



2024

**ANNUAL
COMPREHENSIVE
FINANCIAL REPORT**



City of
Lincoln
CALIFORNIA

**FISCAL YEAR ENDED
JUNE 30, 2024**

CITY OF LINCOLN
STATE OF CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2024



PREPARED BY FINANCE DIVISION

CITY OF LINCOLN
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2024

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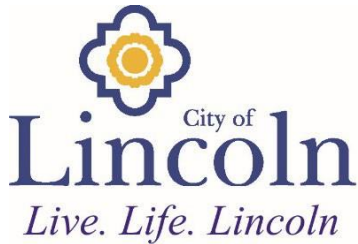
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INTRODUCTORY SECTION





January 22, 2025

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, 2024, in accordance with the Lincoln Municipal Code Section 2.20.030(C). The basic financial statements and supporting schedules have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) for local governments as established by the Governmental Accounting Standards Board (GASB).

Management assumes full responsibility for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal controls that have been established for this purpose. The cost of internal control should not exceed anticipated benefits, and therefore the objective of financial management is to provide reasonable, rather than absolute assurance that the financial statements are free of any material misstatements.

The City contracted with MUN CPAs, LLP 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 52,000 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

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terms. Each of the Councilmembers takes an annual turn as Mayor. City voters also elect a City Treasurer who serves a four-year term.

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

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

The City Council moved from an annual budget process to a biennium budget process. As a result, the City Council adopts a biennium budget every 2 years which 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 ongoing 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 set within the 2023-2025 City Council Strategic Planning Report. The plan states 14 key goals to be achieved within the report timeline. The goals are wide ranging and are designed to ensure the ongoing quality of life and economic viability for the City of Lincoln organization, it's residents, staff and community partners.

Major Initiatives

Using the Strategic Plan as developed by the City Council, the organization has worked tirelessly to advance strategic initiatives on a variety of fronts. These efforts include major land use projects, economic development programs, utility rate updates, new innovative public safety projects and programs, ongoing commitment and advancement to Lincoln's

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homeless pilot program, delivery of a significant number of critical public infrastructure projects etc.

Over the period contained within this audit, the City has continued to staff previously vacant positions as well as adding new positions critical to delivering services to an expanding community. This includes virtually every department including Administration, Public Works, Public Safety, Recreation, Community Development, Economic Development and Engineering.

As has been practiced for that last 3 years, the City has continued to focus on evaluating city finances in all funds to ensure that adequate revenues are being collected, and costs are being kept under control given the rapidly changing economic environment. Staff continues to monitor economic trends locally and nationally to formulate financial plans for the near and long term. Additionally, staff and Council have been evaluating other strategies to increase revenues in the General Fund, with the intent to provide increased services to the community. The City has now realized a full year of adjusted utility rates based on the previously approved water, wastewater and refuse rate analysis. This has slowly begun to bring all three enterprise funds into positive net positions with sufficient revenue for staffing, resource delivery and repair/replacement of critical utility infrastructure.

As an ongoing and key core tenant, the City continues to incorporate new innovative technologies to ensure that quality municipal services are being delivered efficiently to the residents of Lincoln. This effort includes the multi-year process of implementation of a new enterprise resources planning (ERP) system, enhanced land management and permitting software, improved cyber security to respond to a rapidly changing cyber security environment worldwide and new software/technology to make utility delivery more efficient and effective for our residents. The City has also continued to leverage technology to build improvements on the “beta” versions of the previously developed Financial Transparency dashboard and the Property Tax lookup tool. Staff will continue to fine tune these tools in an ongoing effort to increase transparency each and every year.

One of the most important priorities for the Council (historically) has been public safety funding and staffing. Although the City of Lincoln has a very low attrition rate, ongoing recruitment to ensure full Police and Fire staffing is and will remain a key function of the City. Separately, careful financial planning to ensure that as the City continues to add residents and businesses, public safety staffing must keep pace to ensure Lincoln continues to be a safe place to work and live. One such important staffing addition is the establishment and hiring of a Deputy Chief of Fire. This management position has created additional leadership in what has historically been a very minimally staffed department.

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The City of Lincoln spent much of Fiscal Year 2023-2024 ‘setting the table’ for a major improvement to economic development activities. The first step was the creation of an Economic Development and Communications Specialist position. This position creates a staff person who is directly assigned to these efforts for the first time in over 5 years. The position will lead a variety of efforts that include project management of major job producing economic development, facilitation of large-scale commercial developments, small business support and community events that drive commerce in Lincoln. Along these lines the City has embarked upon a full-scale reboot of the Downtown specific plan with the intent of resetting and enhancing the economic environment of our historic downtown.

Building upon significant momentum at the Lincoln Regional Airport, Council and Staff were able to issue an RFP for new hanger builds. The RFP was awarded to Executive Hangers of Lincoln, the project will increase hanger capacity by approximately 33% thereby increasing not only leasehold revenue but also fuel sales. The hangers will include individual hangers for general aviation as well as box hangers which would be suitable for new businesses to site at the Airport (also another key economic development initiative). The project design is nearly complete, and construction is anticipated this spring/summer.

Finally, the City has invested significant resources into the delivery of a variety of important capital infrastructure projects in virtually all departments. The Capital Engineering department has successfully delivered a large series of road, water, sewer, traffic and park infrastructure designed to upgrade existing facility or to create new facility to meet the needs of a growing community. The upcoming year has yet another large slate of critical infrastructure projects planned for construction ranging from streets to water, sewer, parks, and community facilities.

Local Economy

Going back about 18 months the City was beginning to see a slight slowdown in residential and commercial building permit activity. Moving into 2024 these trends generally reversed course and new home builds, new master plans, and tenant improvements of existing spaces began to increase again. Based on a variety of data sources it appears that barring any major economic downturn Lincoln and South Placer will continue to see overwhelming interest from the development community as this region continues to be a very attractive location for new residents to choose to live in. This coming year appears primed to continue this momentum with the kickoff of Village 7, portions of Village 1, SUD-B, and the recently annexed Village 5A project which includes thousands of new residential units and millions of square feet of planning commercial and office space.

Separately, the City continues to take a conservative approach in revenue and expense forecasting, as it has done in past years. The City’s property tax revenues remain stable

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with moderate growth predicted; sales tax has flattened slightly in the last 12 months with overall long-term growth remaining at roughly the same pace as was expected in previous budget cycles. With that said, more brick-and-mortar commercial projects are moving forward and therefore some additional sales tax and transient occupancy tax is expected in the Biennium Budget period of 2025-2027.

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 fully fund its General Fund Reserve, and continues to monitor its CalPERS unfunded liability.

Long-term Financial Planning

Long-term financial planning continues 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, new schools, 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 continue to be accompanied by genuine community engagement in the planning process. City administration has undertaken a renewed effort to ensure that the land use planning process is defined and refined as the community continues to grow and change. This includes re-evaluation of all long-term planning documents that guide the growth within the City such as the General Plan, Specific Plans, the Housing Element and a series of land use policies that are evaluated from time to time.

Over the past 3-5 years the City has worked diligently on addressing a variety of findings contained within the 2019 Joint Legislative Audit Committee (JLAC) report. As of the time this transmittal letter was written, staff had completed the very last remaining item identified within the report and are thrilled to report that this cleanup effort is now complete. Although it will not show up as a completed item until next year’s audit report, the completion of these corrective actions has allowed City staff to address a series of process-related issues to ensure that these errors do not happen again. This is an ongoing process that requires reviewing current/past practices and enacting policy changes to avoid issues in the future and address current ones.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of

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Lincoln for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2023. This was the 4th consecutive year that the City of Lincoln has received the prestigious award and the 7th award received in the last 9 years. In order to be awarded a Certificate of Achievement, the City of Lincoln had to publish an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement for excellence in Financial Reporting is valid for a period of one year only. However, we believe that our current ACFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Preparation of this report was made possible by the efforts of the extremely dedicated and talented staff in the City's Finance Department with special thanks to Assistant City Manager / Finance Director Nita Wracker, Finance Manager Ruthann Codina, Principal Accountant Janelle Schneider, and to our dedicated Finance staff and those in other City departments who have assisted in the process. Each and every day the Finance Department works to ensure that the many mechanisms of this City Government are well supported financially and administratively thereby allowing our many experts within the City to do what they do best, which is serve our community. I'd also like to thank this current and the past City Council for their unwavering support of staff as we continue to improve this local government for the current and future success of Lincoln as a community.

Respectfully submitted,



Sean Scully
City Manager

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For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

CITY OF LINCOLN

CITY OFFICIALS

JUNE 30, 2024

ELECTED OFFICIALS

Mayor	Dan Karleskint
Mayor Pro Tem	Holly Woods-Andreatta
Council Member	Ben Brown
Council Member	William Lauritsen
Council Member	Paul Joiner
City Treasurer	Richard Pearl

APPOINTED OFFICIALS

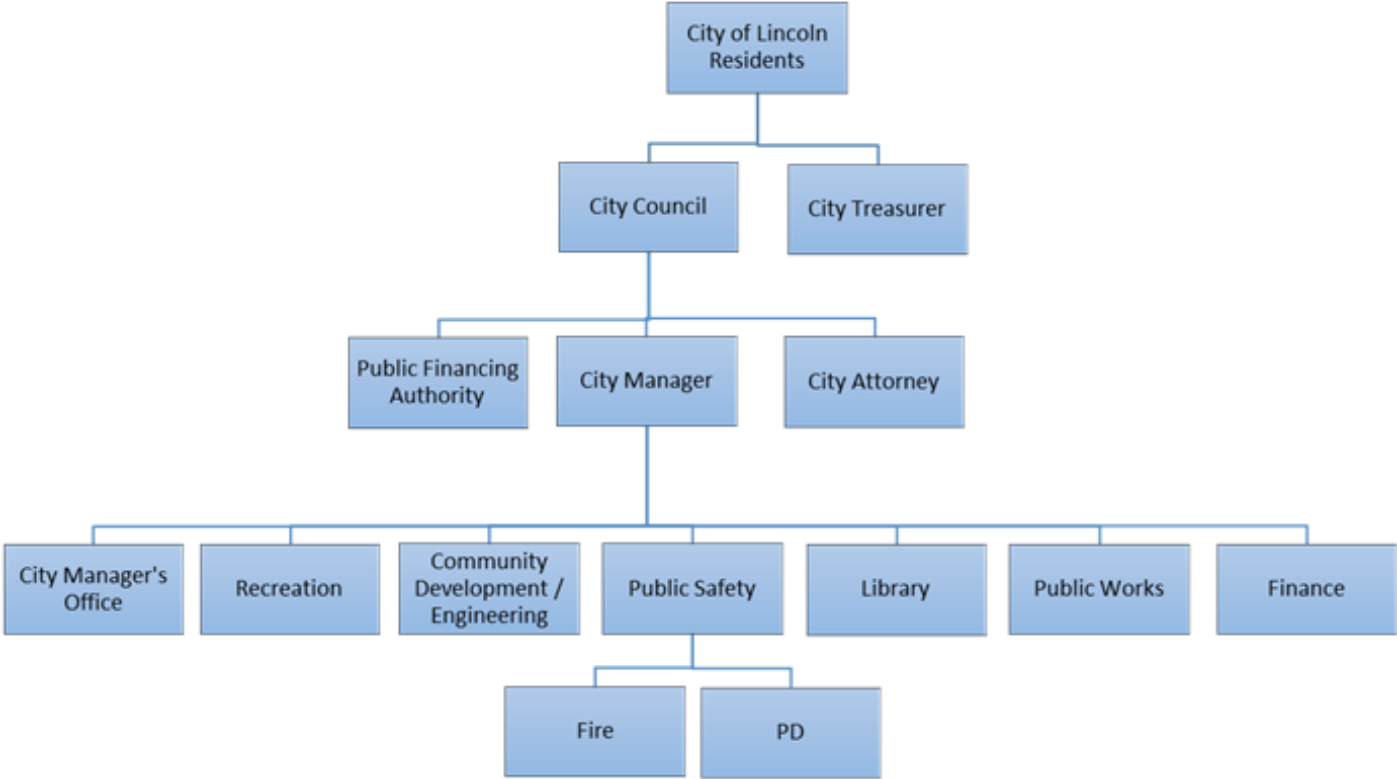
City Manager	Sean Scully
City Clerk	Gwen Scanlon
City Attorney	Kristine L. Mollenkopf

DEPARTMENT HEADS

Assistant City Manager/Director of Finance	Nita Wracker
Director of Community Development	Christian Svensk
City Engineer	Vin Cay
Director of Public Works	Matthew Medill
Chief Innovation and Technology Officer	Jennifer Brown
Public Safety Chief	Matt Alves
Library Director	Kathryn Hunt

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

City Organizational Chart



FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lincoln (the City) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lincoln, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and budgetary comparison schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

MUN CPAs, LLP

Sacramento, California
January 22, 2025

CITY OF LINCOLN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024

As Management of the City of Lincoln (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2024. 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 \$41,704,426, total liabilities of \$8,373,740, and a total fund balance of \$30,362,671. Of the total fund balance, the unassigned fund balance of the General Fund totaled \$17,173,545 or 58% of total General Fund expenditures at year-end.
- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at June 30, 2024 by \$862,189,081 (net position). Of this amount, \$646,401,537 is invested in capital assets, net of related debt; \$113,544,448 is restricted for debt service, capital projects, insurance, grants, taxes, and fees; and \$102,243,096 is unrestricted.
- The City's total net position increased by \$21,361,043, of which \$17,216,568 is an increase to governmental activities and \$4,144,475 an increase to business-type activities.
- As of June 30, 2024, the City's governmental funds reported combined ending fund balances of \$183,120,661, an increase of \$22,987,736 from the prior year's balance of \$160,132,925. Nonspendable, restricted, committed and assigned fund balances totaled \$166,219,677, whereas unassigned fund balance totaled \$16,900,984.

OVERVIEW OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT

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

Government-Wide Financial Statements

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

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

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

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

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

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

CITY OF LINCOLN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024

Fund Financial Statements

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

Governmental funds

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

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

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

The basic governmental fund financial statements can be found on pages 19 - 24 of this report.

Proprietary funds

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

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

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

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

Fiduciary funds

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

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

CITY OF LINCOLN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the City's financial statements. Each note is in sequence with the financial statements and can be found on pages 33 - 78 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's pension liability and other post-employment benefits (OPEB) liability. The City adopts an annual appropriated budget for all of its funds. Budgetary information on the City's major governmental funds, which include the General Fund, Public Facility Element (PFE) fund, Water Connections fund, Special Assessment Districts, Development Services fund, and Low/Moderate Income Housing fund can be found on pages 87 - 94. 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 95 - 128.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

A comparative analysis of the government-wide data follows.

Statement of Net Position
As of June 30, 2024 and 2023
(in thousands)

	<u>Governmental Activities</u>			<u>Business-Type Activities</u>			<u>Total Government</u>		
	<u>2024</u>	<u>2023</u>	<u>Net Change</u>	<u>2024</u>	<u>2023</u>	<u>Net Change</u>	<u>2024</u>	<u>2023</u>	<u>Net Change</u>
ASSETS									
Current and other assets	\$ 213,169	\$ 190,318	\$ 22,851	\$ 70,895	\$ 63,523	\$ 7,372	\$ 284,064	\$ 253,841	\$ 30,223
Capital assets	<u>333,903</u>	<u>339,653</u>	<u>(5,750)</u>	<u>325,942</u>	<u>331,622</u>	<u>(5,680)</u>	<u>659,845</u>	<u>671,275</u>	<u>(11,430)</u>
Total Assets	<u>547,072</u>	<u>529,971</u>	<u>17,101</u>	<u>396,837</u>	<u>395,145</u>	<u>1,692</u>	<u>943,909</u>	<u>925,116</u>	<u>18,793</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>18,409</u>	<u>19,305</u>	<u>(896)</u>	<u>4,917</u>	<u>5,107</u>	<u>(190)</u>	<u>23,326</u>	<u>24,412</u>	<u>(1,086)</u>
LIABILITIES									
Long-term liabilities	56,263	54,546	1,717	11,977	11,113	864	68,240	65,659	2,581
Other liabilities	<u>20,953</u>	<u>21,967</u>	<u>(1,014)</u>	<u>7,681</u>	<u>10,709</u>	<u>(3,028)</u>	<u>28,634</u>	<u>32,676</u>	<u>(4,042)</u>
Total Liabilities	<u>77,216</u>	<u>76,513</u>	<u>703</u>	<u>19,658</u>	<u>21,822</u>	<u>(2,164)</u>	<u>96,874</u>	<u>98,335</u>	<u>(1,461)</u>
DEFERRED INFLOWS OF RESOURCES	<u>6,322</u>	<u>8,037</u>	<u>(1,715)</u>	<u>1,850</u>	<u>2,329</u>	<u>(479)</u>	<u>8,172</u>	<u>10,366</u>	<u>(2,194)</u>
NET POSITION									
Net investment in capital assets	320,892	325,142	(4,250)	325,509	331,622	(6,113)	646,402	656,765	(10,363)
Restricted	93,397	74,322	19,075	20,148	18,541	1,607	113,545	92,863	20,682
Unrestricted	<u>67,654</u>	<u>65,262</u>	<u>2,392</u>	<u>34,589</u>	<u>25,938</u>	<u>8,651</u>	<u>102,243</u>	<u>91,200</u>	<u>11,043</u>
Total Net Position	<u>\$ 481,943</u>	<u>\$ 464,726</u>	<u>\$ 17,217</u>	<u>\$ 380,246</u>	<u>\$ 376,101</u>	<u>\$ 4,145</u>	<u>\$ 862,190</u>	<u>\$ 840,828</u>	<u>\$ 21,362</u>

By far, the largest portion of the City's net position is unspendable (\$646,401,537 or 75%) 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 \$113,544,448 which are resources subject to external restrictions, and unrestricted net position totaling \$102,243,096.

CITY OF LINCOLN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024

Changes in Net Position
As of June 30, 2024 and 2023
(in thousands)

	<u>Governmental Activities</u>			<u>Business-Type Activities</u>			<u>Total Government</u>		
	<u>2024</u>	<u>2023</u>	<u>Net Change</u>	<u>2024</u>	<u>2023</u>	<u>Net Change</u>	<u>2024</u>	<u>2023</u>	<u>Net Change</u>
REVENUES:									
Program Revenues									
Charges for services	\$ 29,686	\$ 27,380	\$ 2,306	\$ 47,727	\$ 33,434	\$ 14,293	\$ 77,413	\$ 60,814	\$ 16,599
Operating grants and contributions	9,094	9,533	(439)	636	326	310	9,730	9,859	(129)
Capital grants and contributions	2,959	2,329	630	1,153	3,036	(1,883)	4,112	5,365	(1,253)
General Revenues									
Property taxes	16,535	15,804	731	-	-	-	16,535	15,804	731
Sales taxes	5,910	5,924	(14)	61	71	(10)	5,971	5,995	(24)
Franchise taxes	960	973	(13)	-	-	-	960	973	(13)
Other taxes	298	298	-	-	-	-	298	298	-
Investment earnings	5,593	1,712	3,881	2,780	346	2,434	8,373	2,058	6,315
Other revenues	1,718	1,157	561	1,069	3,595	(2,526)	2,787	4,752	(1,965)
Gain (loss) on sale of asset	-	-	-	(106)	(161)	55	(106)	(161)	55
Total Revenues	<u>72,753</u>	<u>65,110</u>	<u>7,643</u>	<u>53,320</u>	<u>40,647</u>	<u>12,673</u>	<u>126,073</u>	<u>105,757</u>	<u>20,316</u>
EXPENSES:									
General government	6,490	6,705	(215)	-	-	-	6,490	6,705	(215)
Public safety	20,367	19,074	1,293	-	-	-	20,367	19,074	1,293
Public works and facilities	34,285	28,384	5,901	-	-	-	34,285	28,384	5,901
Culture & recreation	1,409	1,105	304	-	-	-	1,409	1,105	304
Urban redevelopment and housing	335	326	9	-	-	-	335	326	9
Education	1,385	1,377	8	-	-	-	1,385	1,377	8
Interest	430	646	(216)	-	-	-	430	646	(216)
Water	-	-	-	19,965	18,968	997	19,965	18,968	997
Wastewater	-	-	-	16,912	15,826	1,086	16,912	15,826	1,086
Solid waste	-	-	-	9,520	8,705	815	9,520	8,705	815
Airport	-	-	-	1,799	1,845	(46)	1,799	1,845	(46)
Transit	-	-	-	563	681	(118)	563	681	(118)
Total Expenses	<u>64,701</u>	<u>57,617</u>	<u>7,084</u>	<u>48,759</u>	<u>46,025</u>	<u>2,734</u>	<u>113,460</u>	<u>103,642</u>	<u>9,818</u>
Change in net position before transfers and special items	<u>8,052</u>	<u>7,493</u>	<u>559</u>	<u>4,561</u>	<u>(5,378)</u>	<u>9,939</u>	<u>12,613</u>	<u>2,115</u>	<u>10,498</u>
Transfers	717	(3,473)	4,190	(717)	3,473	(4,190)	-	-	-
Special items	-	(2,687)	2,687	5	(18,326)	18,331	5	(21,013)	21,018
Change in net position	8,769	1,333	7,436	3,849	(20,231)	24,080	12,618	(18,898)	31,516
Net Position Beginning, as restated	<u>473,174</u>	<u>463,394</u>	<u>9,780</u>	<u>376,397</u>	<u>396,332</u>	<u>(19,935)</u>	<u>849,571</u>	<u>859,726</u>	<u>(10,155)</u>
Net Position Ending	<u>\$ 481,943</u>	<u>\$ 464,727</u>	<u>\$ 17,216</u>	<u>\$ 380,246</u>	<u>\$ 376,101</u>	<u>\$ 4,145</u>	<u>\$ 862,189</u>	<u>\$ 840,828</u>	<u>\$ 21,361</u>

Governmental activities increased the City's net position by \$17,216,568 and business-type activities increased the City's net position by \$4,144,475. Total net position increased by \$21,361,043, or 3% over the prior year.

