(7,408,907)	(7,944,825)	21,154,763



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,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	100,250	613,502	136,582	361,627	387,438	492,748	330,040	5,371,094	5,306,135	5,059,976
Restricted	-	-	-	43	96	-	-	-	-	-
Committed	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	6,280,471
Assigned	-	-	-	-	-	-	678,711	678,711	678,711	678,711
Unassigned	3,533,294	3,715,005	3,819,021	5,580,155	6,530,612	8,685,506	1,566,065	3,860,869	6,836,827	12,147,645
Total General Fund	6,157,878	6,378,966	7,659,144	9,745,551	10,848,002	13,241,999	14,270,772	17,115,378	19,917,680	24,166,803
All Other Governmental Funds										
Nonspendable	33,014,706	32,810,398	31,238,435	33,945,141	437,032	12,667,904	424,560	441,577	436,791	10,884,663
Restricted	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	82,956,757
Assigned	-	5,214,476	5,650,033	6,126,672	5,984,063	5,878,548	5,076,709	4,757,518	4,834,251	8,945,789
Unassigned	(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)	(252,394)
Total All Other Governmental Funds	34,876,146	44,596,719	56,624,038	85,267,232	89,537,069	90,336,810	90,609,594	87,732,496	80,547,509	102,534,815



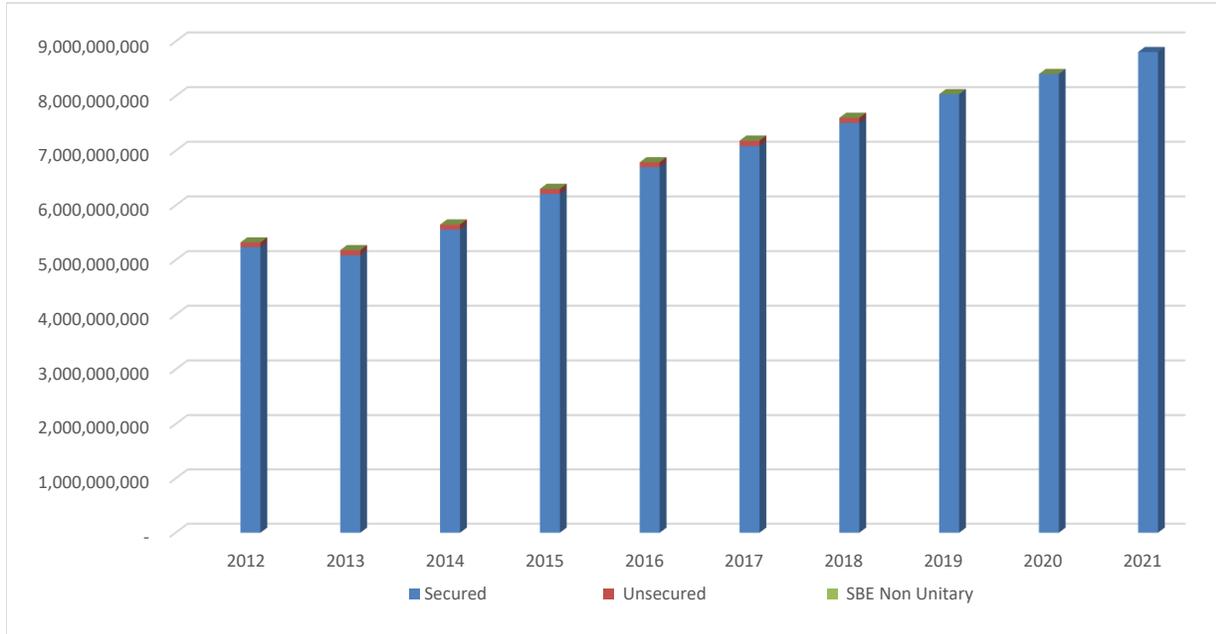
Source : City of Lincoln Audited Financial Reports