CITY OF LINCOLN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024

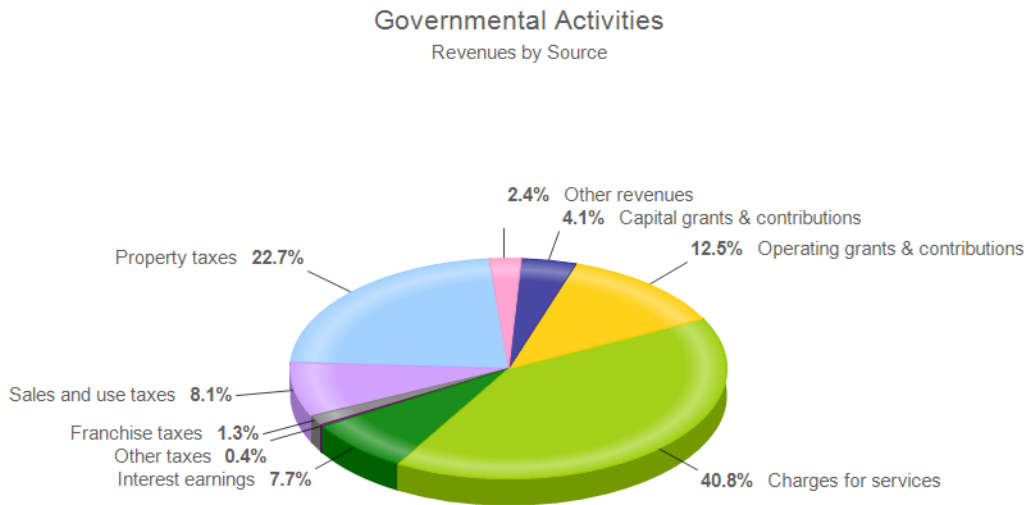
Governmental Activities

Governmental activities increased the City's net position by \$17,216,568 or 2% as of June 30, 2024.

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

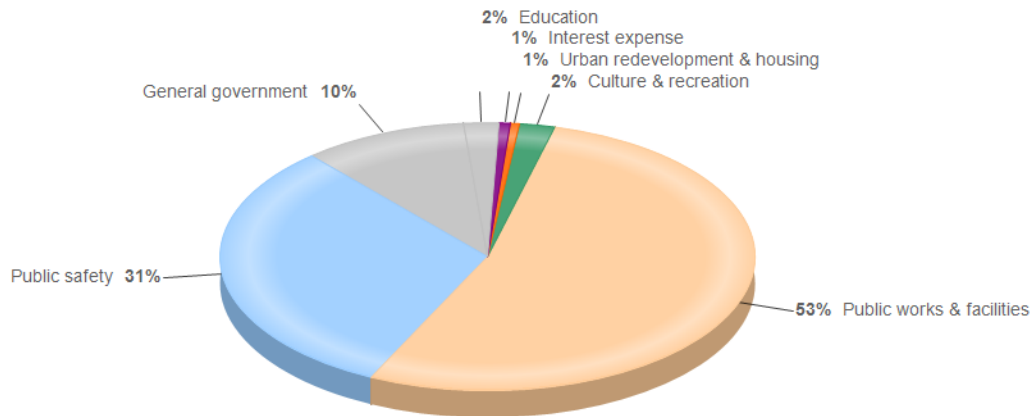
- Charges for services increased \$2.3 million primarily due to a decrease in the number of new residential construction permits issued.
- Interest and investment earnings increased \$3.8 million primarily as a result of changes in market values.

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, 2024

Governmental Activities
Expenses by Function



Business-Type Activities

Business-type activities increased the City's net position by \$4,144,475 or 0.5% as of June 30, 2024.

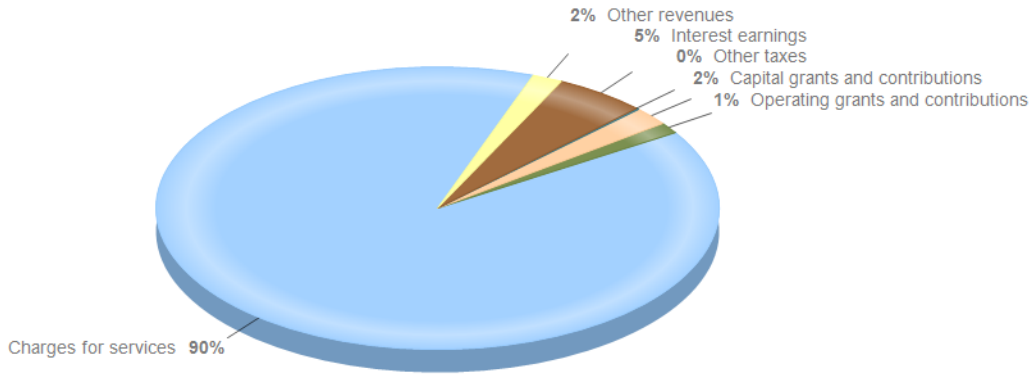
Key elements accounting for the changes in revenues and expenses for business-type activities are as follows:

- The largest factor in the increase was the increase in rates during the fiscal year.

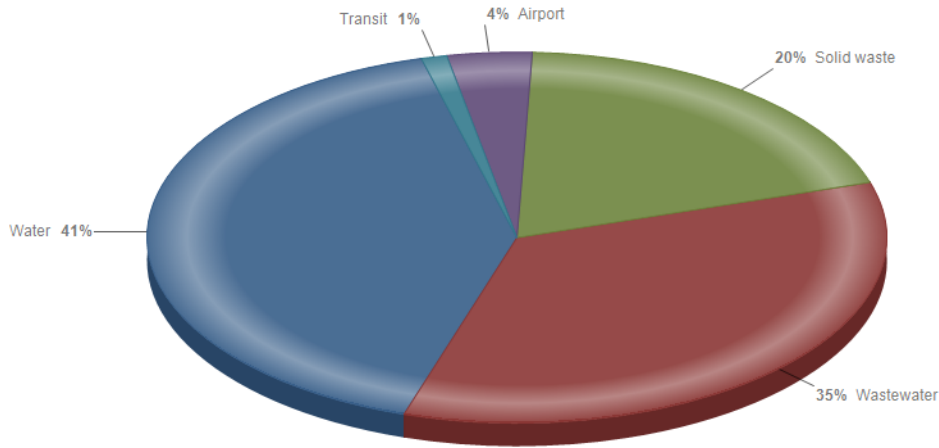
CITY OF LINCOLN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024

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, 2024

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Under 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 \$183,120,661, an increase of \$22,987,736, or 9% 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 \$45,873,779, restricted fund balances totaled \$93,040,216, committed fund balances totaled \$7,770,504, assigned fund balances totaled \$19,535,178, and unassigned fund balances totaled \$16,900,984. The General Fund has a positive unassigned fund balance of \$17,173,545. The Federal Grants fund has a negative unassigned fund balance of \$272,561 up from a negative \$392,561. 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 2023-24 increased the City's General Fund balance by \$105,204 to an ending fund balance of \$30,362,671. The unassigned fund balance of the General Fund was \$17,173,545. The committed fund balance at year-end was \$7,770,504 which contains reserves of \$6,760,956 for operating and \$1,009,548 for capital replacement. The nonspendable fund balance at year-end of \$5,418,622 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 \$4,723,191.

General Fund revenues exceeded expenditures by \$1,151,590 while other financing sources (uses) resulted in a reduction of \$1,046,386 thus resulting in a year-end gain of \$105,204. 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 58% of total General Fund expenditures, down from 65% 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, 2024

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, 2024 and 2023

	2024		2023		Increase (Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	Percent
Taxes and assessments	\$ 23,703,497	76.6 %	\$ 22,998,616	74.9 %	\$ 704,881	3.1 %
Licenses and permits	1,515,701	4.9 %	1,984,768	6.5 %	(469,067)	(23.6)%
Intergovernmental	2,166,561	7.0 %	2,714,488	8.8 %	(547,927)	(20.2)%
Fines and forfeitures	86,422	0.3 %	97,291	0.3 %	(10,869)	(11.2)%
Use of money and property	819,207	2.7 %	302,096	1.0 %	517,111	171.2 %
Charges for services	2,513,314	8.1 %	2,228,467	7.3 %	284,847	12.8 %
Other revenues	25,709	0.1 %	374,663	1.2 %	(348,954)	(93.1)%
Inception of SBITA	80,118	0.3 %	-	- %	-	- %
	<u>\$ 30,910,529</u>	<u>100.0 %</u>	<u>\$ 30,700,389</u>	<u>100.0 %</u>	<u>\$ 130,022</u>	<u>0.4 %</u>

Total General Fund revenues increased by \$130,022 or 0.4% from the prior fiscal year and are driven by a combination of factors:

- Taxes and assessments increased by \$704,881 or 3%, primarily due to the new Limited Term Agreement with the County, annual property increases as a result of home sales activity.
- Intergovernmental revenues decreased by \$547,927 or 20% as a result of COVID-19 pandemic relief funds received in the previous year.
- Use of money and property increased by \$517,111 or 171% because market value increases during the year.
- Charges for services increased by \$284,847 or 13% resulting largely from increased building and related permitting activities.

Expenditures by Function
General Fund
For the Years Ended June 30, 2024 and 2023

	2024		2023		Increase (Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	Percent
General government	\$ 5,685,860	19.2 %	\$ 6,129,606	22.3 %	\$ (443,746)	(7.2)%
Public safety	17,132,549	57.8 %	15,876,706	57.8 %	1,255,843	7.9 %
Public works & facilities	2,962,667	10.0 %	1,800,371	6.6 %	1,162,296	64.6 %
Culture & recreation	1,344,285	4.5 %	1,120,594	4.1 %	223,691	20.0 %
Urban development & housing	279,913	0.9 %	326,654	1.2 %	(46,741)	(14.3)%
Education	842,211	2.8 %	857,492	3.1 %	(15,281)	(1.8)%
Capital outlay	1,167,689	3.9 %	1,047,058	3.8 %	120,631	11.5 %
Debt principal	232,875	0.8 %	252,165	0.9 %	(19,290)	(7.6)%
Debt interest	30,772	0.1 %	42,918	0.2 %	(12,146)	(28.3)%
	<u>\$ 29,678,821</u>	<u>100.0 %</u>	<u>\$ 27,453,564</u>	<u>100.0 %</u>	<u>\$ 2,225,257</u>	<u>8.1 %</u>

The above General Fund expenditures remain categorically consistent and increased by \$2,225,257 or 8% 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, 2024

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 \$35,907,413 at the end of the fiscal year. This is improvement from the fund balance of \$24,535,510 as of June 30, 2023 and is the result of revenue receipts in excess of expenses during the year for all PFE funds with the exception of the Library PFE along with a reimbursement from bond proceeds held in the custodial funds for expenditures incurred in prior years.

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 \$16,822,133, or an increase of 27% from prior fiscal year.

Special Assessment Districts Fund

This fund is used to account for resources received to provide improvements and maintenance to public property within a district. The fund balance of the Special Assessment Districts fund at the end of the fiscal year was \$16,822,133, or an increase of 27% from prior fiscal year.

Development Services Fund

This fund is used to account for monies received in relation to property development and other projects within the City. Ending fund balance totaled \$19,572,839, or an increase of 22% from prior fiscal year.

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 \$1,725,112.

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, 2024 projected revenue of \$29,908,816 and expenditures of \$33,413,669, and a decrease in fund balance of \$3,504,853. The General Fund's actual performance for the year however, ended with revenues totaling \$30,830,411 or \$921,595 more than projected and expenditures totaling \$29,678,821, or \$3,734,848 less than budgeted, resulting in an annual operating surplus of \$1,151,590.

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, 2024, the City's total investment in capital assets for its governmental and business-type activities totaled \$659,844,607 (net of accumulated depreciation/amortization) which decreased from the prior fiscal year by \$11,430,834 or 1.7%, 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, 2024

CAPITAL ASSETS (NET OF DEPRECIATION)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Land and easements	\$ 14,712,998	\$ 14,712,998	\$ 1,591,640	\$ 1,591,640	\$ 16,304,638	\$ 16,304,638
Construction in progress	7,669,709	20,755,040	6,349,293	5,673,000	14,019,002	26,428,040
Buildings & improvements	71,395,855	71,712,056	10,995,891	11,542,525	82,391,746	83,254,581
Machinery & equipment	3,486,975	3,343,700	6,670,124	6,544,766	10,157,099	9,888,466
Infrastructure	236,062,669	228,472,786	299,997,607	306,270,500	536,060,276	534,743,286
ROU subscription asset	574,864	656,430	336,982	-	911,846	656,430
Total	<u>\$333,903,070</u>	<u>\$339,653,010</u>	<u>\$325,941,537</u>	<u>\$331,622,431</u>	<u>\$659,844,607</u>	<u>\$671,275,441</u>

Governmental activities decreased by \$5,749,940 or 1.7% and business-type activities decreased by 5,680,894 or 1.7%. Additional information on the City's capital assets can be found in Note 6 of this report.

Long-term Debt

As of June 30, 2024, the City of Lincoln had total debt outstanding of \$17,067,118. This amount is comprised of \$11,813,785 in bond debt, \$670,001 in financed purchases, \$808,069 in subscription liabilities, and \$3,775,263 in compensated absences.

CITY'S OUTSTANDING DEBT

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Bonds, net	\$ 11,813,785	\$ 12,918,791	\$ -	\$ -	\$ 11,813,785	\$ 12,918,791
Financed purchases	670,001	912,629	-	-	670,001	912,629
Subscription liability	534,138	679,352	273,931	-	808,069	679,352
Compensated absences	3,237,226	2,824,074	538,037	467,541	3,775,263	3,291,615
Post-closure	-	-	-	35,339	-	35,339
Total	<u>\$ 16,255,150</u>	<u>\$ 17,334,846</u>	<u>\$ 811,968</u>	<u>\$ 502,880</u>	<u>\$ 17,067,118</u>	<u>\$ 17,837,726</u>

The City's total debt decreased by \$770,608 or 4% during the fiscal year due to the continuance of scheduled debt service payments. Additional information about the City's long-term debt can be found in Note 8 to the financial statements.

City's Pension and OPEB Liabilities

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Net pension liability	\$ 24,753,668	\$ 22,308,813	\$ 7,060,443	\$ 6,620,805	\$ 31,814,111	\$ 28,929,618
Net OPEB liability	<u>19,389,198</u>	<u>18,681,182</u>	<u>4,590,783</u>	<u>4,398,570</u>	<u>23,979,981</u>	<u>23,079,752</u>
Total	<u>\$ 44,142,866</u>	<u>\$ 40,989,995</u>	<u>\$ 11,651,226</u>	<u>\$ 11,019,375</u>	<u>\$ 55,794,092</u>	<u>\$ 52,009,370</u>

The City's net pension liability and net OPEB liability increased by \$3,784,722 or 7%. 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, 2024

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

New residential and commercial construction within the City follows the conservative assumptions used in revenue forecasting, which has resulted in continued strength in the local economy. The City's property tax revenue remain stable with moderate growth predicted, similarly sales tax has remained generally stable although this is likely somewhat related to inflation versus increased spending.

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, 2024

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Cash and investments (Note 2)	\$ 153,485,967	\$ 67,150,750	\$ 220,636,717
Accounts receivable, net	2,271,400	7,652,094	9,923,494
Interest receivable	172,911	78,101	251,012
Taxes receivable	764,991	569	765,560
Intergovernmental receivables	200,769	-	200,769
Leases receivable (Note 3)	2,589,917	486,651	3,076,568
Prepaid items	40,793,929	314,327	41,108,256
Inventory	-	73,779	73,779
Internal balances	4,860,937	(4,860,937)	-
Advances to Successor Agency (Note 19)	2,192,892	-	2,192,892
Restricted cash and cash equivalents (Note 2)	16,228	-	16,228
Loans receivable, net of allowance (Note 4)	5,819,270	-	5,819,270
Capital assets (Note 6)			
Land and construction in progress	22,382,707	7,940,933	30,323,640
Other capital assets, net of depreciation	<u>311,520,363</u>	<u>318,000,604</u>	<u>629,520,967</u>
Total capital assets	<u>333,903,070</u>	<u>325,941,537</u>	<u>659,844,607</u>
Total Assets	<u>547,072,281</u>	<u>396,836,871</u>	<u>943,909,152</u>
<u>Deferred Outflows of Resources</u>			
Changes in the net pension liability (Note 12)	11,558,428	3,112,583	14,671,011
Changes in net OPEB liability (Note 13)	<u>6,850,607</u>	<u>1,804,757</u>	<u>8,655,364</u>
Total Deferred Outflows of Resources	<u>18,409,035</u>	<u>4,917,340</u>	<u>23,326,375</u>
<u>LIABILITIES</u>			
Accounts payable	5,485,722	6,419,739	11,905,461
Accrued payroll and benefits	1,262,519	293,605	1,556,124
Accrued liabilities	130,268	-	130,268
Accrued interest payable	103,952	-	103,952
Retention payable	72,452	160,141	232,593
Deposits payable	2,706,759	164,580	2,871,339
Unearned revenue (Note 7)	7,056,440	156,981	7,213,421
Net pension liability (Note 12)			
Due in more than one year	24,753,668	7,060,443	31,814,111
Other postemployment benefits (Note 13)			
Due in more than one year	19,389,198	4,590,783	23,979,981
Accrued compensated absences (Note 8):			
Due within one year	2,589,781	430,430	3,020,211
Due in more than one year	647,445	107,607	755,052
Long-term liabilities (Note 8):			
Due within one year	1,544,815	55,852	1,600,667
Due in more than one year	<u>11,473,109</u>	<u>218,079</u>	<u>11,691,188</u>
Total Liabilities	<u>77,216,128</u>	<u>19,658,240</u>	<u>96,874,368</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Changes in the net pension liability (Note 12)	1,346,787	518,122	1,864,909
Changes in net OPEB liability (Note 13)	2,239,009	841,254	3,080,263
Leases (Note 3)	<u>2,736,329</u>	<u>490,577</u>	<u>3,226,906</u>
Total Deferred Inflows of Resources	<u>6,322,125</u>	<u>1,849,953</u>	<u>8,172,078</u>

See accompanying notes to the basic financial statements.

CITY OF LINCOLN
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2024

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>NET POSITION</u>			
Net investment in capital assets	320,892,244	325,509,293	646,401,537
Restricted for:			
Debt service	2,808,089	-	2,808,089
Capital projects	3,144,403	-	3,144,403
Grants	49,953	-	49,953
Loan programs and housing	4,574,462	-	4,574,462
Assessments and fees	46,348,927	-	46,348,927
Public facility element	35,907,413	20,147,573	56,054,986
Endowments			
Nonexpendable	356,659	-	356,659
Expendable	206,969	-	206,969
Unrestricted	<u>67,653,944</u>	<u>34,589,152</u>	<u>102,243,096</u>
Total Net Position	<u>\$ 481,943,063</u>	<u>\$ 380,246,018</u>	<u>\$ 862,189,081</u>

See accompanying notes to the basic financial statements.

CITY OF LINCOLN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

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	\$ 6,489,697	\$ 2,323,515	\$ 603,024	\$ -	\$ (3,563,158)	\$ -	\$ (3,563,158)
Public safety	20,366,528	1,288,633	1,840,864	-	(17,237,031)	-	(17,237,031)
Public works and facilities	34,285,306	22,452,539	6,539,822	2,958,926	(2,334,019)	-	(2,334,019)
Culture and recreation	1,409,450	3,513,049	-	-	2,103,599	-	2,103,599
Urban redevelopment and housing	334,744	-	65,957	-	(268,787)	-	(268,787)
Education	1,384,998	108,015	44,439	-	(1,232,544)	-	(1,232,544)
Interest and fiscal charges	430,101	-	-	-	(430,101)	-	(430,101)
Total governmental activities	<u>64,700,824</u>	<u>29,685,751</u>	<u>9,094,106</u>	<u>2,958,926</u>	<u>(22,962,041)</u>	<u>-</u>	<u>(22,962,041)</u>
Business-type activities:							
Water	19,964,857	20,610,667	3,656	514,658	-	1,164,124	1,164,124
Wastewater	16,911,755	15,585,307	47,055	352,557	-	(926,836)	(926,836)
Solid waste	9,520,615	9,500,109	39,381	285,714	-	304,589	304,589
Airport	1,799,086	2,030,216	27,615	-	-	258,745	258,745
Transit	562,700	-	518,593	-	-	(44,107)	(44,107)
Total business-type activities	<u>48,759,013</u>	<u>47,726,299</u>	<u>636,300</u>	<u>1,152,929</u>	<u>-</u>	<u>756,515</u>	<u>756,515</u>
Total primary government	<u>\$ 113,459,837</u>	<u>\$ 77,412,050</u>	<u>\$ 9,730,406</u>	<u>\$ 4,111,855</u>	<u>(22,962,041)</u>	<u>756,515</u>	<u>(22,205,526)</u>
General revenues:							
Taxes:							
Property taxes					16,534,725	-	16,534,725
Sales and use taxes					5,910,362	61,266	5,971,628
Franchise taxes					960,330	-	960,330
Other taxes					298,080	-	298,080
Interest and investment earnings					5,593,158	2,780,424	8,373,582
Loss on disposal of capital assets					-	(105,734)	(105,734)
Other revenue					1,718,191	1,068,597	2,786,788
Transfers					716,585	(716,585)	-
Special item - disposal of operations (Note 18)					-	4,937	4,937
Total general revenues, transfers, and special items					<u>31,731,431</u>	<u>3,092,905</u>	<u>34,824,336</u>
Change in net position					<u>8,769,390</u>	<u>3,849,420</u>	<u>12,618,810</u>
Net position - July 1, 2023					464,726,495	376,101,543	840,828,038
Prior period restatement (Note 20)					8,447,178	295,055	8,742,233
Net position - July 1, 2023, restated					<u>473,173,673</u>	<u>376,396,598</u>	<u>849,570,271</u>
Net position - June 30, 2024					<u>\$ 481,943,063</u>	<u>\$ 380,246,018</u>	<u>\$ 862,189,081</u>

See accompanying notes to the basic financial statements.

CITY OF LINCOLN
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Public Facility Element (PFE)	Water Connections	Special Assessment Districts
<u>ASSETS</u>				
Cash and investments	\$ 31,200,629	\$ 38,820,003	\$ 13,510,758	\$ 17,545,068
Accounts receivable, net	1,444,764	-	5,018	7,074
Interest receivable	32,406	47,067	15,795	18,776
Taxes receivable	552,588	-	-	212,403
Intergovernmental receivable	12,732	-	-	-
Leases receivable	2,589,917	-	-	-
Due from other funds	452,768	-	-	-
Prepaid items	695,431	-	40,000,000	26,073
Advances to other funds	4,723,191	-	1,492,383	-
Advances to Successor Agency	-	-	2,192,892	-
Restricted cash and investments	-	-	-	-
Loans receivable, net	-	-	-	-
	-	-	-	-
Total Assets	\$ 41,704,426	\$ 38,867,070	\$ 57,216,846	\$ 17,809,394
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>				
LIABILITIES				
Accounts payable	\$ 1,874,656	\$ 885,382	\$ 3,614	\$ 909,844
Accrued payroll and benefits	868,993	-	-	50,386
Accrued liabilities	90,653	-	-	-
Retention payable	4,604	58,430	-	-
Deposits and other payables	21,800	-	-	27,031
Due to other funds	-	-	-	-
Advances from other funds	-	2,015,845	-	-
Unearned revenue	5,513,034	-	-	-
	8,373,740	2,959,657	3,614	987,261
Total Liabilities	8,373,740	2,959,657	3,614	987,261
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	231,686	-	-	-
Leases	2,736,329	-	-	-
	2,968,015	-	-	-
Total Deferred Inflows of Resources	2,968,015	-	-	-
FUND BALANCES				
Nonspendable	5,418,622	-	40,000,000	26,073
Restricted	-	35,907,413	17,213,232	16,796,060
Committed	7,770,504	-	-	-
Assigned	-	-	-	-
Unassigned	17,173,545	-	-	-
	30,362,671	35,907,413	57,213,232	16,822,133
Total Fund Balances	30,362,671	35,907,413	57,213,232	16,822,133
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 41,704,426	\$ 38,867,070	\$ 57,216,846	\$ 17,809,394

See accompanying notes to the basic financial statements.

CITY OF LINCOLN
BALANCE SHEET (continued)
GOVERNMENTAL FUNDS
JUNE 30, 2024

	Development Services	Low/Moderate Income Housing	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash and investments	\$ 23,477,671	\$ 1,723,032	\$ 22,690,193	\$ 148,967,354
Accounts receivable, net	194,862	-	387,432	2,039,150
Interest receivable	28,276	2,080	23,119	167,519
Taxes receivable	-	-	-	764,991
Intergovernmental receivable	-	-	188,037	200,769
Leases receivable	-	-	-	2,589,917
Due from other funds	-	-	-	452,768
Prepaid items	37,661	-	34,764	40,793,929
Advances to other funds	-	-	661,208	6,876,782
Advances to Successor Agency	-	-	-	2,192,892
Restricted cash and investments	-	-	16,228	16,228
Loans receivable, net	-	3,889,649	1,929,621	5,819,270
Total Assets	\$ 23,738,470	\$ 5,614,761	\$ 25,930,602	\$ 210,881,569
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>				
<u>LIABILITIES</u>				
Accounts payable	\$ 1,189,105	\$ -	\$ 413,638	\$ 5,276,239
Accrued payroll and benefits	106,402	-	56,981	1,082,762
Accrued liabilities	32,106	-	7,509	130,268
Retention payable	-	-	9,418	72,452
Deposits and other payables	2,657,928	-	-	2,706,759
Due to other funds	-	-	452,768	452,768
Advances from other funds	-	-	-	2,015,845
Unearned revenue	-	-	1,543,406	7,056,440
Total Liabilities	3,985,541	-	2,483,720	18,793,533
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenues	180,090	3,889,649	1,929,621	6,231,046
Leases	-	-	-	2,736,329
Total Deferred Inflows of Resources	180,090	3,889,649	1,929,621	8,967,375
<u>FUND BALANCES</u>				
Nonspendable	37,661	-	391,423	45,873,779
Restricted	-	1,725,112	21,398,399	93,040,216
Committed	-	-	-	7,770,504
Assigned	19,535,178	-	-	19,535,178
Unassigned	-	-	(272,561)	16,900,984
Total Fund Balances	19,572,839	1,725,112	21,517,261	183,120,661
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 23,738,470	\$ 5,614,761	\$ 25,930,602	\$ 210,881,569

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, 2024

Total fund balances of governmental funds	\$ 183,120,661
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 \$303,723,936.	331,885,999
Certain notes, loans, and interest receivables are not available to pay for current period expenditures and therefore are offset by deferred inflow of resources in the governmental funds.	5,819,270
Other long-term assets are not available to pay for current period expenditures and therefore, are reported as unavailable revenues in the governmental funds.	411,776
Deferred outflows of resources related to changes in the net pension liability are not applicable to the current period.	11,558,428
Deferred outflows of resources related to changes in the net OPEB liability are not applicable to the current period.	6,850,607
Long-term liabilities are not due in the current period and, therefore are not reported in the governmental funds.	
Net pension liability	(24,753,668)
Net OPEB liability	(19,389,198)
Compensated absences	(2,597,979)
Long-term liabilities net of premiums and discounts	(12,600,990)
Deferred inflows related to changes in the net pension liability	(1,346,787)
Deferred inflows related to changes in the net OPEB liability	(2,239,009)
Accrued interest payable from the current portion of interest due on long-term liabilities has not been reported in the governmental funds.	(103,952)
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>5,327,905</u>
Net position of governmental activities	<u>\$ 481,943,063</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, 2024

	<u>General Fund</u>	<u>Public Facility Element (PFE)</u>	<u>Water Connections</u>	<u>Special Assessment Districts</u>
<u>REVENUES</u>				
Taxes and assessments	\$ 23,703,497	\$ -	\$ -	\$ -
Special assessments	-	-	-	7,321,712
License and permits	1,515,701	-	-	-
Intergovernmental	2,166,561	-	-	-
Fines and forfeitures	86,422	-	-	-
Use of money and property	819,207	1,603,235	564,307	378,480
Charges for services	2,513,314	5,488,890	5,306,677	-
Other revenues	<u>25,709</u>	<u>(161,752)</u>	<u>5,720</u>	<u>1,006,900</u>
Total Revenues	<u>30,830,411</u>	<u>6,930,373</u>	<u>5,876,704</u>	<u>8,707,092</u>
<u>EXPENDITURES</u>				
Current:				
General government	5,685,860	13,557	-	109,548
Public safety	17,132,549	-	-	237,072
Public works and facilities	2,962,667	161,945	5,385	5,051,821
Cultural and recreation	1,344,285	-	-	-
Urban development and housing	279,913	-	-	-
Education	842,211	56,882	-	-
Capital outlay	1,167,689	3,629,931	-	346,386
Debt service:				
Principal	232,875	-	-	-
Interest and fiscal charges	<u>30,772</u>	<u>37,762</u>	-	-
Total Expenditures	<u>29,678,821</u>	<u>3,900,077</u>	<u>5,385</u>	<u>5,744,827</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,151,590</u>	<u>3,030,296</u>	<u>5,871,319</u>	<u>2,962,265</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Inception of SBITA	80,118	-	-	-
Transfers in	140,683	-	-	697,965
Transfers out	<u>(1,267,187)</u>	<u>(5,344)</u>	-	<u>(56,121)</u>
Total Other Financing Sources (Uses)	<u>(1,046,386)</u>	<u>(5,344)</u>	-	<u>641,844</u>
Net Change in Fund Balances	<u>105,204</u>	<u>3,024,952</u>	<u>5,871,319</u>	<u>3,604,109</u>
Fund Balances - July 1, 2023	30,257,467	24,535,510	51,341,913	-
Prior period adjustment (Note 20)	-	8,346,951	-	-
Changes within financial reporting entity (nonmajor to major fund) (Note 20)	-	-	-	<u>13,218,024</u>
Fund Balances - July 1, 2023, restated	<u>30,257,467</u>	<u>32,882,461</u>	<u>51,341,913</u>	<u>13,218,024</u>
Fund Balances - June 30, 2024	<u>\$ 30,362,671</u>	<u>\$ 35,907,413</u>	<u>\$ 57,213,232</u>	<u>\$ 16,822,133</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, 2024

	<u>Development Services</u>	<u>Low/Moderate Income Housing</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ 23,703,497
Special assessments	-	-	-	7,321,712
License and permits	4,563,472	-	-	6,079,173
Intergovernmental	82,899	-	8,610,392	10,859,852
Fines and forfeitures	-	-	-	86,422
Use of money and property	929,401	77,495	910,339	5,282,464
Charges for services	2,533,074	-	369,597	16,211,552
Other revenues	<u>90,400</u>	<u>-</u>	<u>523,460</u>	<u>1,490,437</u>
Total Revenues	<u>8,199,246</u>	<u>77,495</u>	<u>10,413,788</u>	<u>71,035,109</u>
<u>EXPENDITURES</u>				
Current:				
General government	247,810	-	67,065	6,123,840
Public safety	112,573	-	168,606	17,650,800
Public works and facilities	4,204,817	1,034	7,047,500	19,435,169
Cultural and recreation	-	-	(18,106)	1,326,179
Urban development and housing	-	-	2,659	282,572
Education	-	-	-	899,093
Capital outlay	101,265	-	4,549,784	9,795,055
Debt service:				
Principal	-	-	1,045,000	1,277,875
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>432,137</u>	<u>500,671</u>
Total Expenditures	<u>4,666,465</u>	<u>1,034</u>	<u>13,294,645</u>	<u>57,291,254</u>
Excess (Deficiency) of Revenues over Expenditures	<u>3,532,781</u>	<u>76,461</u>	<u>(2,880,857)</u>	<u>13,743,855</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Inception of SBITA	-	-	-	80,118
Transfers in	-	-	1,336,201	2,174,849
Transfers out	<u>(64,138)</u>	<u>-</u>	<u>(65,474)</u>	<u>(1,458,264)</u>
Total Other Financing Sources (Uses)	<u>(64,138)</u>	<u>-</u>	<u>1,270,727</u>	<u>796,703</u>
Net Change in Fund Balances	<u>3,468,643</u>	<u>76,461</u>	<u>(1,610,130)</u>	<u>14,540,558</u>
Fund Balances - July 1, 2023	16,003,969	1,648,651	36,345,415	160,132,925
Prior period adjustment (Note 20)	100,227	-	-	8,447,178
Changes within financial reporting entity (nonmajor to major fund) (Note 20)	<u>-</u>	<u>-</u>	<u>(13,218,024)</u>	<u>-</u>
Fund Balances - July 1, 2023, restated	<u>16,104,196</u>	<u>1,648,651</u>	<u>23,127,391</u>	<u>168,580,103</u>
Fund Balances - June 30, 2024	<u>\$ 19,572,839</u>	<u>\$ 1,725,112</u>	<u>\$ 21,517,261</u>	<u>\$ 183,120,661</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, 2024

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	\$ 14,540,558
<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	9,765,986
Depreciation expense	(16,825,224)
Capital contribution	1,055,116
<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>	
	10,430
<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	1,350,695
Proceeds from SBITA	(80,118)
Net accretion on bond premiums/discounts	60,006
<p>Compensated absences expenditures reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in a governmental fund. This is the net change in compensated absences for the current period.</p>	
	(305,169)
<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	(13,111)
Accrued interest on loans	126,437
<p>Accrued interest payable is interest due on long-term liabilities. This is the net change in accrued interest in the current period.</p>	
	10,566
<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	(1,428,026)
OPEB expense related to deferred outflows and inflows of resources	(938,539)
<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>1,439,783</u>
Change in net position of governmental activities	<u>\$ 8,769,390</u>

See accompanying notes to the basic financial statements.

CITY OF LINCOLN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	Business-Type Activities			
	Major Funds			
	Water	Wastewater	Solid Waste	Airport
ASSETS				
Current Assets				
Cash and investments	\$ 29,976,447	\$ 19,530,777	\$ 15,860,400	\$ 1,036,953
Accounts receivable, net	3,645,746	2,627,561	1,366,181	12,606
Interest receivable	36,103	21,021	18,924	1,152
Taxes receivable	-	-	-	569
Leases receivable - current	-	-	-	54,046
Prepaid items	124,572	94,878	82,565	12,312
Inventory	-	-	-	73,779
Total Current Assets	33,782,868	22,274,237	17,328,070	1,191,417
Non Current Assets				
Leases receivable - noncurrent	-	-	-	432,605
Advances to other funds	-	-	523,462	-
Capital assets, net of accumulated depreciation	162,229,163	151,207,674	6,714,253	5,324,108
Total Non-Current Assets	162,229,163	151,207,674	7,237,715	5,756,713
Total Assets	196,012,031	173,481,911	24,565,785	6,948,130
DEFERRED OUTFLOWS OF RESOURCES				
Changes in net pension liability	983,536	720,354	1,144,967	153,792
Changes in net OPEB liability	610,973	493,833	580,306	68,550
Total Deferred Outflows of Resources	1,594,509	1,214,187	1,725,273	222,342
LIABILITIES				
Current Liabilities				
Accounts payable	1,184,763	4,497,648	385,952	121,583
Accrued salaries and benefits	92,070	76,413	114,877	8,899
Retention payable	160,141	-	-	-
Deposits payable	90,000	(288)	-	74,868
Unearned revenue	-	-	156,981	-
Compensated absences - current	153,729	106,852	155,884	13,296
SBITA payable - current	22,912	18,710	12,706	1,524
Total Current Liabilities	1,703,615	4,699,335	826,400	220,170
Non-Current Liabilities				
Advances from other funds	-	-	-	5,384,399
Compensated absences - noncurrent	38,432	26,713	38,971	3,324
SBITA payable - noncurrent	89,462	73,055	49,611	5,951
Net pension liability	2,177,484	1,550,729	2,537,126	436,804
Net OPEB liability	1,395,414	1,245,951	1,550,484	212,024
Total Non-Current Liabilities	3,700,792	2,896,448	4,176,192	6,042,502
Total Liabilities	5,404,407	7,595,783	5,002,592	6,262,672
DEFERRED INFLOWS OF RESOURCES				
Changes in net pension liability	191,419	195,311	94,241	21,965
Changes in net OPEB liability	280,582	244,659	288,786	21,516
Leases	-	-	-	490,577
Total Deferred Inflows of Resources	472,001	439,970	383,027	534,058
NET POSITION				
Net investment in capital assets	161,951,055	151,121,499	6,653,768	5,316,632
Restricted for public facility element	12,679,527	3,317,415	4,150,631	-
Unrestricted	17,099,550	12,221,431	10,101,040	(4,942,890)
Total Net Position	\$ 191,730,132	\$ 166,660,345	\$ 20,905,439	\$ 373,742

See accompanying notes to the basic financial statements.

CITY OF LINCOLN
STATEMENT OF NET POSITION (continued)
PROPRIETARY FUNDS
JUNE 30, 2024

	<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>ASSETS</u>			
Current Assets			
Cash and investments	\$ 746,173	\$ 67,150,750	\$ 4,518,613
Accounts receivable, net	-	7,652,094	232,250
Interest receivable	901	78,101	5,392
Taxes receivable	-	569	-
Leases receivable - current	-	54,046	-
Prepaid items	-	314,327	-
Inventory	-	73,779	-
Total Current Assets	747,074	75,323,666	4,756,255
Non Current Assets			
Leases receivable - noncurrent	-	432,605	-
Advances to other funds	-	523,462	-
Capital assets, net of accumulated depreciation	466,339	325,941,537	2,017,071
Total Non-Current Assets	466,339	326,897,604	2,017,071
Total Assets	1,213,413	402,221,270	6,773,326
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Changes in net pension liability	109,934	3,112,583	-
Changes in net OPEB liability	51,095	1,804,757	-
Total Deferred Outflows of Resources	161,029	4,917,340	-
<u>LIABILITIES</u>			
Current Liabilities			
Accounts payable	229,793	6,419,739	209,483
Accrued salaries and benefits	1,346	293,605	179,757
Retention payable	-	160,141	-
Deposits payable	-	164,580	-
Unearned revenue	-	156,981	-
Compensated absences - current	669	430,430	511,398
SBITA payable - current	-	55,852	153,979
Total Current Liabilities	231,808	7,681,328	1,054,617
Non-Current Liabilities			
Advances from other funds	-	5,384,399	-
Compensated absences - noncurrent	167	107,607	127,849
SBITA payable - noncurrent	-	218,079	262,955
Net pension liability	358,300	7,060,443	-
Net OPEB liability	186,910	4,590,783	-
Total Non-Current Liabilities	545,377	17,361,311	390,804
Total Liabilities	777,185	25,042,639	1,445,421
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Changes in net pension liability	15,186	518,122	-
Changes in net OPEB liability	5,711	841,254	-
Leases	-	490,577	-
Total Deferred Inflows of Resources	20,897	1,849,953	-
<u>NET POSITION</u>			
Net investment in capital assets	466,339	325,509,293	1,600,137
Restricted for public facility element	-	20,147,573	-
Unrestricted	110,021	34,589,152	3,727,768
Total Net Position	\$ 576,360	\$ 380,246,018	\$ 5,327,905

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, 2024

	Business-Type Activities			
	Major Funds			
	Water	Wastewater	Solid Waste	Airport
<u>OPERATING REVENUES</u>				
Charges for services	\$ 20,559,967	\$ 15,585,307	\$ 9,500,109	\$ 2,030,216
Connection fees	50,700	-	-	-
Other revenue	(9,633)	981,399	49,501	37,643
Total Operating Revenue	<u>20,601,034</u>	<u>16,566,706</u>	<u>9,549,610</u>	<u>2,067,859</u>
<u>OPERATING EXPENSES</u>				
Salaries and benefits	2,414,762	1,997,626	3,293,948	321,882
Services and supplies	12,456,850	8,348,412	4,805,609	1,036,456
Support services	1,085,993	1,158,385	779,381	125,247
Depreciation	4,007,252	5,407,332	641,677	214,110
Total Operating Expenses	<u>19,964,857</u>	<u>16,911,755</u>	<u>9,520,615</u>	<u>1,697,695</u>
Operating Income (Loss)	<u>636,177</u>	<u>(345,049)</u>	<u>28,995</u>	<u>370,164</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>				
Taxes	-	-	-	61,266
Intergovernmental	3,656	47,055	39,381	27,615
Interest income	1,320,481	671,149	726,270	39,874
Other non-operating revenues	3,808	5,879	-	-
Gain (loss) on sale of capital assets	-	44,823	(150,557)	-
Interest expense	-	-	-	(101,391)
Total Non-Operating Revenues (Expenses)	<u>1,327,945</u>	<u>768,906</u>	<u>615,094</u>	<u>27,364</u>
Income (Loss) Before Transfers and Contributions	<u>1,964,122</u>	<u>423,857</u>	<u>644,089</u>	<u>397,528</u>
<u>TRANSFERS AND CONTRIBUTIONS</u>				
Capital connection fees	514,658	352,557	285,714	-
Transfers out	(199,094)	(212,456)	(141,637)	(163,398)
Total Transfers and Contributions	<u>315,564</u>	<u>140,101</u>	<u>144,077</u>	<u>(163,398)</u>
<u>SPECIAL ITEM</u>				
Disposal of operations	-	4,937	-	-
Change in net position	<u>2,279,686</u>	<u>568,895</u>	<u>788,166</u>	<u>234,130</u>
Net Position - July 1, 2023	189,450,446	165,828,395	20,117,273	107,612
Prior period adjustment (Note 20)	-	263,055	-	32,000
Net Position - July 1, 2023, restated	<u>189,450,446</u>	<u>166,091,450</u>	<u>20,117,273</u>	<u>139,612</u>
Net Position - June 30, 2024	<u>\$ 191,730,132</u>	<u>\$ 166,660,345</u>	<u>\$ 20,905,439</u>	<u>\$ 373,742</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, 2024

	Business-Type Activities		Governmental
	Major Funds		Activities
	Transit	Total	Internal Service Funds
<u>OPERATING REVENUES</u>			
Charges for services	\$ -	\$ 47,675,599	\$ 7,427,121
Connection fees	-	50,700	-
Other revenue	-	<u>1,058,910</u>	<u>227,754</u>
Total Operating Revenue	<u>-</u>	<u>48,785,209</u>	<u>7,654,875</u>
<u>OPERATING EXPENSES</u>			
Salaries and benefits	62,640	8,090,858	4,321,405
Services and supplies	455,278	27,102,605	1,958,329
Support services	-	3,149,006	-
Depreciation	<u>44,782</u>	<u>10,315,153</u>	<u>245,983</u>
Total Operating Expenses	<u>562,700</u>	<u>48,657,622</u>	<u>6,525,717</u>
Operating Income (Loss)	<u>(562,700)</u>	<u>127,587</u>	<u>1,129,158</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Taxes	-	61,266	-
Intergovernmental	518,593	636,300	127,637
Interest income	22,650	2,780,424	184,257
Other non-operating revenues	-	9,687	-
Gain (loss) on sale of capital assets	-	(105,734)	-
Interest expense	<u>-</u>	<u>(101,391)</u>	<u>(1,269)</u>
Total Non-Operating Revenues (Expenses)	<u>541,243</u>	<u>3,280,552</u>	<u>310,625</u>
Income (Loss) Before Transfers and Contributions	<u>(21,457)</u>	<u>3,408,139</u>	<u>1,439,783</u>
<u>TRANSFERS AND CONTRIBUTIONS</u>			
Capital connection fees	-	1,152,929	-
Transfers out	<u>-</u>	<u>(716,585)</u>	<u>-</u>
Total Transfers and Contributions	<u>-</u>	<u>436,344</u>	<u>-</u>
<u>SPECIAL ITEM</u>			
Disposal of operations	<u>-</u>	<u>4,937</u>	<u>-</u>
Change in net position	<u>(21,457)</u>	<u>3,849,420</u>	<u>1,439,783</u>
Net Position - July 1, 2023	597,817	376,101,543	3,888,122
Prior period adjustment (Note 20)	<u>-</u>	<u>295,055</u>	<u>-</u>
Net Position - July 1, 2023, restated	<u>597,817</u>	<u>376,396,598</u>	<u>3,888,122</u>
Net Position - June 30, 2024	<u>\$ 576,360</u>	<u>\$ 380,246,018</u>	<u>\$ 5,327,905</u>

See accompanying notes to the basic financial statements.