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes and assessments	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	23,113,462
Licenses and permits	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	5,633,116
Fines and penalties	115,085	79,606	48,509	74,132	94,962	68,350	64,909	68,102	56,661	52,932
Interest and investment income	805,847	563,366	1,197,057	747,630	1,620,941	350,746	334,845	3,778,750	4,556,485	424,125
Intergovernmental revenue	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	6,336,978
Charges for services	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	19,760,802
Other revenue	478,529	1,717,469	401,427	2,105,694	1,714,705	459,607	379,952	2,527,056	1,140,383	1,034,850
Total Revenues	<u>25,320,951</u>	<u>32,442,328</u>	<u>31,019,417</u>	<u>37,569,491</u>	<u>33,475,459</u>	<u>36,797,215</u>	<u>34,538,029</u>	<u>41,416,515</u>	<u>48,735,753</u>	<u>56,356,265</u>
Expenditures										
Current										
General government	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	4,774,854
Public safety	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	12,117,860
Public works and facilities	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	9,103,758
Culture and recreation	571,875	741,632	646,189	657,331	712,594	762,026	891,065	971,921	954,402	560,143
Education	490,327	665,834	512,755	558,746	710,838	542,818	610,054	674,174	700,966	651,526
Urban redevelopment and housing	144,653	418,188	558,740	487,553	510,589	933,166	840,001	646,904	725,067	666,323
Debt Service										
Principal retirement	1,180,000	700,000	771,784	880,524	911,116	19,386,939	1,008,510	918,697	952,261	1,138,810
Interest and bond issuance costs	1,555,009	1,083,203	1,082,887	1,024,729	1,003,612	(51,400)	632,227	621,105	599,557	619,843
Capital Outlay	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	6,547,605
Total Expenditures	<u>24,751,508</u>	<u>22,837,369</u>	<u>22,878,945</u>	<u>28,452,972</u>	<u>28,773,245</u>	<u>50,838,264</u>	<u>37,012,285</u>	<u>38,365,421</u>	<u>41,328,657</u>	<u>36,180,722</u>
Excess(Deficiency) of Revenue over Expenditures	<u>569,443</u>	<u>9,604,959</u>	<u>8,140,472</u>	<u>9,116,519</u>	<u>4,702,214</u>	<u>(14,041,049)</u>	<u>(2,474,256)</u>	<u>3,051,094</u>	<u>7,407,096</u>	<u>20,175,543</u>
Other Financing Sources (Uses)										
Proceeds from Bond Issuance	-	-	-	-	-	17,760,000	-	-	1,500,000	-
Return of Bond Funds	-	-	-	-	-	-	(123,168)	(4,410,054)	(14,048,856)	-
Contribution from property owners	-	-	-	-	-	-	-	-	-	6,889,963
Operating transfers in	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	2,241,142
Operating transfers out	(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)	(3,070,219)
Proceeds from sale of capital assets	-	-	726,942	1,899,900	-	-	-	152,699	-	-
Debt proceeds	-	-	568,873	-	-	(213,523)	-	-	-	-
Total Other Financing Sources (Uses)	<u>2,195,637</u>	<u>217,118</u>	<u>5,528,126</u>	<u>2,715,373</u>	<u>670,074</u>	<u>18,921,961</u>	<u>2,536,617</u>	<u>(3,083,586)</u>	<u>(11,732,281)</u>	<u>6,060,886</u>
Net Change in fund balance before prior period adjustments and extraordinary items	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)	26,236,429
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)	-	-	-	-	-	-	-	-	-
Net Change in fund balance	<u>(16,876,261)</u>	<u>9,941,661</u>	<u>13,307,497</u>	<u>30,729,601</u>	<u>5,372,288</u>	<u>(1,663,473)</u>	<u>1,301,557</u>	<u>(32,492)</u>	<u>(4,382,685)</u>	<u>26,236,429</u>
Debt service as a percentage of noncapital expenditures	12.1%	8.9%	9.8%	9.2%	8.1%	45.7%	6.1%	5.7%	5.0%	5.9%