CITY OF LINCOLN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Business-Type Activities			
	Major Funds			
	Water	Wastewater	Solid Waste	Airport
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Cash received from customers	\$ 18,758,239	\$ 18,410,698	\$ 9,349,152	\$ 2,051,454
Cash paid to suppliers	(14,199,584)	(11,384,194)	(6,457,603)	(1,120,678)
Cash paid to employees	(2,247,305)	(1,867,394)	(3,090,351)	(306,216)
Net Cash Provided by (Used For) Operating Activities	<u>2,311,350</u>	<u>5,159,110</u>	<u>(198,802)</u>	<u>624,560</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>				
Intergovernmental and other nonoperating	7,464	315,989	39,381	59,615
Taxes	-	-	-	61,026
Interfund repayments received	-	-	166,026	-
Interfund repayments paid	-	-	-	(180,229)
Transfers to other funds	(199,094)	(212,456)	(141,637)	(163,398)
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>(191,630)</u>	<u>103,533</u>	<u>63,770</u>	<u>(222,986)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>				
Connection fees	514,658	352,557	285,714	-
Proceeds from inception of SBITA	134,240	109,619	74,443	8,930
Proceeds from disposal of capital assets	-	49,761	142,720	-
Acquisition of capital assets	(2,713,480)	(413,569)	(1,762,398)	(38,087)
Principal paid on long-term debt	(21,866)	(17,855)	(12,126)	(1,454)
Interest paid on long-term debt	-	-	-	(101,394)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(2,086,448)</u>	<u>80,513</u>	<u>(1,271,647)</u>	<u>(132,005)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Interest and dividends	1,313,265	663,775	723,868	39,456
Net Cash Provided by Investing Activities	<u>1,313,265</u>	<u>663,775</u>	<u>723,868</u>	<u>39,456</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,346,537	6,006,931	(682,811)	309,025
Cash and Cash Equivalents - July 1, 2023	<u>28,629,910</u>	<u>13,523,846</u>	<u>16,543,211</u>	<u>727,928</u>
Cash and Cash Equivalents - June 30, 2024	<u>\$ 29,976,447</u>	<u>\$ 19,530,777</u>	<u>\$ 15,860,400</u>	<u>\$ 1,036,953</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</u>				
Operating Income (Loss)	\$ 636,177	\$ (345,049)	\$ 28,995	\$ 370,164
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation expense	4,007,252	5,407,332	641,677	214,110
Pension (credit) expense	44,559	38,646	61,049	4,603
OPEB expense	74,843	65,481	103,729	8,122
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(1,833,795)	1,999,476	(323,131)	(38,497)
Decrease in leases receivable	-	-	-	66,190
(Increase) decrease in prepaid expenses	(32,154)	(38,005)	(39,911)	(5,203)
Increase in inventory	-	-	-	(30,335)
Increase (decrease) in accounts payable	(726,946)	(1,805,962)	(797,363)	76,563
Increase in accrued wages	18,800	6,608	19,325	1,207
Increase (decrease) in retention payable	102,359	(33,430)	-	-
Increase (decrease) in deposits	(9,000)	(155,484)	-	18,166
Increase in compensated absences	29,255	19,497	19,494	1,734
Increase in unearned revenue	-	-	122,673	-
Decrease in postclosure liability	-	-	(35,339)	-
Decrease in deferred inflows of resources leases	-	-	-	(62,264)
Net Cash Provided by (Used For) Operating Activities	<u>\$ 2,311,350</u>	<u>\$ 5,159,110</u>	<u>\$ (198,802)</u>	<u>\$ 624,560</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, 2024

	Business-Type Activities		Governmental
	Major Funds		Activities
	Transit	Total	Internal Service Funds
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash received from customers	\$ -	\$ 48,569,543	\$ 7,508,895
Cash paid to suppliers	(333,396)	(33,495,455)	(2,032,847)
Cash paid to employees	(58,499)	(7,569,765)	(4,159,539)
Net Cash Provided by (Used For) Operating Activities	(391,895)	7,504,323	1,316,509
<u>CASH FLOWS FROM NON-CAPITAL</u>			
<u>FINANCING ACTIVITIES</u>			
Intergovernmental and other nonoperating	518,593	941,042	54,857
Taxes	-	61,026	-
Interfund repayments received	-	166,026	-
Interfund repayments paid	-	(180,229)	-
Transfers to other funds	-	(716,585)	-
Net Cash Provided by (Used for) Non-Capital Financing Activities	518,593	271,280	54,857
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING</u>			
<u>ACTIVITIES</u>			
Connection fees	-	1,152,929	-
Proceeds from inception of SBITA	-	327,232	-
Proceeds from disposal of capital assets	-	192,481	-
Acquisition of capital assets	-	(4,927,534)	(500,165)
Principal paid on long-term debt	-	(53,301)	(162,266)
Interest paid on long-term debt	-	(101,394)	(1,269)
Net Cash Provided by (Used for) Capital and Related Financing Activities	-	(3,409,587)	(663,700)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest and dividends	22,352	2,762,716	182,518
Net Cash Provided by Investing Activities	22,352	2,762,716	182,518
Net Increase (Decrease) in Cash and Cash Equivalents	149,050	7,128,732	890,184
Cash and Cash Equivalents - July 1, 2023	597,123	60,022,018	3,628,429
Cash and Cash Equivalents - June 30, 2024	\$ 746,173	\$ 67,150,750	\$ 4,518,613
<u>RECONCILIATION OF OPERATING INCOME (LOSS)</u>			
<u>TO NET CASH PROVIDED BY (USED FOR)</u>			
<u>OPERATING ACTIVITIES:</u>			
Operating Income (Loss)	\$ (562,700)	\$ 127,587	\$ 1,129,158
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation expense	44,782	10,315,153	245,983
Pension (credit) expense	746	149,603	-
OPEB expense	2,621	254,796	-
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	-	(195,947)	(145,980)
Decrease in leases receivable	-	66,190	-
(Increase) decrease in prepaid expenses	3,555	(111,718)	-
Increase in inventory	-	(30,335)	-
Increase (decrease) in accounts payable	118,327	(3,135,381)	(74,518)
Increase in accrued wages	258	46,198	53,883
Increase (decrease) in retention payable	-	68,929	-
Increase (decrease) in deposits	-	(146,318)	-
Increase in compensated absences	516	70,496	107,983
Increase in unearned revenue	-	122,673	-
Decrease in postclosure liability	-	(35,339)	-
Decrease in deferred inflows of resources leases	-	(62,264)	-
Net Cash Provided by (Used For) Operating Activities	\$ (391,895)	\$ 7,504,323	\$ 1,316,509

See accompanying notes to the basic financial statements.

CITY OF LINCOLN
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2024

	Redevelopment Obligation Retirement Fund	OPEB Trust Fund	Custodial Funds
<u>ASSETS</u>			
Cash and investments (Note 2)	\$ 977,904	\$ -	\$ 9,089,621
Assessments receivable	-	-	99,526
Interest receivable	1,316	-	10,973
Deferred costs	26,270	-	-
Restricted cash and investments (Note 2)	282	-	34,766,756
Restricted investments held in trust (Note 2):			
Mutual funds	-	14,643,129	-
Loans receivable	149,112	-	-
Capital assets, net of accumulated depreciation (Note 19)	<u>2,544,731</u>	<u>-</u>	<u>-</u>
Total Assets	<u>3,699,615</u>	<u>14,643,129</u>	<u>43,966,876</u>
<u>LIABILITIES</u>			
Accounts payable and other liabilities	-	-	168,500
Interest payable	41,182	-	-
Developer deposits payable	-	-	(7,197)
Advances from the City (Note 19)	2,192,892	-	-
Long-term liabilities (Note 19)	<u>3,520,420</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>5,754,494</u>	<u>-</u>	<u>161,303</u>
<u>NET POSITION</u>			
Held in trust	(2,054,879)	-	-
Restricted for:			
OPEB	-	14,643,129	-
Individuals, organizations and other governments	<u>-</u>	<u>-</u>	<u>43,805,573</u>
Total Net Position	<u>\$ (2,054,879)</u>	<u>\$ 14,643,129</u>	<u>\$ 43,805,573</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, 2024

	Redevelopment Obligation Retirement Fund	OPEB Trust Fund	Custodial Funds
<u>ADDITIONS</u>			
Property taxes and assessments	\$ 1,380,374	\$ -	\$ 13,986,879
Contributions from employer	-	1,559,237	-
Investment income:			
Interest income	24,726	-	1,667,652
Net increase (decrease) in fair value	<u>(4,634)</u>	<u>1,692,596</u>	<u>236,247</u>
Net investment income	<u>20,092</u>	<u>1,692,596</u>	<u>1,903,899</u>
Total Additions	<u>1,400,466</u>	<u>3,251,833</u>	<u>15,890,778</u>
<u>DEDUCTIONS</u>			
Professional services	44,667	-	12,552,043
Administrative expense	-	32,445	-
Distribution to City	-	-	490,000
Payments to developers	-	-	164,000
Debt service:			
Principal	-	-	6,965,000
Interest	<u>220,931</u>	<u>-</u>	<u>4,809,948</u>
Total Deductions	<u>265,598</u>	<u>32,445</u>	<u>24,980,991</u>
Change in Fiduciary Net Position	<u>1,134,868</u>	<u>3,219,388</u>	<u>(9,090,213)</u>
Fiduciary Net Position - July 1, 2023	(3,189,747)	11,423,741	61,242,737
Prior period adjustment (Note 20)	<u>-</u>	<u>-</u>	<u>(8,346,951)</u>
Fiduciary Net Position - July 1, 2023, Restated	<u>(3,189,747)</u>	<u>11,423,741</u>	<u>52,895,786</u>
Fiduciary Net Position - June 30, 2024	<u><u>\$ (2,054,879)</u></u>	<u><u>\$ 14,643,129</u></u>	<u><u>\$ 43,805,573</u></u>

See accompanying notes to the basic financial statements.

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. The Reporting Entity

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

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

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

Blended Component Units

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

Discretely Presented Component Units

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

Joint Agencies

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

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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.

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

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

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

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

The City also reports the following additional fund types:

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

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

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

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

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

C. Measurement Focus and Basis of Accounting

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

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus

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

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

Basis of Accounting

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

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

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

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

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

D. Cash and Cash Equivalents

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

E. Investments

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

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

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

F. Accounts and Interest Receivable

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Receivables are recorded in the financial statements net of any allowance for doubtful accounts, if applicable, and estimated refunds due. Management records an allowance for doubtful accounts based on historical trends and the periodic aging of receivables. The allowance for doubtful accounts as of June 30, 2024 totaled \$29,327, for business-type activities. There was no allowance for doubtful accounts as of June 30, 2024 for governmental activities. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, grants, fines, interest, and other fees. Federal and state grants are considered receivable and accrued as revenue when reimbursable costs are incurred.

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

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Inventory

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

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

H. Prepaid Expenses

Payments made for services that will benefit periods beyond June 30, 2024 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, right-to-use lease assets with a net present value of greater than 1% of net assets for proprietary funds and the fund balance for governmental funds, and subscription assets with a net present value of greater than 1% of net assets for proprietary funds and the fund balance for governmental funds are capitalized. All capital assets except right-to use lease assets and subscription 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/amortization is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation/amortization reflected in the Statement of Net Position. Depreciation/amortization is provided over the assets' estimated useful lives using the straight-line method. 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
Subscription assets	2 - 5 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.

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2023
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 - June 30, 2023

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.

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Deferred Outflows/Inflows of Resources

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

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

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."

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Leases

Lessor

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

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

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

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

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

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. Subscription-Based Information Technology Arrangements (SBITA)

A SBITA is defined as a contractual agreement that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction.

The City uses various SBITA assets that it contracts through cloud computing arrangements, such as software as a service and platform as a service. The related obligations are presented in amounts equal to the present value of subscription payments, payable during the remaining SBITA term. SBITA assets are reported with other capital assets and SBITA liabilities are reported with long-term debt on the statement of net position.

U. 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.

V. 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.

W. Implementation of Governmental Accounting Standards Board Statements

Effective July 1, 2023, the City implemented the following accounting and financial reporting standards:

Government Accounting Standards Board Statement No. 99

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for guarantees. The City adopted this accounting guidance for its June 30, 2024 year-end.

Government Accounting Standards Board Statement No. 100

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

X. Future Governmental Accounting Standards Board Statements

These statements are not effective until July 1, 2024 or later. The City has not determined the effects on the financial statements.

Government Accounting Standards Board Statement No. 101

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

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government Accounting Standards Board Statement No. 102

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The primary objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. A *concentration* is defined as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A *constraint* is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. The requirements of this statement are effective for the City's fiscal year ending June 30, 2025.

Government Accounting Standards Board Statement No. 103

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this statement are effective for the City's fiscal year ending June 30, 2026.

Government Accounting Standards Board Statement No. 104

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34 and also requires additional disclosures for capital assets held for sale. The requirements of this statement are effective for the City's fiscal year ending June 30, 2026.

NOTE 2: CASH AND INVESTMENTS

Cash and investments as of June 30, 2024 are classified in the accompanying financial statements as follows:

	<u>Cash and Investments</u>	<u>Restricted Cash and Investments</u>	<u>Total</u>
Governmental activities	\$ 153,485,967	\$ 16,228	\$ 153,502,195
Business-type activities	<u>67,150,750</u>	<u>-</u>	<u>67,150,750</u>
Total government-wide cash and investments	<u>220,636,717</u>	<u>16,228</u>	<u>220,652,945</u>
Fiduciary activities	<u>10,067,525</u>	<u>49,410,167</u>	<u>59,477,692</u>
Total cash and investments	<u>\$ 230,704,242</u>	<u>\$ 49,426,395</u>	<u>\$ 280,130,637</u>

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Cash and investments were carried at fair value as of June 30, 2024 and consisted of the following:

Cash on hand	\$ 1,700
Cash in banks	<u>68,689,386</u>
Total cash	<u>68,691,086</u>
Money market funds	19,878,437
U.S. treasury obligations	72,002,695
Government agency securities	6,828,990
Medium term corporate notes	73,591,675
Municipal issues	1,244,616
Local Agency Investment Fund (LAIF)	23,250,009
Held by OPEB trustee:	
Mutual funds	<u>14,643,129</u>
Total investments	<u>211,439,551</u>
Total cash and investments	<u>\$ 280,130,637</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%	10%
Bankers' acceptances	180 days	40%	None
Commercial paper	270 days	25%	10%
Negotiable certificates of deposit	5 years	30%	None
Medium term corporate notes	5 years	30%	None
California local agency obligations	5 years	15%	None
Supranationals	5 years	30%	None
Asset-backed securities	5 years	20%	None

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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.

Following is a description of the valuation methodologies used:

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

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

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

At June 30, 2024, 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	\$ -	\$ 19,878,437	\$ -	\$ 19,878,437
U.S. treasury obligations	-	72,002,695	-	72,002,695
Government agency securities	-	6,828,990	-	6,828,990
Medium term corporate notes	-	73,591,675	-	73,591,675
Municipal issues	-	1,244,616	-	1,244,616
Local Agency Investment Fund Held by OPEB trustee:	-	-	-	23,250,009
Mutual funds	<u>14,643,129</u>	<u>-</u>	<u>-</u>	<u>14,643,129</u>
Total Investments	<u>\$ 14,643,129</u>	<u>\$ 173,546,413</u>	<u>\$ -</u>	<u>\$ 211,439,551</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, 2024

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, 2024:

<u>Investments</u>	<u>Interest Rates</u>	<u>Remaining Maturity</u>		<u>Fair Value</u>
		<u>< 12 months</u>	<u>1-5 years</u>	
Money market funds	0.010%	\$ 19,878,437	\$ -	\$ 19,878,437
U.S. treasury obligations	0.50% - 2.75%	5,804,347	66,198,348	72,002,695
Government agency securities	0.125% - 3.375%	482,130	6,346,860	6,828,990
Medium term corporate notes	0.125% - 3.875%	270,089	73,321,586	73,591,675
Municipal issues	0.56% - 2.05%	-	1,244,616	1,244,616
Local Agency Investment Fund	Variable	23,250,009	-	23,250,009
Held by OPEB trustee:				
Mutual funds	Variable	<u>14,643,129</u>	<u>-</u>	<u>14,643,129</u>
		<u>\$ 64,328,141</u>	<u>\$ 147,111,410</u>	<u>\$ 211,439,551</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, 2024.

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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	\$ 19,878,437	N/A	Not rated	Not rated
U.S. Treasury obligations	70,097,425	N/A	N/A	AAA
U.S. Treasury obligations	1,905,270	N/A	N/R	N/R
Government agency securities	6,828,990	N/A	AA+	AAA
Medium term corporate notes	3,398,373	A	A	A1
Medium term corporate notes	5,609,411	A	A	A2
Medium term corporate notes	4,793,053	A	A-	A1
Medium term corporate notes	2,465,661	A	A-	A2
Medium term corporate notes	5,372,452	A	A-	A3
Medium term corporate notes	592,691	A	A+	A1
Medium term corporate notes	3,094,866	A	A+	A2
Medium term corporate notes	3,347,780	A	A+	AA2
Medium term corporate notes	2,973,274	A	A+	AA3
Medium term corporate notes	1,399,785	A	AA	AA2
Medium term corporate notes	1,150,728	A	AA	A1
Medium term corporate notes	999,820	A	AA-	A1
Medium term corporate notes	2,759,316	A	AA-	AA2
Medium term corporate notes	94,589	A	AA-	AA3
Medium term corporate notes	2,272,916	A	BBB+	A2
Medium term corporate notes	964,300	A	BBB+	BAA1
Medium term corporate notes	3,560,403	A	N/A	AAA
Medium term corporate notes	15,374,110	A	N/A	N/A
Medium term corporate notes	7,496,271	A	AAA	N/A
Medium term corporate notes	6,740	A	N/R	N/A
Medium term corporate notes	2,523,735	A	N/R	N/R
Medium term corporate notes	3,341,401	A	AAA	AAA
Municipal issues	1,244,616	A	AAA	AA1
Local Agency Investment Fund	23,250,009	N/A	Not rated	Not rated
Held by OPEB trustee:				
Mutual funds	<u>14,643,129</u>	N/A	Not rated	Not rated
	<u>\$ 211,439,551</u>			

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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, 2024, 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 Mortgage Corporation	Government agency securities	\$ 15,505,491

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, 2024, the carrying amount of the City's deposits was \$68,689,386 and bank balances were \$67,433,385. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit.

Allocation of Interest Income Among Funds

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

NOTE 3: LEASES RECEIVABLE

The City is reporting leases receivable of \$3,076,568 at June 30, 2024. For the year ended June 30, 2024, the City reported lease revenue of \$122,181 and interest revenue of \$154,158 related to lease payments received.

Buildings and Equipment -

- On January 23, 2007, the City entered into an agreement with Flightline - Rockwell for the lease of a storage container. The lease has a term of 30 years and interest rate of 8.25%.

Cell Tower Site -

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

Airport Property -

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

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3: LEASES RECEIVABLE (CONTINUED)

Future payments due to the City under the non-cancelable agreements are as follows:

Governmental Activities

<u>For the Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 63,548	\$ 128,981	\$ 192,529
2026	67,657	125,803	193,460
2027	71,990	122,418	194,408
2028	76,559	118,817	195,376
2029	81,376	114,988	196,364
2030 - 2034	488,736	508,593	997,329
2035 - 2039	654,507	370,636	1,025,143
2040 - 2044	869,291	186,560	1,055,851
2045	<u>216,253</u>	<u>10,248</u>	<u>226,501</u>
Total	<u>\$ 2,589,917</u>	<u>\$ 1,687,044</u>	<u>\$ 4,276,961</u>

Business-type Activities

<u>For the Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 54,046	\$ 25,206	\$ 79,252
2026	57,516	21,736	79,252
2027	61,240	18,011	79,251
2028	28,251	14,013	42,264
2029	29,493	12,770	42,263
2030 - 2034	168,615	42,704	211,319
2035 - 2036	<u>87,490</u>	<u>5,662</u>	<u>93,152</u>
Total	<u>\$ 486,651</u>	<u>\$ 140,102</u>	<u>\$ 626,753</u>

The City has recorded a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease terms. As of June 30, 2024, the balance of the deferred inflow of resources was \$3,226,906.

NOTE 4: LOANS RECEIVABLE

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

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

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4: LOANS RECEIVABLE (CONTINUED)

Total loans receivable, including accrued interest, net of allowance as of June 30, 2024 are as follows:

	<u>Loans Receivable</u>	<u>Accrued Interest</u>	<u>Allowance</u>	<u>Total Loans Receivable, net</u>
Community development block grants	\$ 228,408	\$ 129,201	\$ -	\$ 357,609
Home investment partnership	979,651	389,255	-	1,368,906
CalHOME	177,003	26,103	-	203,106
Housing Successor Agency	<u>2,358,000</u>	<u>1,531,649</u>	-	<u>3,889,649</u>
Totals	<u>\$ 3,743,062</u>	<u>\$ 2,076,208</u>	<u>\$ -</u>	<u>\$ 5,819,270</u>

NOTE 5: INTERFUND AND INTRA-FUND TRANSACTIONS

Due to/from Other Funds

During the course of operations, transactions occur between funds to account for goods received or services rendered. These receivables and payables are classified as due from or due to other funds. In addition, when funds overdraw their share of pooled cash, the receivables and payables are also classified as due from or due to other funds. The composition of due to/from other funds as of June 30, 2024 was as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Description</u>	<u>Amount</u>
<u>Governmental Funds</u>			
General Fund	Federal Grants	Overdrawn cash	\$ 425,907
General Fund	CDBG-CV	Overdrawn cash	<u>26,861</u>
		Total Governmental Funds	<u>\$ 452,768</u>

The overdrawn cash noted above 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, 2024 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	\$ 4,723,191
Water Connections	Public Facility Element	Capital project funding	June 2026	1,492,383
LPFA Series 2016	Airport	Capital lease refinance	October 2028	<u>661,208</u>
		Total Governmental Funds		<u>\$ 6,876,782</u>
<u>Proprietary Funds</u>				
Solid Waste	Public Facility Element	Capital project funding	June 2028	<u>\$ 523,462</u>
		Total Proprietary Funds		<u>\$ 523,462</u>

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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

Interfund Transfers to/from Other Funds

Transfers between funds during the fiscal year ended June 30, 2024 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	\$ 569,222
General Fund	Special Assessment Districts	Budget	697,965
Public Facility Element (PFE)	LPFA Refunding Series 2016	Debt service	5,344
Special Assessment Districts	LPFA Refunding Series 2016	Debt service	56,121
Gas Tax	LPFA Refunding Series 2016	Debt service	34,741
Street Fund	LPFA Refunding Series 2016	Debt service	30,733
Development Services	LPFA Refunding Series 2016	Debt service	<u>64,138</u>
Total Governmental Interfund Transfers			\$ <u>1,458,264</u>
<u>Proprietary Funds</u>			
Water	LPFA Refunding Series 2016	Debt service	\$ 199,094
Wastewater	LPFA Refunding Series 2016	Debt service	212,456
Solid Waste	LPFA Refunding Series 2016	Debt service	141,637
Airport	General Fund	Debt service	140,683
Airport	LPFA Refunding Series 2016	Debt service	<u>22,715</u>
Total Proprietary Interfund Transfers			\$ <u>716,585</u>

Intra-fund Transfers between Funds

The following table represents intra-fund transfers made during the year ended June 30, 2024:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Description</u>	<u>Amount</u>
Supplemental Fees	General Fund	Annual budget transfer	\$ 316,273
Solid Waste	Solid Waste Capital Improvement	Capital expenses/reserve	<u>1,180,000</u>
Total Intra-fund Transfers			\$ <u>1,496,273</u>

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 6: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024, was as follows:

Governmental Activities:

	<u>Balance at July 1, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance at June 30, 2024</u>
Capital assets not being depreciated/amortized					
Land	\$ 14,470,390	\$ -	\$ -	\$ -	\$ 14,470,390
Easements	242,608	-	-	-	242,608
Construction-in-progress	<u>20,755,040</u>	<u>9,904,790</u>	<u>-</u>	<u>(22,990,121)</u>	<u>7,669,709</u>
Total capital assets not being depreciated/amortized	<u>35,468,038</u>	<u>9,904,790</u>	<u>-</u>	<u>(22,990,121)</u>	<u>22,382,707</u>
Capital assets being depreciated/amortized					
Buildings and improvements	82,982,063	-	-	222,698	83,204,761
Machinery and equipment	10,933,307	1,317,121	(269,605)	-	11,980,823
Infrastructure	464,220,326	-	-	19,527,449	483,747,775
Land improvements	30,792,315	-	-	3,239,974	34,032,289
ROU subscription asset	<u>866,315</u>	<u>99,356</u>	<u>-</u>	<u>-</u>	<u>965,671</u>
Total capital assets being depreciated/amortized	<u>589,794,326</u>	<u>1,416,477</u>	<u>(269,605)</u>	<u>22,990,121</u>	<u>613,931,319</u>
Less accumulated depreciation/amortization					
Buildings and improvements	(28,230,420)	(2,297,361)	-	-	(30,527,781)
Machinery and equipment	(7,589,607)	(1,173,846)	269,605	-	(8,493,848)
Infrastructure	(235,747,540)	(11,937,566)	-	-	(247,685,106)
Land improvements	(13,831,902)	(1,481,512)	-	-	(15,313,414)
ROU subscription asset	<u>(209,885)</u>	<u>(180,922)</u>	<u>-</u>	<u>-</u>	<u>(390,807)</u>
Total accumulated depreciation/amortization	<u>(285,609,354)</u>	<u>(17,071,207)</u>	<u>269,605</u>	<u>-</u>	<u>(302,410,956)</u>
Total capital assets being depreciated/amortized, net	<u>304,184,972</u>	<u>(15,654,730)</u>	<u>-</u>	<u>22,990,121</u>	<u>311,520,363</u>
Total Capital Assets, net	<u>\$ 339,653,010</u>	<u>\$ (5,749,940)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 333,903,070</u>

Depreciation/amortization expense was charged to governmental functions as follows:

Governmental Activities:

General government	\$ 760,564
Public safety	1,019,607
Public works and facilities	14,535,412
Culture and recreation	43,248
Education	466,393
Internal service funds	<u>245,983</u>

Total governmental activities depreciation/amortization expense \$ 17,071,207

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 6: CAPITAL ASSETS (CONTINUED)

Business-type Activities:

	<u>Balance at July 1, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance at June 30, 2024</u>
Capital assets not being depreciated					
Land	\$ 1,549,390	\$ -	\$ -	\$ -	\$ 1,549,390
Easements	42,250	-	-	-	42,250
Construction-in-progress	<u>5,673,000</u>	<u>2,814,003</u>	<u>-</u>	<u>(2,137,710)</u>	<u>6,349,293</u>
Total capital assets not being depreciated	<u>7,264,640</u>	<u>2,814,003</u>	<u>-</u>	<u>(2,137,710)</u>	<u>7,940,933</u>
Capital assets being depreciated					
Buildings and improvements	26,356,615	-	-	-	26,356,615
Machinery and equipment	14,176,613	1,752,479	(686,094)	-	15,242,998
Infrastructure	457,073,624	-	-	2,137,710	459,211,334
Land improvements	1,154,850	-	-	-	1,154,850
ROU subscription asset	<u>-</u>	<u>361,052</u>	<u>-</u>	<u>-</u>	<u>361,052</u>
Total capital assets being depreciated	<u>498,761,702</u>	<u>2,113,531</u>	<u>(686,094)</u>	<u>2,137,710</u>	<u>502,326,849</u>
Less accumulated depreciation					
Buildings and improvements	(15,287,705)	(487,745)	-	-	(15,775,450)
Machinery and equipment	(7,631,847)	(1,333,036)	392,819	(810)	(8,572,874)
Infrastructure	(150,803,124)	(8,410,603)	-	-	(159,213,727)
Land improvements	(681,235)	(59,699)	-	810	(740,124)
ROU subscription asset	<u>-</u>	<u>(24,070)</u>	<u>-</u>	<u>-</u>	<u>(24,070)</u>
Total accumulated depreciation	<u>(174,403,911)</u>	<u>(10,315,153)</u>	<u>392,819</u>	<u>-</u>	<u>(184,326,245)</u>
Total capital assets being depreciated, net	<u>324,357,791</u>	<u>(8,201,622)</u>	<u>(293,275)</u>	<u>2,137,710</u>	<u>318,000,604</u>
Total Capital Assets, net	<u>\$ 331,622,431</u>	<u>\$ (5,387,619)</u>	<u>\$ (293,275)</u>	<u>\$ -</u>	<u>\$ 325,941,537</u>

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

Business-type Activities:

Water	\$ 4,007,252
Wastewater	5,407,332
Solid Waste	641,677
Airport	214,110
Transit	<u>44,782</u>

Total business-type activities depreciation/amortization expense \$ 10,315,153

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 7: UNEARNED REVENUE

At June 30, 2024, components of unearned revenue were as follows:

	Amount
<u>Governmental Funds</u>	
General Fund	
ARPA advance	\$ 5,500,477
California high speed broadband grant advance	3,410
Officer wellness and mental health grant advance	9,147
Non Major Governmental Funds	
ARPA advance	1,543,406
Total Governmental Funds	\$ 7,056,440
 <u>Proprietary Funds</u>	
Solid Waste	
Beverage Container Recycling Program advance	\$ 156,981
Total Proprietary Funds	\$ 156,981

NOTE 8: LONG-TERM LIABILITIES

A. Governmental Activities

Governmental activities long-term debt issued and outstanding at June 30, 2024 was comprised of the following:

Type of Indebtedness	Maturity	Interest Rates	Authorized and Issued	Outstanding June 30, 2024
LPFA Refunding Bonds Series 2016A	2037	5.69-6.12%	\$ 18,296,066	\$ 11,065,000
Bond issuance premiums (discounts) Series 2016A net premium				748,785
Financed purchases			1,946,900	670,001
Subscription (SBITA) liability			1,140,246	534,138
Compensated absences				3,237,226
Total Governmental Activities				\$ 16,255,150

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8: LONG-TERM LIABILITES (CONTINUED)

The following is a summary of changes in the City's governmental long-term liabilities for the fiscal year ended June 30, 2024:

	<u>Balance at July 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2024</u>	<u>Current Portion</u>
Governmental Activities:					
Bonds, financed purchases, and SBITAs payable:					
LPFA Refunding Bonds					
Series 2016A	\$ 12,110,000	\$ -	\$ (1,045,000)	\$ 11,065,000	\$ 1,085,000
Premium (discount) on bonds, net	808,791	-	(60,006)	748,785	60,006
Financed purchases	912,629	-	(242,628)	670,001	182,018
Subscription (SBITA) liability	<u>679,352</u>	<u>90,049</u>	<u>(235,263)</u>	<u>534,138</u>	<u>217,791</u>
 Total bonds, financed purchases, and SBITAs payable	 <u>14,510,772</u>	 <u>90,049</u>	 <u>(1,582,897)</u>	 <u>13,017,924</u>	 <u>1,544,815</u>
 Other liabilities:					
Compensated absences	<u>2,824,074</u>	<u>2,808,690</u>	<u>(2,395,538)</u>	<u>3,237,226</u>	<u>2,589,781</u>
 Total Governmental Activities	 <u>\$ 17,334,846</u>	 <u>\$ 2,898,739</u>	 <u>\$ (3,978,435)</u>	 <u>\$ 16,255,150</u>	 <u>\$ 4,134,596</u>

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

A description of the long-term liabilities related to governmental activities at June 30, 2024 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.

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8: LONG-TERM LIABILITES (CONTINUED)

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

<u>For the Year Ending June 30,</u>	<u>2016A</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 1,085,000	\$ 389,538
2026	1,125,000	345,338
2027	1,175,000	299,338
2028	1,220,000	251,438
2029	1,125,000	204,538
2030 - 2034	3,170,000	615,465
2035 - 2037	<u>2,165,000</u>	<u>105,218</u>
Total	<u>\$ 11,065,000</u>	<u>\$ 2,210,873</u>

Premium/Discount on Bonds

Net capitalized premiums (discount) on bonds related to the above issuances have been recorded in the amount of \$748,785 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, 2024 totaled \$60,006.

Financed Purchases

In July 2018, the City entered into a financed purchase agreement with US Bancorp Government Leasing and Finance, Inc. in the initial amount of \$1,337,394 for the purchase of fire trucks. Principal and interest payments of \$157,586 are due annually until February 2028. Interest on the financed purchase agreement is 3.43%. At June 30, 2024, equipment, net of accumulated depreciation under the financed purchase agreement totaled \$658,716.

In September 2021, the City entered into a financed purchase agreement with KS State Bank. in the initial amount of \$220,000 for the purchase of police vehicles. Principal and interest payments of \$47,242 are due annually until January 2026. Interest on the financed purchase agreement is 3.28%. At June 30, 2024, equipment, net of accumulated depreciation under the financed purchase agreement totaled \$10,577.

Future debt service payments on the agreements are as follows:

<u>For the Year Ending June 30,</u>	<u>Principal</u>		<u>Interest</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 182,018	\$ 22,809		
2026	188,206	16,622		
2027	147,362	10,225		
2028	<u>152,415</u>	<u>5,170</u>		
Total	<u>\$ 670,001</u>	<u>\$ 54,826</u>		

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8: LONG-TERM LIABILITES (CONTINUED)

Subscriptions (SBITAs)

The City has entered into SBITAs involving various software subscriptions. The total of the City's SBITA assets are recorded at a cost of \$965,671 less accumulated amortization of \$390,807.

Future debt service payments on the SBITAs are as follows:

<u>For the Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 217,791	\$ 19,444
2026	159,739	10,950
2027	152,575	5,609
2028	<u>4,033</u>	<u>506</u>
Total	<u>\$ 534,138</u>	<u>\$ 36,509</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>
2025	\$ 1,484,809	\$ 431,791
2026	1,472,945	372,910
2027	1,474,937	315,172
2028	1,376,448	257,114
2029	1,125,000	204,538
2030 - 2034	3,170,000	615,465
2035 - 2038	<u>2,165,000</u>	<u>105,218</u>
Total	<u>\$ 12,269,139</u>	<u>\$ 2,302,208</u>

B. Business-type Activities

Business-type activities long-term debt issued and outstanding at June 30, 2024 was comprised of the following:

<u>Type of Indebtedness</u>	<u>Outstanding June 30, 2024</u>
Subscription (SBITA) liability	\$ 273,931
Compensated absences	<u>538,037</u>
Total Business-type Activities	<u>\$ 811,968</u>

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8: 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, 2024:

	<u>Balance at July 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2024</u>	<u>Current Portion</u>
Business-Type Activities:					
Subscription (SBITA) liability	\$ -	\$ 327,232	\$ (53,301)	\$ 273,931	\$ 55,852
Other liabilities:					
Compensated absences	467,541	491,269	(420,773)	538,037	430,430
Postclosure	<u>35,339</u>	<u>-</u>	<u>(35,339)</u>	<u>-</u>	<u>-</u>
Total Business-Type Activities	\$ <u>502,880</u>	\$ <u>818,501</u>	\$ <u>(509,413)</u>	\$ <u>811,968</u>	\$ <u>486,282</u>

Subscriptions (SBITAs)

The City has entered into SBITAs involving various software subscriptions. The total of the City's SBITA assets are recorded at a cost of \$361,052 less accumulated amortization of \$24,070.

Future debt service payments on the SBITAs are as follows:

	<u>For the Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2025		\$ 55,852	\$ 6,333
2026		66,026	5,042
2027		72,527	3,516
2028		<u>79,526</u>	<u>1,839</u>
Total		<u>\$ 273,931</u>	<u>\$ 16,730</u>

Postclosure

The City of Lincoln had postclosure responsibility for one closed landfill site. State and federal laws and regulations required 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 the postclosure liability has been paid off as of June 30, 2024.

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 9: SPECIAL ASSESSMENT DEBT WITH NO CITY COMMITMENT

The City reports the debt service transactions of various special assessment issues for which the City is not obligated in any manner, in Custodial funds. The debt will be paid from and is secured solely by the revenues of these special assessment districts and does not constitute an indebtedness of the City. At June 30, 2024, 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, 2024</u>
Refunding Bond, Series 2011A Twelve Bridges Series 2004	Twelve Bridges	\$ 28,305,000	\$ 5,465,000
Refunding Bond, Series 2011B Twelve Bridges Series 2004	Twelve Bridges	13,495,000	2,806,000
Special Tax Refunding Bonds 2018 CFD Lincoln Crossing Project Series 2018	Lincoln Crossing	64,470,000	51,495,000
Special Tax Refunding Bonds, Series 2021 Lakeside Series 2021 Refunding	Lakeside	4,510,000	4,145,000
Special Tax Revenue Bonds, Series 2013 CFD Sorrento Series 2013	Sorrento Project	5,165,000	1,170,000
Special Tax Revenue Bonds, Series 2014 CFD Sorrento Series 2014	Sorrento Project	5,680,000	5,530,000
Special Tax Revenue Bonds, Series 2017 CFD Lakeside Series 2006-1	Lakeside	6,235,000	4,960,000
Special Tax Revenue Bonds, Series 2016 CFD Sorrento Series 2005-1	Sorrento Project	8,860,000	8,135,000
Special Tax Revenue Bonds, Series 2017 CFD Foskett Ranch 2017-1	Foskett Ranch Independence at	2,975,000	2,100,000
Special Tax Bonds, Series 2022 CFD 2019-1	Lincoln	13,225,000	<u>13,105,000</u>
			<u>\$ 98,911,000</u>

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10: FUND BALANCE

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

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

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

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

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

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

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

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

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10: FUND BALANCE (CONTINUED)

The fund balances for all major and nonmajor governmental funds as of June 30, 2024, were distributed as follows:

	<u>General Fund</u>	<u>Public Facility Element (PFE)</u>	<u>Water Connections</u>	<u>Special Assessment Districts</u>	<u>Develop- ment Services</u>	<u>Low/ Moderate Income Housing</u>	<u>Non-Major Govern- mental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable								
Prepaid items	\$ 695,431	\$ -	\$ 40,000,000	\$ 26,073	\$ 37,661	\$ -	\$ 34,764	\$ 40,793,929
Advances to other funds	4,723,191	-	-	-	-	-	-	4,723,191
Endowments - principal	-	-	-	-	-	-	356,659	356,659
Total Nonspendable	<u>5,418,622</u>	<u>-</u>	<u>40,000,000</u>	<u>26,073</u>	<u>37,661</u>	<u>-</u>	<u>391,423</u>	<u>45,873,779</u>
Restricted								
Public facility improvements	-	35,907,413	-	-	-	-	-	35,907,413
Water capacity expansion	-	-	17,213,232	-	-	-	-	17,213,232
Public improvements and maintenance	-	-	-	16,796,060	-	-	-	16,796,060
Parks and recreation	-	-	-	-	-	-	1,635,612	1,635,612
Streets and roads	-	-	-	-	-	-	10,282,490	10,282,490
Grants	-	-	-	-	-	-	49,953	49,953
Debt service	-	-	-	-	-	-	2,808,089	2,808,089
Loan programs	-	-	-	-	-	-	2,849,350	2,849,350
Capital projects	-	-	-	-	-	-	3,144,403	3,144,403
Housing	-	-	-	-	-	1,725,112	-	1,725,112
Oak tree replacement	-	-	-	-	-	-	421,533	421,533
Mandated training fee	-	-	-	-	-	-	-	-
Endowments - open space preservation	-	-	-	-	-	-	206,969	206,969
Total Restricted	<u>-</u>	<u>35,907,413</u>	<u>17,213,232</u>	<u>16,796,060</u>	<u>-</u>	<u>1,725,112</u>	<u>21,398,399</u>	<u>93,040,216</u>
Committed								
Operating reserve	6,760,956	-	-	-	-	-	-	6,760,956
Capital replacement	1,009,548	-	-	-	-	-	-	1,009,548
Total Committed	<u>7,770,504</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,770,504</u>
Assigned								
Fees for future improvements	-	-	-	-	19,535,178	-	-	19,535,178
Total Assigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,535,178</u>	<u>-</u>	<u>-</u>	<u>19,535,178</u>
Unassigned	<u>17,173,545</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(272,561)</u>	<u>16,900,984</u>
Total Fund Balance	<u>\$ 30,362,671</u>	<u>\$ 35,907,413</u>	<u>\$ 57,213,232</u>	<u>\$ 16,822,133</u>	<u>\$ 19,572,839</u>	<u>\$ 1,725,112</u>	<u>\$ 21,517,261</u>	<u>\$ 183,120,661</u>

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11: DEFICIT FUND BALANCE / UNRESTRICTED NET POSITION

Governmental Funds

As of June 30, 2024, the following governmental fund had a fund balance deficit:

Governmental Fund	Amount
Federal Grants	\$ 272,561

The deficit in the Federal Grants fund of \$272,561 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, 2024, the following proprietary fund had a negative unrestricted net position:

Proprietary Fund	Amount
Airport	\$ 4,942,890

The Airport fund had a negative unrestricted net position of \$4,942,890. 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 Pension 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, 2024

NOTE 12: DEFINED BENEFIT PENSION PLAN (CONTINUED)

The rate plan's provisions and benefits in effect at June 30, 2024, 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 Rate	8.00%	7.00%	6.75%
Required Employer Contribution Rate	15.95%	10.01%	7.68%
Required UAL Contribution	\$1,510,714	\$12,823	\$-

	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 Rate	9.00%	13.00%	13.00%
Required Employer Contribution Rate	25.65%	13.54%	13.54%
Required UAL Contribution	\$769,775	\$-	\$-

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, 2024 were \$4,500,524.

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

As of June 30, 2024, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$31,814,111. \$24,753,668 of the liability is reported in governmental activities and \$7,060,443 of the liability is reported in business-type activities.

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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, 2023, 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, 2022 rolled forward to June 30, 2023 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, 2022 and 2023 was as follows:

Proportion - June 30, 2022	0.25046%
Proportion - June 30, 2023	0.25502%
Change - Increase	0.00456%

For the year ended June 30, 2024, the City recognized pension expense of \$5,996,878. At June 30, 2024, 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	\$ 4,500,524	\$ -
Changes of assumptions	1,894,519	-
Differences between actual and expected experience	1,916,354	230,746
Differences between projected and actual investment earnings	4,824,336	-
Differences between employer's contributions and proportionate share of contributions	197,607	888,129
Change in employer's proportion	<u>1,337,671</u>	<u>746,034</u>
Total	<u>\$ 14,671,011</u>	<u>\$ 1,864,909</u>

\$4,500,524 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, 2025. 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>
2025	\$ 2,524,167
2026	1,762,878
2027	3,881,489
2028	137,044

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 12: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions

The total pension liabilities in the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	6.90% 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 2.30% until purchasing power protection allowance floor on purchasing power applies

(1) The mortality table used was developed based on CalPERS' specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report available on CalPERS website.

Changes in Assumptions

There were no changes of assumptions for the June 30, 2022 valuation date.

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term Expected Rate of Return

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. 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 next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 12: DEFINED BENEFIT PENSION PLAN (CONTINUED)

The table below reflects real rates of return by asset class.

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1-10 (a,b)</u>
Global Equity - Cap-weighted	30.0%	4.45%
Global Equity - Non Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	(5.0%)	(0.59%)

(a) An expected inflation of 2.3% used for this period

(b) Figures are based on the 2021 Asset Liability Management study.

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

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

	<u>Discount Rate -1%</u> <u>(5.90%)</u>	<u>Current Discount Rate</u> <u>(6.90%)</u>	<u>Discount Rate +1%</u> <u>(7.90%)</u>
Net Pension Liability	\$ 48,990,069	\$ 31,814,111	\$ 17,719,944

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, 2024

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 2024 State Formula monthly dollar amounts are \$983 single, \$1,890 two-party, and \$2,366 family. 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, 2023 measurement period, membership consisted of the following:

Active plan members	192
Inactive plan members or beneficiaries currently receiving benefit payments	77
Inactive plan members entitled to, but not yet receiving benefits	<u>19</u>
Total	<u><u>288</u></u>

Contributions

The contribution requirements of plan members and the City are established and may be amended by the City Council. The required contribution is based on projected pay-as-you-go financing requirements. Total contributions for the year ended June 30, 2024 were \$2,835,028

Net OPEB Liability

The City's net OPEB liability ("NOL") was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The total OPEB liability was determined using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Funding Method	Entry Age Normal Cost, level percent of pay
Long Term Return on Assets	6.00%, net of plan investment expenses and including inflation
Discount Rate	5.70%
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	6.00%, net of OPEB plan investment expense
Healthcare Cost Trend Rate	6.5% in 2025, grading down to 3.9% by 2075

Mortality rates were the published CalPERS rates, adjusted to back out 15 years of Scale MP 2016 to central year 2015 and then projected based on MacLeod Watts Scale 2022 applied generationally from 2017.

Demographic actuarial assumptions used in the June 30, 2023 valuation were based on the CalPERS 2021 Experience Study report issued in November 2021.

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 13: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Changes in Assumptions

In the June 30, 2023 valuation, the long-term return on assets was adjusted to 6.00% and the discount rate was adjusted to 5.70%.

Expected Long-term Return on Trust Assets

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

<u>Asset Class/Investment</u>	<u>Geometric Return</u>	<u>Volatility</u>	<u>Correlation Matrix</u>			
			<u>Domestic Equity</u>	<u>Fixed Income</u>	<u>International Equity</u>	<u>Real Assets</u>
Domestic Equity	8.30 %	14.90 %	100.00 %	22.00 %	58.00 %	69.00 %
Fixed Income	3.80 %	5.20 %	22.00 %	100.00 %	15.00 %	20.00 %
International Equity	7.20 %	15.40 %	58.00 %	15.00 %	100.00 %	52.00 %
Real Assets	6.10 %	12.30 %	69.00 %	20.00 %	52.00 %	100.00 %

The given geometric returns were increased upward 75 bps to adjust the inflation assumption used to develop the projected returns from 2.4% to the 2.5% inflation assumption. 50 bps was then subtracted to account for assumed trust investment fees. The target allocation and estimates of geometric returns for each major asset class and the portfolio are summarized in the table below:

<u>Asset Class/Investment</u>	<u>Target Allocation</u>	<u>Net Geometric Return</u>
Domestic Equity	34.00%	7.90%
Fixed Income	39.00%	3.40%
International Equity	18.36%	6.80%
Real Assets	8.64%	5.70%

Discount Rate

GASB 75 requires a discount rate that reflects the following:

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

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

<u>Reporting Date</u>	<u>Measurement Date</u>	<u>Long-Term Expected Return of Plan Investments (if any)</u>	<u>Discount Rate</u>
June 30, 2023	June 30, 2023	6.00%	5.70%

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 13: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

<u>Changes in the Net OPEB Liability</u>	<u>Total OPEB Liability</u> <u>(a)</u>	<u>Plan Fiduciary Net Position</u> <u>(b)</u>	<u>Net OPEB Liability/(Asset)</u> <u>(c) = (a) - (b)</u>
Balance June 30, 2022 (measurement date)	\$ 32,211,197	\$ 9,131,445	\$ 23,079,752
Service cost	1,287,049	-	1,287,049
Interest cost	2,026,106	-	2,026,106
Employer contributions	-	2,588,311	(2,588,311)
Net investment income	-	606,170	(606,170)
Change due to investment experience	-	236,186	(236,186)
Plan experience	678,170	-	678,170
Changes of assumptions	308,078	-	308,078
Benefit payments	(1,106,878)	(1,106,878)	-
Administrative expense	-	(31,493)	31,493
Net change during 2021-22	<u>3,192,525</u>	<u>2,292,296</u>	<u>900,229</u>
Balance at June 30, 2023 (measurement date)	<u>\$ 35,403,722</u>	<u>\$ 11,423,741</u>	<u>\$ 23,979,981</u>
Plan fiduciary net position as a percentage of the total OPEB liability			32.27 %

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</u> <u>(5.00%)</u>	<u>Current Discount Rate</u> <u>(6.00%)</u>	<u>1% Increase</u> <u>(7.00%)</u>
Net OPEB Liability	\$ <u>28,947,567</u>	\$ <u>23,979,981</u>	\$ <u>9,898,347</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</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Net OPEB Liability	\$ <u>19,368,732</u>	\$ <u>23,979,981</u>	\$ <u>29,709,418</u>

CITY OF LINCOLN
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2024

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, 2024, the City recognized OPEB expense of \$4,028,362. As of fiscal year ended June 30, 2024, 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	\$ 2,835,028	\$ -
Changes of assumptions	3,145,899	1,371,634
Differences between expected and actual experience	1,676,290	1,708,629
Net difference between projected and actual return on investments	998,147	-
Total	\$ 8,655,364	\$ 3,080,263

\$2,835,028 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
2025	\$ 1,282,657
2026	1,253,056
2027	741,500
2028	(619,773)
2029	(222,662)
Thereafter	305,295

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, 2024, the nonspendable amount was \$356,659 and the spendable amount was \$206,969.