Source : City of Lincoln Audited Financial Reports

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



Fiscal Year Ending June 30	Secured	Unsecured	SBE Non Unitary	Taxable Assessed Value	% Change	Direct Rate
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%
2021	8,806,503,581	130,354,289	-	8,936,857,870	4.903%	1.068%

Notes:

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

Source: California Municipal Statistics and Placer County Auditor-Controller

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

	Fiscal Year Ended June 30,									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
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	0.03%	0.03%	0.03%	0.03%	0.03%	0.04%	0.04%	0.06%	0.05%	0.05%
Sierra Joint Community College District	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.01%
	<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>	<u>1.07%</u>

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

Property Owner	Primary Land Use	Rank	2020-2021	
			Taxable Assessed Value	% of Total City Taxable Assessed Value
PW Fund B LP	Warehouse	1	\$ 96,886,128	1.10%
Sierra Pacific Industries	Heavy Industrial	2	51,857,258	0.59%
Woodside 05N LP	Residential- Development	3	33,398,683	0.38%
JPS Development LLC	Commercial	4	25,885,617	0.29%
Kaiser Foundation Health Plan Inc	Medical Building	5	25,272,697	0.29%
KB Hom Sacramento Inc.	Residential- Development	6	20,640,126	0.23%
Target Corporation	Commercial	7	19,902,171	0.23%
Lowe's HIW Inc.	Commercial	8	19,336,869	0.22%
Safeway Inc.	Commercial	9	19,013,080	0.22%
Mehrzi Properties LLC	Residential Properties	10	18,076,867	0.21%
			<u>330,269,496</u>	<u>3.75%</u>
2020-2021 Local Secured Assessed Valuation			<u><u>\$ 8,806,503,581</u></u>	

Property Owner	Primary Land Use	Rank	2011-2012	
			Taxable Assessed Value	% of Total City Taxable Assessed Value
Sierra Pacific Industries	Heavy Industrial	1	\$ 49,297,049	0.94%
OK & B	Warehouse	2	28,632,258	0.55%
JPS Development LLC	JPS Development LLC	3	18,099,800	0.35%
Target Corporation	Commercial	4	17,118,590	0.33%
Kaiser Foundation Health Plan Inc	Medical Building	5	16,116,480	0.31%
Auburn Creek Investors	Apartments	6	15,873,397	0.30%
Buzz Oates Enterprises II	Warehouse	7	15,729,252	0.30%
Safeway Inc.	Commercial	8	15,477,767	0.30%
Safeway Inc.	Residential Development	9	15,054,968	0.29%
Mahsterling Pointe LLC	Shopping Center	10	14,500,000	0.28%
			<u>205,899,561</u>	<u>3.93%</u>
2011-2012 Local Secured Assessed Valuation:			<u><u>\$ 5,236,867,717</u></u>	

Source: HDL, Coren \$ Cone

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

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

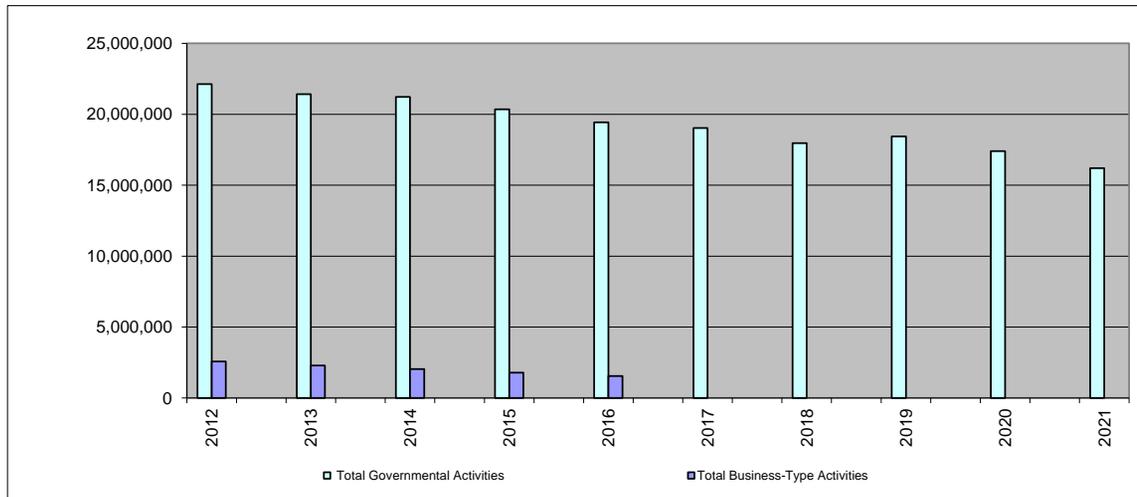
Notes:

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)
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
2021	15,008,802	1,192,660	16,201,462	-	-	-	-	16,201,462	121.2407868	0.18%	326



(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, 2021

2020-21

\$ 8,936,857,870

	<u>Total Debt</u> <u>6/30/2021</u>	<u>% Applicable (1)</u>	<u>City's Share of</u> <u>Debt 6/30/21</u>
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Sierra Joint Community College District School Facilities Improvement District No. 4	\$ 167,570,000	12.095%	\$ 20,267,592
Western Placer Unified School District	112,035,000	85.500%	95,789,925
Western Placer Unified School District Community Facilities District No. 1	27,827,163	100.00%	27,827,163
Western Placer Unified School District Community Facilities District No. 2	34,980,000	100.00%	34,980,000
City of Lincoln Community Facilities Districts	96,550,000	100.00%	96,550,000
City of Lincoln 1915 Act Bonds	20,010,000	100.00%	20,010,000
California Statewide Communities Development Authority Assessment Districts	8,154,884	100.00%	8,154,884
Total Overlapping Tax and Assessment Debt			\$ 303,579,564
OVERLAPPING GENERAL FUND DEBT:			
Placer County General Fund Obligations	\$ 19,355,000	10.519%	\$ 2,035,952
Placer County Office of Education Certificates of Participation	480,000	10.519%	50,491
Sierra Joint Community College District Certificates of Participation	1,566,000	8.016%	125,531
Western Placer Unified School District Certificates of Participation	141,957,598	85.500%	121,373,746
City of Lincoln General Fund Obligations	14,080,000	100.000%	14,080,000
Placer Mosquito and Vector Control District Certificates of Participation	2,402,000	10.519%	252,666
Total Overlapping General Fund Debt			\$ 137,918,387
OVERLAPPING TAX INCREMENT DEBT: (Successor Agency)	\$ 5,625,000	100.00%	\$ 5,625,000
Total Direct Debt			\$ 14,080,000
Total Overlapping Debt			<u>433,042,951</u>
Total Combined Debt			<u>\$ 447,122,951</u> (2)

Ratios to 2019-20 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	3.40%
Combined Direct Debt (\$15,025,000)	0.16%
Combined Total Debt	5.00%

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

Total Overlapping Tax Increment Debt	1.71%
--------------------------------------	-------

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, 2021

Secured Property Assessed Value, Net of Exempt Real Property	\$ 8,806,503,581	
Bonded debt limit (3.75% of assessed value) (a)		\$ 330,243,884
Amount of Debt Subject to Limit:		
Total Bonded Debt	16,201,462	
Less Total Bonds not subject to limit (b)	<u>-</u>	
Amount of debt not subject to limit		<u>16,201,462</u>
Legal debt margin		<u>\$ 314,042,422</u>