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, 2024

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 \$724,256 is recorded in the funds as prepaid insurance. The net change is shown as an income or expenditure/expense item in the funds.

NOTE 16: EXCESS EXPENDITURES AND TRANSFERS OVER APPROPRIATIONS

The following funds incurred expenditures and transfers in excess of appropriations in the following amounts for the year ended June 30, 2024:

Fund	Excess Expenditures and Transfers
Low/Moderate Income Housing	\$ 1,034
Revitalization and Rehabilitation Loans	550

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

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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, 2024, the City had construction contracts outstanding of approximately \$1,019,492 related to various capital projects.

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, 2024, the remaining balance due to JMC was \$2,630,516. City management considers the amount owed to be contingent on certain future events and therefore has not recorded a liability on the statement of fiduciary net position.

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

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

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

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 17: CONTINGENCIES AND COMMITMENTS (CONTINUED)

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, 2024, the remaining balance due to JMC was \$1,382,364. City management considers the amount owed to be contingent on certain future events and therefore has not recorded a liability on the statement of fiduciary net position.

Del Webb/Pulte Critical Facilities Fees

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

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

In 2012, the Del Webb developer agreement was terminated and replaced by an agreement with Pulte Home Corporation. At that time, the balance due to Pulte for the remaining PFE credits was \$2,692,290 and an additional \$270,457.50 was due for wastewater interceptor oversizing. As of June 30, 2024, the balance due to the developer was \$1,158,443 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: SPECIAL ITEM

Disposal of Operations

On November 30, 2022, the City transferred the assets and liabilities comprising its wastewater treatment and reclamation facility (WWTRF) to the Lincoln-SMD1 Wastewater Authority (LiSWA) for the purpose of establishing a new public agency that will jointly and continuously provide the essential public service of wastewater conveyance, treatment, and disposal for properties located within the City and SMD-1. As a result of the transfer, the City recognized a loss of \$4,937 for the remainder of the disposal of its WWTRF as a special item.

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

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

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the Successor Agency Trust under the requirements of the Bill. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City. Amounts owed to the City are included in Advances to Successor Agency and consisted of \$2,192,892 due to the Water Connections fund.

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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

Capital assets activity for the year ended June 30, 2024, was as follows:

	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2024</u>
Capital assets, not being depreciated				
Land	\$ 2,544,731	\$ -	\$ -	\$ 2,544,731
Total capital assets, not being depreciated	<u>2,544,731</u>	<u>-</u>	<u>-</u>	<u>2,544,731</u>
Capital assets, net	<u>\$ 2,544,731</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,544,731</u>

The following is a summary of changes in long-term liabilities for the year ended June 30, 2024:

	<u>Balance at July 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2024</u>	<u>Current Portion</u>
Tax Allocation Refunding					
Series 2016A	\$ 4,105,000	\$ -	\$ (805,000)	\$ 3,300,000	\$ 845,000
Premium (discount) on bonds, net	<u>243,622</u>	<u>-</u>	<u>(23,202)</u>	<u>220,420</u>	<u>23,202</u>
Total Long-Term Liabilities	<u>\$ 4,348,622</u>	<u>\$ -</u>	<u>\$ (828,202)</u>	<u>\$ 3,520,420</u>	<u>\$ 868,202</u>

A description of the long-term liabilities related to the Successor Agency at June 30, 2024 follows:

Tax Allocation Refunding Bonds Series 2016 A&B

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

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

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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

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

<u>For the Year Ending June 30,</u>	<u>2016A</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 845,000	\$ 117,431
2026	885,000	74,181
2027	715,000	41,331
2028	110,000	28,888
2029	115,000	25,229
2030 - 2034	<u>630,000</u>	<u>60,978</u>
Total	<u>\$ 3,300,000</u>	<u>\$ 348,038</u>

NOTE 20: PRIOR PERIOD ADJUSTMENT AND CHANGE WITHIN FINANCIAL REPORTING ENTITY

Prior Period Adjustment

In 2024, the City determined the following items had been incorrectly recorded in a prior year:

1. Governmental activities and governmental fund expenditures were recorded in an incorrect fund;
2. Governmental activities and governmental fund revenues were not recorded in the proper period;
3. Business-type activities and enterprise fund revenues were not recorded in the proper period.
4. Fiduciary fund expenditures were incorrectly recorded.

Governmental activities and business-type activities prior period adjustment was recorded by the City, effectively increasing net position as of July 1, 2023 due to the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Correction of expenditures	\$ 8,346,951	\$ -
Correction of revenues	<u>100,227</u>	<u>295,055</u>
Total prior period restatement	<u>\$ 8,447,178</u>	<u>\$ 295,055</u>

Governmental funds prior period adjustment was recorded by the City, effectively increasing fund balance as of July 1, 2023 due to the following:

Public Facility Element (PFE)	\$ 8,346,951
Development Services	<u>100,227</u>
Total governmental funds prior period restatement	<u>\$ 8,447,178</u>

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 20: PRIOR PERIOD ADJUSTMENT (CONTINUED)

Enterprise funds prior period adjustment was recorded by the City, effectively increasing net position in the Wastewater and Airport funds as of July 1, 2023 by a total of \$295,055. The net increase resulted from the following:

Wastewater	\$	263,055
Airport		<u>32,000</u>
Total enterprise funds prior period restatement	\$	<u><u>295,055</u></u>

Fiduciary funds prior period adjustment was recorded by the City, effectively decreasing net position as of June 30, 2023 by \$8,346,951.

Change Within Financial Reporting Entity

For June 30, 2024, the City implemented GASB Statement No. 100, *Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62*. These changes were incorporated in the financial statements and the effect on the beginning fund balance of the fund financial statements is shown below.

	<u>Special Assessment Districts</u>	<u>Other Governmental Funds</u>
Fund Balances - July 1, 2023, as previously presented	\$ -	\$ 36,345,415
Change from nonmajor fund to major fund	<u>13,218,024</u>	<u>(13,218,024)</u>
Fund Balances - July 1, 2023, adjusted	<u><u>\$ 13,218,024</u></u>	<u><u>\$ 23,127,391</u></u>

NOTE 21: SUBSEQUENT EVENTS

New Solar Lease

In July 2024, the City executed a 20-year term equipment lease/purchase agreement and an escrow and account control agreement with Banc of America Public Capital Corporation for an Energy Conservation Project for a total of \$11,050,000. In July 2024, the City executed an Energy Services Master Agreement with SiteLogIQ* including the approval of two energy conservation work orders for a total of \$10,521,263. The energy conservation projects include installation of solar arrays at 6 locations and installation of HVAC upgrades and has an 18-month construction schedule. The project generates net savings in years 2 - 20 with a total projected savings of over \$1.5 million and a total projected savings over 30-years of \$20 million.

Pension Section 115 Trust Account

On August 27, 2024, City Council adopted the PARS Public Agency Post-Employment Benefit Section 115 Trust as administered by U.S. Bank. This trust will be used to begin to address the City CalPERS Unfunded Accrued Liability (UAL) with an initial lump sum deposit.

Management has evaluated subsequent events through January 22, 2025 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, 2024
Last 10 Years

	Measurement Period				
	2023	2022	2021	2020	2019
Proportion of the net pension liability	0.25502 %	0.25046 %	0.24620 %	0.22617 %	0.22051 %
Proportionate share of the net pension liability	\$31,814,111	\$28,929,618	\$13,315,051	\$24,608,405	\$22,596,016
Covered payroll	\$16,856,371	\$14,436,812	\$13,343,483	\$13,246,028	\$12,523,804
Proportionate share of the net pension liability as a percentage of covered payroll	188.74 %	200.39 %	99.79 %	185.78 %	180.42 %
Plan fiduciary net position as a percentage of the total pension liability	76.21 %	76.68 %	88.30 %	75.10 %	75.30 %

Notes to Schedule:

Changes in assumptions. In 2023, there were no changes in assumptions. In 2022, the accounting discount rate was reduced from 7.15% to 6.90%. In 2021, 2020 and 2019, there were no changes in assumptions. In 2018, assumptions for individual salary increases and overall payroll growth are reduced from 3.00 percent to 2.75 percent. In 2017, the discount rate was lowered from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

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, 2024
 Last 10 Years

	Measurement Period				
	2018	2017	2016	2015	2014
Proportion of the net pension liability	0.21781 %	0.21651 %	0.21666 %	0.22580 %	0.22100 %
Proportionate share of the net pension liability	\$20,988,366	\$21,472,079	\$18,748,220	\$15,498,852	\$13,410,759
Covered payroll	\$12,408,728	\$11,448,542	\$11,091,872	\$ 9,853,264	\$ 9,416,587
Proportionate share of the net pension liability as a percentage of covered payroll	169.14 %	187.55 %	169.03 %	157.30 %	142.42 %
Plan fiduciary net position as a percentage of the total pension liability	73.69 %	73.29 %	74.06 %	78.40 %	79.82 %

CITY OF LINCOLN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS
Prepared for the City's Miscellaneous and Safety Plan, a Cost Sharing Defined Benefit Pension Plan
As of June 30, 2024
Last 10 Years

	Fiscal Year-End				
	2024	2023	2022	2021	2020
Contractually required contribution (actuarially determined)	\$ 4,500,524	\$ 4,115,514	\$ 3,597,502	\$ 3,286,549	\$ 2,951,400
Contributions in relation to the actuarially determined contributions	<u>4,500,524</u>	<u>4,115,514</u>	<u>3,597,502</u>	<u>3,286,549</u>	<u>2,951,400</u>
Contribution deficiency (excess)	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>
Covered payroll	\$19,560,322	\$16,856,371	\$14,436,812	\$13,343,483	\$13,246,028
Contributions as a percentage of covered payroll	23.01 %	24.42 %	24.92 %	24.63 %	22.28 %

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, 2024
Last 10 Years

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

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total OPEB liability				
Service cost	\$ 1,287,049	\$ 1,249,562	\$ 1,351,867	\$ 1,312,491
Interest	2,026,106	1,898,945	1,965,766	1,838,522
Actual vs. expected experience	678,170	-	(2,850,248)	-
Changes of assumptions	308,078	-	(2,288,095)	-
Benefit payments	<u>(1,106,878)</u>	<u>(1,129,799)</u>	<u>(1,054,899)</u>	<u>(938,156)</u>
Net change in total OPEB liability	3,192,525	2,018,708	(2,875,609)	2,212,857
Total OPEB liability, beginning	<u>32,211,197</u>	<u>30,192,489</u>	<u>33,068,098</u>	<u>30,855,241</u>
Total OPEB liability, ending (a)	<u>\$ 35,403,722</u>	<u>\$ 32,211,197</u>	<u>\$ 30,192,489</u>	<u>\$ 33,068,098</u>
Plan fiduciary net position				
Contributions - employer	\$ 2,588,311	\$ 2,829,392	\$ 2,838,692	\$ 1,918,161
Net investment income	842,356	(2,151,414)	1,704,885	170,678
Benefit payments	(1,106,878)	(1,129,799)	(1,054,899)	(938,156)
Administrative expenses	<u>(31,493)</u>	<u>(30,751)</u>	<u>(21,933)</u>	<u>(15,990)</u>
Net change in plan fiduciary net position	2,292,296	(482,572)	3,466,745	1,134,693
Plan fiduciary net position, beginning	<u>9,131,445</u>	<u>9,614,017</u>	<u>6,147,272</u>	<u>5,012,579</u>
Plan fiduciary net position, ending (b)	<u>\$ 11,423,741</u>	<u>\$ 9,131,445</u>	<u>\$ 9,614,017</u>	<u>\$ 6,147,272</u>
Net OPEB liability, ending (a) - (b)	<u>\$ 23,979,981</u>	<u>\$ 23,079,752</u>	<u>\$ 20,578,472</u>	<u>\$ 26,920,826</u>
Plan fiduciary net position as a percentage of the total OPEB liability	32.27 %	28.35 %	31.84 %	18.59 %
Covered-employee payroll	\$ 19,926,982	\$ 17,459,086	\$ 15,553,955	\$ 15,063,799
Net OPEB liability as a percentage of covered-employee payroll	120.34 %	132.19 %	132.30 %	178.71 %

Notes to Schedule:

Changes of assumptions: In the June 30, 2023 valuation, the long-term return on assets was adjusted to 6.00% and the discount rate was adjusted to 5.70%. In the June 30, 2021 valuation, the long-term return on assets was adjusted to 6.15% and the discount rate was adjusted to 5.85%. The discount rate was changed from 7.00 percent to 5.80 percent for the measurement period ended June 30, 2019.

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

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability			
Service cost	\$ 458,435	\$ 458,434	\$ 428,445
Interest	1,268,915	1,170,689	1,108,069
Actual vs. expected experience	3,219,910	-	-
Changes of assumptions	8,596,918	-	-
Benefit payments	<u>(715,734)</u>	<u>(642,049)</u>	<u>(641,837)</u>
Net change in total OPEB liability	12,828,444	987,074	894,677
Total OPEB liability, beginning	<u>18,026,797</u>	<u>17,039,723</u>	<u>16,145,046</u>
Total OPEB liability, ending (a)	<u>\$ 30,855,241</u>	<u>\$ 18,026,797</u>	<u>\$ 17,039,723</u>
Plan fiduciary net position			
Contributions - employer	\$ 1,680,769	\$ 1,387,317	\$ 641,837
Net investment income	263,013	232,736	265,305
Benefit payments	(715,734)	(642,049)	(641,837)
Administrative expenses	<u>(13,083)</u>	<u>(32,510)</u>	<u>(31,048)</u>
Net change in plan fiduciary net position	1,214,965	945,494	234,257
Plan fiduciary net position, beginning	<u>3,797,614</u>	<u>2,852,120</u>	<u>2,617,863</u>
Plan fiduciary net position, ending (b)	<u>\$ 5,012,579</u>	<u>\$ 3,797,614</u>	<u>\$ 2,852,120</u>
Net OPEB liability, ending (a) - (b)	<u>\$ 25,842,662</u>	<u>\$ 14,229,183</u>	<u>\$ 14,187,603</u>
Plan fiduciary net position as a percentage of the total OPEB liability	16.25 %	21.07 %	16.74 %
Covered-employee payroll	\$ 14,551,020	\$ 14,446,929	\$ 13,889,533
Net OPEB liability as a percentage of covered-employee payroll	177.60 %	98.49 %	102.15 %

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Actuarially Determined Contribution (ADC)	\$ 2,774,394	\$ 2,693,586	\$ 2,973,969	\$ 2,887,227
Contributions in relation to the ADC	<u>(2,835,028)</u>	<u>(2,588,311)</u>	<u>(2,829,392)</u>	<u>(2,838,692)</u>
Contribution deficiency (excess)	<u>\$ (60,634)</u>	<u>\$ 105,275</u>	<u>\$ 144,577</u>	<u>\$ 48,535</u>
Covered-employee payroll	\$ 23,197,469	\$ 19,926,982	\$ 17,459,086	\$ 15,553,955
Contributions as a percentage of covered- employee payroll	12.22%	12.99%	16.21%	18.25%

* Schedule is intended to show information for ten years. Fiscal year 2018 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 OPEB CONTRIBUTIONS (CONTINUED)
For the Fiscal Year Ended June 30
Last 10 Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially Determined Contribution (ADC)	\$ 1,918,161	\$ 1,291,605	\$ 1,222,832
Contributions in relation to the ADC	<u>(1,918,161)</u>	<u>(1,680,769)</u>	<u>(1,461,479)</u>
Contribution deficiency (excess)	\$ <u> -</u>	\$ <u>(389,164)</u>	\$ <u>(238,647)</u>
Covered-employee payroll	\$ 15,063,799	\$ 14,551,020	\$ 14,446,929
Contributions as a percentage of covered-employee payroll	12.73%	11.55%	10.12%

CITY OF LINCOLN
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	2023 - 2024			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Taxes and assessments	\$ 22,927,736	\$ 23,410,736	\$ 23,703,497	\$ 292,761
Licenses and permits	1,705,600	1,705,600	1,515,701	(189,899)
Intergovernmental	1,720,625	1,845,225	2,166,561	321,336
Fines and forfeitures	107,500	107,500	86,422	(21,078)
Use of money and property	118,654	118,654	819,207	700,553
Charges for services	2,401,533	2,434,433	2,513,314	78,881
Other revenues	<u>268,168</u>	<u>286,668</u>	<u>25,709</u>	<u>(260,959)</u>
Total Revenues	<u>29,249,816</u>	<u>29,908,816</u>	<u>30,830,411</u>	<u>921,595</u>
<u>EXPENDITURES</u>				
Current:				
General Government				
Administration allocation	4,075,515	4,125,515	3,938,813	186,702
City council	229,800	326,265	389,561	(63,296)
City treasurer	8,478	8,478	8,530	(52)
City attorney	295,997	295,997	267,994	28,003
City manager administration	125,000	201,000	129,266	71,734
Human resources	52,000	52,000	38,033	13,967
Economic development	241,415	241,415	160,900	80,515
Administrative services	57,300	57,300	68,392	(11,092)
IT	114,334	139,334	71,577	67,757
Finance	<u>576,827</u>	<u>586,827</u>	<u>612,794</u>	<u>(25,967)</u>
Total General Government	<u>5,776,666</u>	<u>6,034,131</u>	<u>5,685,860</u>	<u>348,271</u>
Public Safety				
Fire operations	7,444,019	8,758,733	7,949,540	809,193
Police operations	<u>8,867,115</u>	<u>9,353,546</u>	<u>9,183,009</u>	<u>170,537</u>
Total Public Safety	<u>16,311,134</u>	<u>18,112,279</u>	<u>17,132,549</u>	<u>979,730</u>
Public Works and Facilities				
Streets	800,000	800,000	1,051,075	(251,075)
Parks	297,874	327,874	291,139	36,735
Facilities Maintenance	967,478	1,416,278	1,206,667	209,611
Fleet Maintenance	<u>474,594</u>	<u>474,594</u>	<u>413,786</u>	<u>60,808</u>
Total Public Works	<u>2,539,946</u>	<u>3,018,746</u>	<u>2,962,667</u>	<u>56,079</u>
Culture and Recreation				
Recreation and administration	577,020	577,020	515,148	61,872
Adult sports	119,442	119,442	94,981	24,461
Youth sports	261,242	261,242	206,428	54,814
Community classes/facility rental	222,724	222,724	199,814	22,910
Special events	106,294	106,294	102,254	4,040
Contract classes	88,799	88,799	60,797	28,002
Aquatic programs	<u>186,799</u>	<u>186,799</u>	<u>164,863</u>	<u>21,936</u>
Total Culture and Recreation	<u>1,562,320</u>	<u>1,562,320</u>	<u>1,344,285</u>	<u>218,035</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, 2024

	2023 - 2024			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Urban Development and Housing				
Development services administration	90,689	90,689	92,147	(1,458)
Planning	52,900	54,100	47,870	6,230
Engineering	79,628	79,628	77,350	2,278
Building	<u>115,386</u>	<u>115,386</u>	<u>62,546</u>	<u>52,840</u>
Total Urban Development and Housing	<u>338,603</u>	<u>339,803</u>	<u>279,913</u>	<u>59,890</u>
Education				
Twelve Bridges library	<u>969,426</u>	<u>1,007,656</u>	<u>842,211</u>	<u>165,445</u>
Total Education	<u>969,426</u>	<u>1,007,656</u>	<u>842,211</u>	<u>165,445</u>
Capital Outlay				
Police operations	1,692,300	2,425,032	809,101	1,615,931
Facilities maintenance	290,000	535,382	337,462	197,920
Parks	<u>-</u>	<u>103,056</u>	<u>21,126</u>	<u>81,930</u>
Total Capital Outlay	<u>1,982,300</u>	<u>3,063,470</u>	<u>1,167,689</u>	<u>1,895,781</u>
Debt Service:				
Principal	236,263	236,263	232,875	3,388
Interest	<u>39,001</u>	<u>39,001</u>	<u>30,772</u>	<u>8,229</u>
Total Debt Service	<u>275,264</u>	<u>275,264</u>	<u>263,647</u>	<u>11,617</u>
Total Expenditures	<u>29,755,659</u>	<u>33,413,669</u>	<u>29,678,821</u>	<u>3,734,848</u>
Excess (deficiency) of revenues over expenditures	<u>(505,843)</u>	<u>(3,504,853)</u>	<u>1,151,590</u>	<u>4,656,443</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Inception of SBITA	-	-	80,118	80,118
Transfers in	140,683	140,683	140,683	-
Transfers out	<u>(583,919)</u>	<u>(583,919)</u>	<u>(1,267,187)</u>	<u>(683,268)</u>
Total Other Financing Sources (Uses)	<u>(443,236)</u>	<u>(443,236)</u>	<u>(1,046,386)</u>	<u>(603,150)</u>
Net change in fund balance	<u>\$ (949,079)</u>	<u>\$ (3,948,089)</u>	105,204	<u>\$ 4,053,293</u>
Fund balance - July 1, 2023			<u>30,257,467</u>	
Fund balance - June 30, 2024			<u>\$ 30,362,671</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, 2024

	2023 - 2024			Variance with Final Budget Positive (Negative)
	Budgeted Amounts			
	Original	Final	Actual Amounts	
<u>REVENUES</u>				
Use of money and property	\$ 6,300	\$ 6,300	\$ 1,603,235	\$ 1,596,935
Charges for services	6,939,000	6,539,000	5,488,890	(1,050,110)
Other revenues	<u>397,910</u>	<u>397,910</u>	<u>(161,752)</u>	<u>(559,662)</u>
Total Revenues	<u>7,343,210</u>	<u>6,943,210</u>	<u>6,930,373</u>	<u>(12,837)</u>
<u>EXPENDITURES</u>				
Current:				
General government	27,000	27,000	13,557	13,443
Public works and facilities	81,737	81,737	161,945	(80,208)
Education	74,000	88,500	56,882	31,618
Capital outlay	8,551,040	16,101,438	3,629,931	12,471,507
Debt service:				
Interest and fiscal charges	<u>18,881</u>	<u>18,881</u>	<u>37,762</u>	<u>(18,881)</u>
Total Expenditures	<u>8,752,658</u>	<u>16,317,556</u>	<u>3,900,077</u>	<u>12,417,479</u>
Excess (deficiency) of revenues over expenditures	<u>(1,409,448)</u>	<u>(9,374,346)</u>	<u>3,030,296</u>	<u>12,404,642</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Contribution from property owners	-	13,450,022	-	(13,450,022)
Transfers out	<u>-</u>	<u>-</u>	<u>(5,344)</u>	<u>(5,344)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>13,450,022</u>	<u>(5,344)</u>	<u>(13,455,366)</u>
Net change in fund balance	<u>\$ (1,409,448)</u>	<u>\$ 4,075,676</u>	<u>3,024,952</u>	<u>\$ (1,050,724)</u>
Fund balance - July 1, 2023			24,535,510	
Prior period adjustment			<u>8,346,951</u>	
Fund balance - July 1, 2023, restated			<u>32,882,461</u>	
Fund balance - June 30, 2024			<u>\$ 35,907,413</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, 2024

	2023 - 2024			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	\$ 116,031	\$ 116,031	\$ 564,307	\$ 448,276
Charges for services	4,400,000	4,400,000	5,306,677	906,677
Other revenues	<u>-</u>	<u>5,700</u>	<u>5,720</u>	<u>20</u>
Total Revenues	<u>4,516,031</u>	<u>4,521,731</u>	<u>5,876,704</u>	<u>1,354,973</u>
<u>EXPENDITURES</u>				
Current:				
Public works and facilities	<u>-</u>	<u>-</u>	<u>5,385</u>	<u>(5,385)</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>5,385</u>	<u>(5,385)</u>
Excess of revenues over expenditures	<u>4,516,031</u>	<u>4,521,731</u>	<u>5,871,319</u>	<u>1,349,588</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(4,200,000)</u>	<u>(4,200,000)</u>	<u>-</u>	<u>4,200,000</u>
Total Other Financing Sources (Uses)	<u>(4,200,000)</u>	<u>(4,200,000)</u>	<u>-</u>	<u>4,200,000</u>
Net change in fund balance	<u>\$ 316,031</u>	<u>\$ 321,731</u>	5,871,319	<u>\$ 5,549,588</u>
Fund balance - July 1, 2023			<u>51,341,913</u>	
Fund balance - June 30, 2024			<u>\$ 57,213,232</u>	

CITY OF LINCOLN
SPECIAL ASSESSMENT DISTRICTS - MAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	2023 - 2024			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Taxes and assessments	\$ 6,726,608	\$ 7,000,608	\$ 7,321,712	\$ 321,104
Use of money and property	-	-	378,480	378,480
Charges for services	8,818	8,818	-	(8,818)
Other revenues	<u>1,313,400</u>	<u>1,113,400</u>	<u>1,006,900</u>	<u>(106,500)</u>
Total Revenues	<u>8,048,826</u>	<u>8,122,826</u>	<u>8,707,092</u>	<u>584,266</u>
<u>EXPENDITURES</u>				
Current:				
General government	128,303	119,303	109,548	9,755
Public safety	181,915	287,770	237,072	50,698
Public works and facilities	6,461,407	6,387,154	5,051,821	1,335,333
Capital outlay	<u>751,500</u>	<u>3,652,813</u>	<u>346,386</u>	<u>3,306,427</u>
Total Expenditures	<u>7,523,125</u>	<u>10,447,040</u>	<u>5,744,827</u>	<u>4,702,213</u>
Excess (deficiency) of revenues over expenditures	<u>525,701</u>	<u>(2,324,214)</u>	<u>2,962,265</u>	<u>5,286,479</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	697,965	697,965
Transfers out	<u>(58,774)</u>	<u>(58,774)</u>	<u>(56,121)</u>	<u>2,653</u>
Total Other Financing Sources (Uses)	<u>(58,774)</u>	<u>(58,774)</u>	<u>641,844</u>	<u>700,618</u>
Net change in fund balance	<u>\$ 466,927</u>	<u>\$ (2,382,988)</u>	3,604,109	<u>\$ 5,987,097</u>
Fund balance - July 1, 2023			<u>13,218,024</u>	
Fund balance - June 30, 2024			<u>\$ 16,822,133</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, 2024

	2023 - 2024			Variance with Final Budget Positive (Negative)
	Budgeted Amounts			
	Original	Final	Actual Amounts	
REVENUES				
License and permits	\$ 3,479,200	\$ 3,079,200	\$ 4,563,472	\$ 1,484,272
Intergovernmental	235,242	235,242	82,899	(152,343)
Use of money and property	-	-	929,401	929,401
Charges for services	2,307,500	2,112,500	2,533,074	420,574
Other revenues	<u>23,000</u>	<u>87,500</u>	<u>90,400</u>	<u>2,900</u>
Total Revenues	<u>6,044,942</u>	<u>5,514,442</u>	<u>8,199,246</u>	<u>2,684,804</u>
EXPENDITURES				
Current:				
General government	309,480	309,480	247,810	61,670
Public safety	220,000	347,156	112,573	234,583
Public works and facilities	5,104,075	5,738,075	4,204,817	1,533,258
Capital outlay	<u>140,000</u>	<u>150,000</u>	<u>101,265</u>	<u>48,735</u>
Total Expenditures	<u>5,773,555</u>	<u>6,544,711</u>	<u>4,666,465</u>	<u>1,878,246</u>
Excess (deficiency) of revenues over expenditures	<u>271,387</u>	<u>(1,030,269)</u>	<u>3,532,781</u>	<u>4,563,050</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(66,956)</u>	<u>(66,956)</u>	<u>(64,138)</u>	<u>2,818</u>
Total Other Financing Sources (Uses)	<u>(66,956)</u>	<u>(66,956)</u>	<u>(64,138)</u>	<u>2,818</u>
Net change in fund balance	<u>\$ 204,431</u>	<u>\$ (1,097,225)</u>	<u>3,468,643</u>	<u>\$ 4,565,868</u>
Fund balance - July 1, 2023			16,003,969	
Prior period adjustment			<u>100,227</u>	
Fund balance - July 1, 2023, restated			<u>16,104,196</u>	
Fund balance - June 30, 2024			<u>\$ 19,572,839</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, 2024

	2023 - 2024		Actual	Variance
	Budgeted Amounts			
	Original*	Final*	Amounts	with Final
				Positive
				(Negative)
<u>REVENUES</u>				
Use of money and property	\$ -	\$ -	\$ 77,495	\$ 77,495
Total Revenues	-	-	77,495	77,495
<u>EXPENDITURES</u>				
Current:				
Public works and facilities	-	-	1,034	(1,034)
Total Expenditures	-	-	1,034	(1,034)
Net change in fund balance	\$ -	\$ -	76,461	\$ 76,461
Fund balance - July 1, 2023			1,648,651	
Fund balance - June 30, 2024			\$ 1,725,112	

*The City did not adopt a budget for the Low/Moderate Income Housing Fund for the year ended June 30, 2024.

CITY OF LINCOLN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY ACCOUNTING AND CONTROL
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1: BUDGETARY BASIS OF ACCOUNTING

Formal budgetary integration is employed as a management control device during the year for the general fund and special revenue funds, and is controlled at the department level for the City. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). The City has not formally adopted a budget for revenues and expenditures in the Low/Moderate Income Housing major special revenue fund, the ARPA and Revitalization and Rehabilitation Loans nonmajor special revenue funds, or the debt service and capital project funds. The following procedures are performed by the City in establishing the budgetary data reflected in the financial statements:

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

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

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

NOTE 2: EXPENDITURES IN EXCESS OF APPROPRIATIONS

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

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess of Expenditures Over Appropriations</u>
City council	\$ 326,265	\$ 389,561	\$ 63,296
City treasurer	8,478	8,530	52
Administrative services	57,300	68,392	11,092
Finance	586,827	612,794	25,967
Streets	800,000	1,051,075	251,075
Development services administration	90,689	92,147	1,458

COMBINING FINANCIAL STATEMENTS AND SCHEDULES

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.

CDBG-CV

Accounts for funds received under the Community Development Block Grant program which requires that each federal grantee (the City) certify to HUD's satisfaction that federal entitlement funds are administered according to the Fair Housing Act.

Police Grants

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

ARPA

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

Revitalization and Rehabilitation Loans

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

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS (CONTINUED)

Community Development Block Grant (CDBG)

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

HOME Investment Partnership Program

Accounts for HOME Investment Partnership grants received for community services.

Cal Home Grants

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

Oak Tree Mitigation

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

Federal Grants

Accounts for Federal grant revenues and project expenditures.

CAPITAL PROJECT FUNDS

The Capital Project 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.

NON-MAJOR GOVERNMENTAL FUNDS

PERMANENT FUNDS

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

Stormwater Retention Maintenance

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

Suncal Open Space Endowment

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

Brookview Open Space Maintenance Trust

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

Sterling Point Endowment

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

WWTRF Tertiary Storage Basin Maintenance

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

Lincoln Aircenter

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

CITY OF LINCOLN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2024

Special Revenue Funds

	<u>Park In-Lieu</u>	<u>Gas Tax</u>	<u>Street Fund</u>	<u>Parks and Recreation Tax</u>
ASSETS				
Cash and investments	\$ 1,094,110	\$ 4,353,781	\$ 5,835,379	\$ 558,774
Accounts receivable	-	264,569	29,634	-
Interest receivable	1,321	5,267	6,986	675
Intergovernmental receivable	-	-	-	-
Prepaid items	18,106	-	16,658	-
Advances to other funds	-	-	-	-
Restricted cash and investments	-	-	-	-
Loans receivable, net	-	-	-	-
Total Assets	\$ 1,113,537	\$ 4,623,617	\$ 5,888,657	\$ 559,449
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)				
LIABILITIES:				
Accounts payable	\$ -	\$ 4,402	\$ 156,515	\$ 18,692
Accrued payroll and benefits	-	25,540	24,441	-
Accrued liabilities	576	-	2,228	-
Retention payable	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities	576	29,942	183,184	18,692
 DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
 FUND BALANCES (DEFICITS):				
Nonspendable	18,106	-	16,658	-
Restricted	1,094,855	4,593,675	5,688,815	540,757
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	1,112,961	4,593,675	5,705,473	540,757
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 1,113,537	\$ 4,623,617	\$ 5,888,657	\$ 559,449

CITY OF LINCOLN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (continued)
JUNE 30, 2024

	Special Revenue Funds				
	<u>CDBG-CV</u>	<u>Police Grants</u>	<u>ARPA</u>	<u>Revitalization and Rehabilitation Loans</u>	<u>Community Development Block Grant (CDBG)</u>
ASSETS					
Cash and investments	\$ -	\$ 56,930	\$ 1,543,406	\$ 918,440	\$ 158,238
Accounts receivable	-	-	-	-	-
Interest receivable	-	70	-	1,109	-
Intergovernmental receivable	34,691	-	-	-	-
Prepaid items	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-
Loans receivable, net	-	-	-	-	357,609
Total Assets	<u>\$ 34,691</u>	<u>\$ 57,000</u>	<u>\$ 1,543,406</u>	<u>\$ 919,549</u>	<u>\$ 515,847</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)					
LIABILITIES:					
Accounts payable	\$ 7,830	\$ 47	\$ -	\$ -	\$ 780
Accrued payroll and benefits	-	7,000	-	-	-
Accrued liabilities	-	-	-	-	-
Retention payable	-	-	-	-	-
Due to other funds	26,861	-	-	-	-
Unearned revenue	-	-	1,543,406	-	-
Total Liabilities	<u>34,691</u>	<u>7,047</u>	<u>1,543,406</u>	<u>-</u>	<u>780</u>
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenues	-	-	-	-	357,609
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>357,609</u>
FUND BALANCES (DEFICITS):					
Nonspendable	-	-	-	-	-
Restricted	-	49,953	-	919,549	157,458
Unassigned	-	-	-	-	-
Total Fund Balances (Deficits)	<u>-</u>	<u>49,953</u>	<u>-</u>	<u>919,549</u>	<u>157,458</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 34,691</u>	<u>\$ 57,000</u>	<u>\$ 1,543,406</u>	<u>\$ 919,549</u>	<u>\$ 515,847</u>

CITY OF LINCOLN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (continued)
JUNE 30, 2024

	Special Revenue Funds				Capital Project Funds
	HOME Investment Partnership Program	Cal Home Grants	Oak Tree Mitigation	Federal Grants	Capital Projects
ASSETS					
Cash and investments	\$ 677,185	\$ 1,094,441	\$ 441,359	\$ -	\$ 1,022,960
Accounts receivable	1,937	-	-	91,292	-
Interest receivable	-	-	509	-	1,235
Intergovernmental receivable	-	-	-	153,346	-
Prepaid items	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-
Loans receivable, net	1,368,906	203,106	-	-	-
Total Assets	\$ 2,048,028	\$ 1,297,547	\$ 441,868	\$ 244,638	\$ 1,024,195
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)					
LIABILITIES:					
Accounts payable	\$ 780	\$ 440	\$ 20,000	\$ 91,292	\$ 12,000
Accrued payroll and benefits	-	-	-	-	-
Accrued liabilities	-	-	335	-	4,370
Retention payable	-	-	-	-	-
Due to other funds	-	-	-	425,907	-
Unearned revenue	-	-	-	-	-
Total Liabilities	780	440	20,335	517,199	16,370
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenues	1,368,906	203,106	-	-	-
Total Deferred Inflows of Resources	1,368,906	203,106	-	-	-
FUND BALANCES (DEFICITS):					
Nonspendable	-	-	-	-	-
Restricted	678,342	1,094,001	421,533	-	1,007,825
Unassigned	-	-	-	(272,561)	-
Total Fund Balances (Deficits)	678,342	1,094,001	421,533	(272,561)	1,007,825
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 2,048,028	\$ 1,297,547	\$ 441,868	\$ 244,638	\$ 1,024,195

CITY OF LINCOLN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (continued)
JUNE 30, 2024

	Capital Project Funds		Debt Service Funds	Permanent Funds	
	Twelve Bridges Capital Project	Lincoln Crossing	Lincoln Public Financing Authority Series 2016	Stormwater Retention Maintenance	Suncal Open Space Endowment
ASSETS					
Cash and investments	\$ 89,568	\$ 2,154,590	\$ 2,144,290	\$ 37,133	\$ 278,296
Accounts receivable	-	-	-	-	-
Interest receivable	108	2,590	2,589	45	336
Intergovernmental receivable	-	-	-	-	-
Prepaid items	-	-	-	-	-
Advances to other funds	-	-	661,208	-	-
Restricted cash and investments	-	-	2	-	-
Loans receivable, net	-	-	-	-	-
Total Assets	\$ 89,676	\$ 2,157,180	\$ 2,808,089	\$ 37,178	\$ 278,632
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)					
LIABILITIES:					
Accounts payable	\$ -	\$ 100,860	\$ -	\$ -	\$ -
Accrued payroll and benefits	-	-	-	-	-
Accrued liabilities	-	-	-	-	-
Retention payable	-	9,418	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total Liabilities	-	110,278	-	-	-
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenues	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
FUND BALANCES (DEFICITS):					
Nonspendable	-	-	-	25,439	221,220
Restricted	89,676	2,046,902	2,808,089	11,739	57,412
Unassigned	-	-	-	-	-
Total Fund Balances (Deficits)	89,676	2,046,902	2,808,089	37,178	278,632
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 89,676	\$ 2,157,180	\$ 2,808,089	\$ 37,178	\$ 278,632

CITY OF LINCOLN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (continued)
JUNE 30, 2024

	Permanent Funds				Total Non-major Governmental Funds
	Brookview Open Space Maintenance Trust	Sterling Point Endowment	WWTRF Tertiary Storage Basin Maintenance	Lincoln Aircenter	
ASSETS					
Cash and investments	\$ 5	\$ 68,371	\$ 69,107	\$ 93,830	\$ 22,690,193
Accounts receivable	-	-	-	-	387,432
Interest receivable	-	83	83	113	23,119
Intergovernmental receivable	-	-	-	-	188,037
Prepaid items	-	-	-	-	34,764
Advances to other funds	-	-	-	-	661,208
Restricted cash and investments	16,226	-	-	-	16,228
Loans receivable, net	-	-	-	-	1,929,621
Total Assets	<u>\$ 16,231</u>	<u>\$ 68,454</u>	<u>\$ 69,190</u>	<u>\$ 93,943</u>	<u>\$ 25,930,602</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)					
LIABILITIES:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 413,638
Accrued payroll and benefits	-	-	-	-	56,981
Accrued liabilities	-	-	-	-	7,509
Retention payable	-	-	-	-	9,418
Due to other funds	-	-	-	-	452,768
Unearned revenue	-	-	-	-	1,543,406
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,483,720</u>
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenues	-	-	-	-	1,929,621
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,929,621</u>
FUND BALANCES (DEFICITS):					
Nonspendable	5,000	50,000	50,000	5,000	391,423
Restricted	11,231	18,454	19,190	88,943	21,398,399
Unassigned	-	-	-	-	(272,561)
Total Fund Balances (Deficits)	<u>16,231</u>	<u>68,454</u>	<u>69,190</u>	<u>93,943</u>	<u>21,517,261</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 16,231</u>	<u>\$ 68,454</u>	<u>\$ 69,190</u>	<u>\$ 93,943</u>	<u>\$ 25,930,602</u>

CITY OF LINCOLN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2024

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>
REVENUES					
Intergovernmental	\$ -	\$ 2,762,719	\$ 3,694,204	\$ -	\$ -
Use of money and property	48,265	179,442	195,180	34,851	-
Charges for services	27,648	21,040	-	189,074	-
Other revenue	-	-	33,460	-	-
Total Revenues	<u>75,913</u>	<u>2,963,201</u>	<u>3,922,844</u>	<u>223,925</u>	<u>-</u>
EXPENDITURES					
Current:					
General government	-	-	66	-	-
Public safety	-	-	-	-	-
Public works and facilities	643	1,292,663	2,226,030	4,021	-
Cultural and recreation	(18,106)	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-
Capital outlay	-	540,656	1,302,335	511,520	-
Debt service:					
Principal	-	-	-	-	-
Interest (accretion) and other charges	-	-	-	-	-
Total Expenditures	<u>(17,463)</u>	<u>1,833,319</u>	<u>3,528,431</u>	<u>515,541</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>93,376</u>	<u>1,129,882</u>	<u>394,413</u>	<u>(291,616)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	(34,741)	(30,733)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(34,741)</u>	<u>(30,733)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>93,376</u>	<u>1,095,141</u>	<u>363,680</u>	<u>(291,616)</u>	<u>-</u>
Fund balances (deficits) - July 1, 2023	1,019,585	3,498,534	5,341,793	832,373	13,218,024
Changes within financial reporting entity (nonmajor to major fund) (Note 20)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,218,024)</u>
Fund balances (deficits) - July 1, 2023, restated	<u>1,019,585</u>	<u>3,498,534</u>	<u>5,341,793</u>	<u>832,373</u>	<u>-</u>
Fund balances (deficits) - June 30, 2024	<u>\$ 1,112,961</u>	<u>\$ 4,593,675</u>	<u>\$ 5,705,473</u>	<u>\$ 540,757</u>	<u>\$ -</u>

CITY OF LINCOLN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (continued)
FOR THE YEAR ENDED JUNE 30, 2024

	Special Revenue Funds				
	CDBG-CV	Police Grants	ARPA	Revitalization and Rehabilitation Loans	Community Development Block Grant (CDBG)
REVENUES					
Intergovernmental	\$ 55,530	\$ 194,129	\$ -	\$ -	\$ -
Use of money and property	-	2,818	-	41,307	-
Charges for services	-	-	-	-	-
Other revenue	-	-	-	-	-
Total Revenues	<u>55,530</u>	<u>196,947</u>	<u>-</u>	<u>41,307</u>	<u>-</u>
EXPENDITURES					
Current:					
General government	55,242	-	-	-	5,791
Public safety	-	168,606	-	-	-
Public works and facilities	288	-	-	550	-
Cultural and recreation	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest (accretion) and other charges	-	-	-	-	-
Total Expenditures	<u>55,530</u>	<u>168,606</u>	<u>-</u>	<u>550</u>	<u>5,791</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>28,341</u>	<u>-</u>	<u>40,757</u>	<u>(5,791)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>28,341</u>	<u>-</u>	<u>40,757</u>	<u>(5,791)</u>
Fund balances (deficits) - July 1, 2023	-	21,612	-	878,792	163,249
Changes within financial reporting entity (nonmajor to major fund) (Note 20)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficits) - July 1, 2023, restated	<u>-</u>	<u>21,612</u>	<u>-</u>	<u>878,792</u>	<u>163,249</u>
Fund balances (deficits) - June 30, 2024	<u>\$ -</u>	<u>\$ 49,953</u>	<u>\$ -</u>	<u>\$ 919,549</u>	<u>\$ 157,458</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, 2024