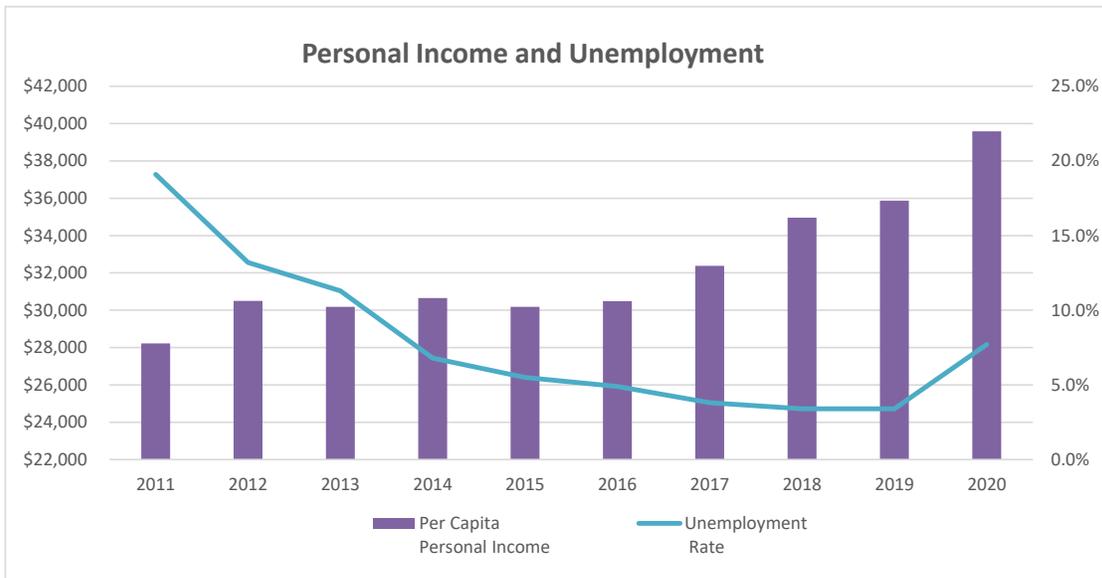
Fiscal Year Ending June 30	Debt Limit	Total net debt applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a % of debt limit
2009	243,704,320	38,089,415	205,614,905	15.63%
2010	220,690,352	36,957,099	183,733,253	16.75%
2011	205,986,253	35,814,783	170,171,470	17.39%
2012	196,382,539	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%
2020	315,166,670	17,398,662	297,768,008	5.52%
2021	330,243,884	16,201,462	314,042,422	4.91%

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

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

CITY OF LINCOLN
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate	Median Age	% fo Pop25+ with High Scholl Degree	% fo Pop25+ with Bachelor's Degree
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%
2020	49,624	1,964,278,000	\$ 39,583	7.7%	43.3	92.8%	34.2%



**CITY OF LINCOLN
Principal Employers
2021**

Company	Business Description	Size (employees)
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
2021**

Aisle 1	Service Stations
Apex Underground Supply	Heavy Industrial
Arco AM PM	Service Stations
Chevron	Service Stations
Chevron	Service Stations
Chevron	Service Stations
CVS Pharmacy	Drug Store
GDAS Lincoln	Heavy Industrial
Gladding McBean	Building Materials
Home Depot	Building Materials
In N Out Burger	Quick-Service Restaurants
Lowe's	Building Materials
McDonald's	Quick-Service Restaurants
National Building Systems	Building Materials
Old Town Pizza	Casual Dining
Panda Express	Fast-Casual Restaurants
PetSmart	Family Apparel
Raley's	Grocery Stores
Ross	Family Apparel
Safeway	Grocery Stores
Safeway Fuel	Service Stations
Target	Discount Dept Stores
TJ Maxx	Family Apparel
Walgreens	Drug Store
Walmart Neighborhood Market	Grocery Stores

Sources: HDL, Coren & Cone

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

	Fiscal Year Ending June 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
City Manager										
Administration	2.8	3.8	2.8	2.8	2.0	3.0	2.0	2.0	2.0	2.0
Human Resources	2.0	1.5	1.5	2.5	2.0	2.0	5.0	3.8	2.5	2.5
Information Technology / GIS	-	-	-	-	-	-	-	-	2.0	4.0
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	2.0	2.0	2.0	2.0	2.0	1.0	2.0	2.0	2.0
City Attorney										
City Attorney	-	-	-	-	-	-	1.0	1.0	1.0	1.0
Code Enforcement	-	-	-	-	-	-	-	2.0	1.0	1.0
Finance										
Administration	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0
Finance	9.0	10.0	10.0	9.0	9.0	9.0	9.0	9.3	11.0	11.0
Information Technology	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	4.3	0.3	0.3	1.0	5.0	5.0	5.0	4.0	4.0	4.0
Planning	1.0	4.0	4.5	3.5	3.5	4.0	4.0	3.0	3.0	3.0
Building	4.0	4.0	4.0	4.0	2.0	2.0	2.0	2.0	2.0	2.0
Development & Engineering	1.0	1.0	1.0	3.0	1.0	1.0	1.0	2.0	2.0	3.0
Financial Analysis	-	-	-	-	-	-	-	-	-	-
Public Works										
Administration	6.0	7.0	8.5	8.5	1.0	1.0	1.0	7.0	6.5	6.5
Engineering	-	-	-	-	-	-	7.0	8.5	5.0	5.0
Water	8.1	8.1	10.0	6.5	10.9	10.9	10.9	8.4	9.1	9.1
Wastewater	3.5	3.5	6.5	6.5	7.8	7.8	7.8	6.5	7.0	7.0
Solid Waste	10.3	12.7	13.9	13.4	13.5	13.5	13.5	15.0	15.0	15.0
Streets	4.2	4.8	6.2	6.2	6.3	6.3	6.3	7.9	7.9	7.9
Transit	7.0	8.0	7.5	7.0	2.0	2.0	2.0	1.0	-	-
Airport	2.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	1.5
Parks & Facilities	6.0	5.0	5.6	6.5	5.0	5.0	5.0	7.0	7.0	7.0
Fleet Maintenance	5.0	5.0	5.5	5.5	5.0	5.0	5.0	5.5	5.5	5.5
Police										
Administration	5.0	2.5	2.5	2.5	2.5	3.5	3.5	4.0	4.0	4.0
Communications	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	3.0
Operations	21.0	19.5	19.5	19.5	19.5	22.5	22.5	22.5	22.5	23.5
Fire										
Administration	3.0	2.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.5
Operations	19.5	19.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0
Library	2.0	2.0	3.5	3.9	3.9	5.6	3.4	5.7	5.9	5.9
Recreation (a)	4.0	4.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0
Total Full-Time Equivalents	147.0	144.6	155.1	152.8	142.0	149.2	157.0	168.0	164.9	166.9

(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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business Licenses										
Annual business license	-	1,120	1,182	1,938	1,988	1,979	2,330	2,442	2,239	2,251
Environment and Utilities										
Gallons of wastewater treated per year (in millions)	1,135	1,144	1,095	1,062	1,178	1,935	1,709	1,880	1,669	1,602
Gallons of wastewater discharged per year (in millions)	999	843	1,063	813	969	1,748	1,572	1,765	1,626	877
Fire										
Fires per year	134	137	121	142	149	152	158	145	154	153
Emergency medical calls per year	2,212	2,465	2,667	2,637	2,637	3,153	3,280	3,306	3,529	3,791
Hazardous materials incidents per year	35	45	49	40	41	58	52	49	65	52
Non-emergency service calls per year	857	933	969	749	1,250	1,442	1,261	1,176	1,428	1,571
Police										
911 calls per year	10,187	10,998	8,710	8,852	10,577	11,082	13,095	13,442	14,027	16,341
Cases investigated per year	1,890	1,898	1,142	1,866	1,872	2,288	2,226	2,310	2,209	2,693
Arrests per year	458	429	314	479	403	517	786	812	755	1,118
Building Permits										
New Single Family Dwellings	138	314	280	233	188	252	70	115	404	761
Commercial (New and Tenant Improvements)	n/a	n/a	125	135	146	132	26	119	94	84
All Other	n/a	n/a	1,505	2,313	2,820	2,314	1,100	1,847	1,945	2,606

n/a = information not available

** new licenses applied for

Source : City of Lincoln