	Special Revenue Funds				Capital Project Funds
	HOME Investment Partnership Program	Cal Home Grants	Oak Tree Mitigation	Federal Grants	Capital Projects
REVENUES					
Intergovernmental	\$ -	\$ -	\$ -	\$ 1,903,810	\$ -
Use of money and property	-	-	34,129	-	46,549
Charges for services	13,110	-	118,725	-	-
Other revenue	-	-	-	-	-
Total Revenues	<u>13,110</u>	<u>-</u>	<u>152,854</u>	<u>1,903,810</u>	<u>46,549</u>
EXPENDITURES					
Current:					
General government	5,637	-	-	-	-
Public safety	-	-	-	-	-
Public works and facilities	-	-	3,510,390	-	630
Cultural and recreation	-	-	-	-	-
Urban redevelopment and housing	-	2,659	-	-	-
Capital outlay	-	-	-	1,783,810	86,698
Debt service:					
Principal	-	-	-	-	-
Interest (accretion) and other charges	-	-	-	-	-
Total Expenditures	<u>5,637</u>	<u>2,659</u>	<u>3,510,390</u>	<u>1,783,810</u>	<u>87,328</u>
Excess (Deficiency) of Revenues over Expenditures	<u>7,473</u>	<u>(2,659)</u>	<u>(3,357,536)</u>	<u>120,000</u>	<u>(40,779)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>7,473</u>	<u>(2,659)</u>	<u>(3,357,536)</u>	<u>120,000</u>	<u>(40,779)</u>
Fund balances (deficits) - July 1, 2023	670,869	1,096,660	3,779,069	(392,561)	1,048,604
Changes within financial reporting entity (nonmajor to major fund) (Note 20)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficits) - July 1, 2023, restated	<u>670,869</u>	<u>1,096,660</u>	<u>3,779,069</u>	<u>(392,561)</u>	<u>1,048,604</u>
Fund balances (deficits) - June 30, 2024	<u>\$ 678,342</u>	<u>\$ 1,094,001</u>	<u>\$ 421,533</u>	<u>\$ (272,561)</u>	<u>\$ 1,007,825</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, 2024

	Capital Project Funds		Debt Service Funds	Permanent Funds	
	Twelve Bridges Capital Project	Lincoln Crossing	Lincoln Public Financing Authority Series 2016	Stormwater Retention Maintenance	Suncal Open Space Endowment
REVENUES					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Use of money and property	91,003	143,795	68,402	1,670	12,518
Charges for services	-	-	-	-	-
Other revenue	-	490,000	-	-	-
Total Revenues	<u>91,003</u>	<u>633,795</u>	<u>68,402</u>	<u>1,670</u>	<u>12,518</u>
EXPENDITURES					
Current:					
General government	-	-	-	22	168
Public safety	-	-	-	-	-
Public works and facilities	1,327	1,942	9,016	-	-
Cultural and recreation	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-
Capital outlay	-	324,765	-	-	-
Debt service:					
Principal	-	-	1,045,000	-	-
Interest (accretion) and other charges	-	-	432,137	-	-
Total Expenditures	<u>1,327</u>	<u>326,707</u>	<u>1,486,153</u>	<u>22</u>	<u>168</u>
Excess (Deficiency) of Revenues over Expenditures	<u>89,676</u>	<u>307,088</u>	<u>(1,417,751)</u>	<u>1,648</u>	<u>12,350</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	1,336,201	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	<u>1,336,201</u>	-	-
Net change in fund balances	<u>89,676</u>	<u>307,088</u>	<u>(81,550)</u>	<u>1,648</u>	<u>12,350</u>
Fund balances (deficits) - July 1, 2023	-	1,739,814	2,889,639	35,530	266,282
Changes within financial reporting entity (nonmajor to major fund) (Note 20)	-	-	-	-	-
Fund balances (deficits) - July 1, 2023, restated	-	<u>1,739,814</u>	<u>2,889,639</u>	<u>35,530</u>	<u>266,282</u>
Fund balances (deficits) - June 30, 2024	\$ <u>89,676</u>	\$ <u>2,046,902</u>	\$ <u>2,808,089</u>	\$ <u>37,178</u>	\$ <u>278,632</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, 2024

	Permanent Funds				Total Non-major Governmental Funds
	Brookview Open Space Maintenance Trust	Sterling Point Endowment	WWTRF Tertiary Storage Basin Maintenance	Lincoln Aircenter	
REVENUES					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 8,610,392
Use of money and property	8	3,075	3,108	4,219	910,339
Charges for services	-	-	-	-	369,597
Other revenue	-	-	-	-	523,460
Total Revenues	8	3,075	3,108	4,219	10,413,788
EXPENDITURES					
Current:					
General government	-	41	42	56	67,065
Public safety	-	-	-	-	168,606
Public works and facilities	-	-	-	-	7,047,500
Cultural and recreation	-	-	-	-	(18,106)
Urban redevelopment and housing	-	-	-	-	2,659
Capital outlay	-	-	-	-	4,549,784
Debt service:					
Principal	-	-	-	-	1,045,000
Interest (accretion) and other charges	-	-	-	-	432,137
Total Expenditures	-	41	42	56	13,294,645
Excess (Deficiency) of Revenues over Expenditures	8	3,034	3,066	4,163	(2,880,857)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	1,336,201
Transfers out	-	-	-	-	(65,474)
Total Other Financing Sources (Uses)	-	-	-	-	1,270,727
Net change in fund balances	8	3,034	3,066	4,163	(1,610,130)
Fund balances (deficits) - July 1, 2023	16,223	65,420	66,124	89,780	36,345,415
Changes within financial reporting entity (nonmajor to major fund) (Note 20)	-	-	-	-	(13,218,024)
Fund balances (deficits) - July 1, 2023, restated	16,223	65,420	66,124	89,780	23,127,391
Fund balances (deficits) - June 30, 2024	\$ 16,231	\$ 68,454	\$ 69,190	\$ 93,943	\$ 21,517,261

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, 2024

	2023 - 2024			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	\$ -	\$ -	\$ 48,265	\$ 48,265
Charges for services	<u>8,256</u>	<u>8,256</u>	<u>27,648</u>	<u>19,392</u>
Total Revenues	<u>8,256</u>	<u>8,256</u>	<u>75,913</u>	<u>67,657</u>
<u>EXPENDITURES</u>				
Current:				
Public works and facilities	-	-	643	(643)
Culture and recreation	-	-	(18,106)	18,106
Capital outlay	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>
Total Expenditures	<u>1,000,000</u>	<u>1,000,000</u>	<u>(17,463)</u>	<u>1,017,463</u>
Net change in fund balance	<u>\$ (991,744)</u>	<u>\$ (991,744)</u>	93,376	<u>\$ 1,085,120</u>
Fund balance - July 1, 2023			<u>1,019,585</u>	
Fund balance - June 30, 2024			<u>\$ 1,112,961</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, 2024

	2023 - 2024			Variance with Final Budget Positive (Negative)
	Budgeted Amounts			
	Original	Final	Actual Amounts	
<u>REVENUES</u>				
Intergovernmental	\$ 2,697,556	\$ 2,627,056	\$ 2,762,719	\$ 135,663
Use of money and property	-	-	179,442	179,442
Charges for services	<u>1,000</u>	<u>21,000</u>	<u>21,040</u>	<u>40</u>
Total Revenues	<u>2,698,556</u>	<u>2,648,056</u>	<u>2,963,201</u>	<u>315,145</u>
<u>EXPENDITURES</u>				
Current:				
Public works and facilities	1,324,779	1,324,779	1,292,663	32,116
Capital outlay	<u>1,169,806</u>	<u>2,951,049</u>	<u>540,656</u>	<u>2,410,393</u>
Total Expenditures	<u>2,494,585</u>	<u>4,275,828</u>	<u>1,833,319</u>	<u>2,442,509</u>
Excess (deficiency) of revenues over expenditures	<u>203,971</u>	<u>(1,627,772)</u>	<u>1,129,882</u>	<u>2,757,654</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(35,171)</u>	<u>(35,171)</u>	<u>(34,741)</u>	<u>430</u>
Total Other Financing Sources (Uses)	<u>(35,171)</u>	<u>(35,171)</u>	<u>(34,741)</u>	<u>430</u>
Net change in fund balance	<u>\$ 168,800</u>	<u>\$ (1,662,943)</u>	1,095,141	<u>\$ 2,758,084</u>
Fund balance - July 1, 2023			<u>3,498,534</u>	
Fund balance - June 30, 2024			<u>\$ 4,593,675</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, 2024

	2023 - 2024			Variance with Final Budget Positive (Negative)
	Budgeted Amounts			
	Original	Final	Actual Amounts	
<u>REVENUES</u>				
Intergovernmental	\$ 3,324,275	\$ 3,817,945	\$ 3,694,204	\$ (123,741)
Use of money and property	-	-	195,180	195,180
Other revenues	<u>-</u>	<u>-</u>	<u>33,460</u>	<u>33,460</u>
Total Revenues	<u>3,324,275</u>	<u>3,817,945</u>	<u>3,922,844</u>	<u>104,899</u>
<u>EXPENDITURES</u>				
Current:				
General government	-	-	66	(66)
Public works and facilities	2,626,188	2,728,784	2,226,030	502,754
Capital outlay	<u>1,271,632</u>	<u>5,063,555</u>	<u>1,302,335</u>	<u>3,761,220</u>
Total Expenditures	<u>3,897,820</u>	<u>7,792,339</u>	<u>3,528,431</u>	<u>4,263,908</u>
Excess (deficiency) of revenues over expenditures	<u>(573,545)</u>	<u>(3,974,394)</u>	<u>394,413</u>	<u>4,368,807</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(32,167)</u>	<u>(32,167)</u>	<u>(30,733)</u>	<u>1,434</u>
Total Other Financing Sources (Uses)	<u>(32,167)</u>	<u>(32,167)</u>	<u>(30,733)</u>	<u>1,434</u>
Net change in fund balance	<u>\$ (605,712)</u>	<u>\$ (4,006,561)</u>	363,680	<u>\$ 4,370,241</u>
Fund balance - July 1, 2023			<u>5,341,793</u>	
Fund balance - June 30, 2024			<u>\$ 5,705,473</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, 2024

	2023 - 2024			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	\$ -	\$ -	\$ 34,851	\$ 34,851
Charges for services	<u>156,000</u>	<u>156,000</u>	<u>189,074</u>	<u>33,074</u>
Total Revenues	<u>156,000</u>	<u>156,000</u>	<u>223,925</u>	<u>67,925</u>
<u>EXPENDITURES</u>				
Current:				
Public works and facilities	3,530	3,530	4,021	(491)
Capital outlay	<u>311,000</u>	<u>645,924</u>	<u>511,520</u>	<u>134,404</u>
Total Expenditures	<u>314,530</u>	<u>649,454</u>	<u>515,541</u>	<u>133,913</u>
Net change in fund balance	<u>\$ (158,530)</u>	<u>\$ (493,454)</u>	(291,616)	<u>\$ 201,838</u>
Fund balance - July 1, 2023			<u>832,373</u>	
Fund balance - June 30, 2024			<u>\$ 540,757</u>	

CITY OF LINCOLN
CDBG-CV - NONMAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	2023 - 2024		Actual	Variance
	Budgeted Amounts			
	Original	Final	Actual	Positive
				(Negative)
<u>REVENUES</u>				
Intergovernmental	\$ -	\$ 773,681	\$ 55,530	\$ (718,151)
Total Revenues	<u>-</u>	<u>773,681</u>	<u>55,530</u>	<u>(718,151)</u>
<u>EXPENDITURES</u>				
Current:				
General government	-	773,681	55,242	718,439
Public works and facilities	<u>-</u>	<u>-</u>	<u>288</u>	<u>(288)</u>
Total Expenditures	<u>-</u>	<u>773,681</u>	<u>55,530</u>	<u>718,151</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance - July 1, 2023			<u>-</u>	
Fund balance - June 30, 2024			<u>\$ -</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, 2024

	2023 - 2024 Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
<u>REVENUES</u>				
Intergovernmental	\$ 171,700	\$ 171,700	\$ 194,129	\$ 22,429
Use of money and property	<u>-</u>	<u>-</u>	<u>2,818</u>	<u>2,818</u>
Total Revenues	<u>171,700</u>	<u>171,700</u>	<u>196,947</u>	<u>25,247</u>
<u>EXPENDITURES</u>				
Current:				
Public safety	<u>171,443</u>	<u>171,443</u>	<u>168,606</u>	<u>2,837</u>
Total Expenditures	<u>171,443</u>	<u>171,443</u>	<u>168,606</u>	<u>2,837</u>
Net change in fund balance	<u>\$ 257</u>	<u>\$ 257</u>	28,341	<u>\$ 28,084</u>
Fund balance - July 1, 2023			<u>21,612</u>	
Fund balance - June 30, 2024			<u>\$ 49,953</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, 2024

	2023 - 2024 Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original*	Final*		
<u>REVENUES</u>				
Use of money and property	\$ _____ -	\$ _____ -	\$ <u>41,307</u>	\$ <u>41,307</u>
Total Revenues	_____ -	_____ -	<u>41,307</u>	<u>41,307</u>
<u>EXPENDITURES</u>				
Current:				
Public works and facilities	_____ -	_____ -	<u>550</u>	<u>(550)</u>
Total Expenditures	_____ -	_____ -	<u>550</u>	<u>(550)</u>
Net change in fund balance	\$ <u>_____ -</u>	\$ <u>_____ -</u>	40,757	\$ <u>40,757</u>
Fund balance - July 1, 2023			<u>878,792</u>	
Fund balance - June 30, 2024			<u>\$ <u>919,549</u></u>	

*The City did not adopt a budget for the Revitalization and Rehabilitation Loans Fund for the year ended June 30, 2024.

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, 2024

	2023 - 2024		Actual	Variance
	Budgeted Amounts			
	Original	Final	Amounts	with Final
				Budget
				Positive
				(Negative)
<u>REVENUES</u>				
Intergovernmental	\$ <u>773,681</u>	\$ _____ -	\$ _____ -	\$ _____ -
Total Revenues	<u>773,681</u>	_____ -	_____ -	_____ -
<u>EXPENDITURES</u>				
Current:				
General government	<u>5,897</u>	<u>5,897</u>	<u>5,791</u>	<u>106</u>
Total Expenditures	<u>5,897</u>	<u>5,897</u>	<u>5,791</u>	<u>106</u>
Net change in fund balance	<u>\$ 767,784</u>	<u>\$ (5,897)</u>	(5,791)	<u>\$ 106</u>
Fund balance - July 1, 2023			<u>163,249</u>	
Fund balance - June 30, 2024			<u>\$ 157,458</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, 2024

	2023 - 2024		Actual	Variance
	Budgeted Amounts			
	Original	Final	Actual	Positive
				(Negative)
<u>REVENUES</u>				
Charges for services	\$ -	\$ -	\$ 13,110	\$ 13,110
Total Revenues	-	-	13,110	13,110
<u>EXPENDITURES</u>				
Current:				
General government	5,897	5,897	5,637	260
Total Expenditures	5,897	5,897	5,637	260
Net change in fund balance	\$ (5,897)	\$ (5,897)	7,473	\$ 13,370
Fund balance - July 1, 2023			670,869	
Fund balance - June 30, 2024			\$ 678,342	

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, 2024

	2023 - 2024 Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
<u>REVENUES</u>				
Total Revenues	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -
<u>EXPENDITURES</u>				
Current:				
Urban development and housing	_____ 3,326	_____ 3,326	_____ 2,659	_____ 667
Total Expenditures	_____ 3,326	_____ 3,326	_____ 2,659	_____ 667
Net change in fund balance	\$ <u>_____ (3,326)</u>	\$ <u>_____ (3,326)</u>	(2,659)	\$ <u>_____ 667</u>
Fund balance - July 1, 2023			_____ 1,096,660	
Fund balance - June 30, 2024			\$ <u>_____ 1,094,001</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, 2024

	2023 - 2024			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	\$ -	\$ -	\$ 34,129	\$ 34,129
Charges for services	<u>100,000</u>	<u>100,000</u>	<u>118,725</u>	<u>18,725</u>
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>152,854</u>	<u>52,854</u>
<u>EXPENDITURES</u>				
Current:				
Parks works and facilities	<u>99,500</u>	<u>3,592,597</u>	<u>3,510,390</u>	<u>82,207</u>
Total Expenditures	<u>99,500</u>	<u>3,592,597</u>	<u>3,510,390</u>	<u>82,207</u>
Net change in fund balance	<u>\$ 500</u>	<u>\$ (3,492,597)</u>	(3,357,536)	<u>\$ 135,061</u>
Fund balance - July 1, 2023			<u>3,779,069</u>	
Fund balance - June 30, 2024			<u>\$ 421,533</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, 2024

	2023 - 2024		Actual	Variance
	Budgeted Amounts			
	Original	Final	Amounts	with Final
				Positive
				(Negative)
<u>REVENUES</u>				
Intergovernmental	\$ -	\$ 3,436,546	\$ 1,903,810	\$ (1,532,736)
Total Revenues	-	3,436,546	1,903,810	(1,532,736)
<u>EXPENDITURES</u>				
Capital outlay	-	3,043,985	1,783,810	1,260,175
Total Expenditures	-	3,043,985	1,783,810	1,260,175
Net change in fund balance	\$ -	\$ 392,561	120,000	\$ (272,561)
Fund balance (deficit) - July 1, 2023			(392,561)	
Fund balance (deficit) - June 30, 2024			\$ (272,561)	

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.

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, 2024

	Governmental Activities - Internal Service Funds			Total Internal Service Funds
	Internal Services	Facility Maintenance	Technology Fund	
<u>ASSETS</u>				
Current Assets				
Cash and investments	\$ 2,503,240	\$ 476,620	\$ 1,538,753	\$ 4,518,613
Accounts receivable, net	145,980	86,270	-	232,250
Interest receivable	<u>2,959</u>	<u>575</u>	<u>1,858</u>	<u>5,392</u>
Total Current Assets	<u>2,652,179</u>	<u>563,465</u>	<u>1,540,611</u>	<u>4,756,255</u>
Non Current Assets				
Non-depreciable capital assets	-	168,090	582,225	750,315
Depreciable capital assets, net	<u>741,255</u>	<u>513,440</u>	<u>12,061</u>	<u>1,266,756</u>
Total Non-Current Assets	<u>741,255</u>	<u>681,530</u>	<u>594,286</u>	<u>2,017,071</u>
Total Assets	<u><u>3,393,434</u></u>	<u><u>1,244,995</u></u>	<u><u>2,134,897</u></u>	<u><u>6,773,326</u></u>
<u>LIABILITIES</u>				
Current Liabilities				
Accounts payable	179,413	220	29,850	209,483
Accrued salaries and benefits	179,757	-	-	179,757
Compensated absences	511,398	-	-	511,398
SBITA payable	<u>153,979</u>	<u>-</u>	<u>-</u>	<u>153,979</u>
Total Current Liabilities	<u>1,024,547</u>	<u>220</u>	<u>29,850</u>	<u>1,054,617</u>
Non-Current Liabilities				
Compensated absences - noncurrent	127,849	-	-	127,849
SBITA payable - noncurrent	<u>262,955</u>	<u>-</u>	<u>-</u>	<u>262,955</u>
Total Non-Current Liabilities	<u>390,804</u>	<u>-</u>	<u>-</u>	<u>390,804</u>
Total Liabilities	<u><u>1,415,351</u></u>	<u><u>220</u></u>	<u><u>29,850</u></u>	<u><u>1,445,421</u></u>
<u>NET POSITION:</u>				
Net investment in capital assets	324,321	681,530	594,286	1,600,137
Unrestricted	<u>1,653,762</u>	<u>563,245</u>	<u>1,510,761</u>	<u>3,727,768</u>
Total Net Position	<u><u>\$ 1,978,083</u></u>	<u><u>\$ 1,244,775</u></u>	<u><u>\$ 2,105,047</u></u>	<u><u>\$ 5,327,905</u></u>

CITY OF LINCOLN
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

	Governmental Activities - Internal Service Funds			Total Internal Service Funds
	Internal Services	Facility Maintenance	Technology Fund	
<u>OPERATING REVENUES</u>				
Charges for services	\$ 7,427,121	\$ -	\$ -	\$ 7,427,121
Other revenue	<u>113,968</u>	<u>-</u>	<u>113,786</u>	<u>227,754</u>
Total Operating Revenue	<u>7,541,089</u>	<u>-</u>	<u>113,786</u>	<u>7,654,875</u>
<u>OPERATING EXPENSES</u>				
Salaries and benefits	4,321,405	-	-	4,321,405
Services and supplies	1,957,004	344	981	1,958,329
Depreciation	<u>203,239</u>	<u>30,898</u>	<u>11,846</u>	<u>245,983</u>
Total Operating Expenses	<u>6,481,648</u>	<u>31,242</u>	<u>12,827</u>	<u>6,525,717</u>
Operating Income (Loss)	<u>1,059,441</u>	<u>(31,242)</u>	<u>100,959</u>	<u>1,129,158</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>				
Intergovernmental	-	127,637	-	127,637
Interest income	87,050	24,579	72,628	184,257
Interest expense	<u>(1,269)</u>	<u>-</u>	<u>-</u>	<u>(1,269)</u>
Total Non-Operating Revenues (Expenses)	<u>85,781</u>	<u>152,216</u>	<u>72,628</u>	<u>310,625</u>
Change in net position	1,145,222	120,974	173,587	1,439,783
Net Position - July 1, 2023	<u>832,861</u>	<u>1,123,801</u>	<u>1,931,460</u>	<u>3,888,122</u>
Net Position - June 30, 2024	<u>\$ 1,978,083</u>	<u>\$ 1,244,775</u>	<u>\$ 2,105,047</u>	<u>\$ 5,327,905</u>

CITY OF LINCOLN
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Governmental Activities - Internal Service Funds			Total Internal Service Funds
	Internal Services	Facility Maintenance	Technology Fund	
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Cash received from customers	\$ 7,395,109	\$ -	\$ 113,786	\$ 7,508,895
Cash paid to suppliers	(2,007,660)	(31,029)	5,842	(2,032,847)
Cash paid to employees	(4,159,539)	-	-	(4,159,539)
Net Cash Provided by (Used for) Operating Activities	<u>1,227,910</u>	<u>(31,029)</u>	<u>119,628</u>	<u>1,316,509</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>				
Intergovernmental revenues received	-	54,857	-	54,857
Net Cash Provided by Non-Capital Financing Activities	<u>-</u>	<u>54,857</u>	<u>-</u>	<u>54,857</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>				
Acquisition of capital assets	(10,958)	(214,823)	(274,384)	(500,165)
Principal paid on long-term debt	(162,266)	-	-	(162,266)
Interest paid on long-term debt	(1,269)	-	-	(1,269)
Net Cash Used for Capital and Related Financing Activities	<u>(174,493)</u>	<u>(214,823)</u>	<u>(274,384)</u>	<u>(663,700)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Interest and dividends	85,462	24,651	72,405	182,518
Net Cash Provided by Investing Activities	<u>85,462</u>	<u>24,651</u>	<u>72,405</u>	<u>182,518</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,138,879	(166,344)	(82,351)	890,184
Cash and Cash Equivalents - July 1, 2023	<u>1,364,361</u>	<u>642,964</u>	<u>1,621,104</u>	<u>3,628,429</u>
Cash and Cash Equivalents - June 30, 2024	<u>\$ 2,503,240</u>	<u>\$ 476,620</u>	<u>\$ 1,538,753</u>	<u>\$ 4,518,613</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</u>				
Operating Income (Loss)	1,059,441	(31,242)	100,959	1,129,158
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	203,239	30,898	11,846	245,983
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	(145,980)	-	-	(145,980)
Increase (decrease) in:				
Accounts payable	(50,656)	(30,685)	6,823	(74,518)
Accrued wages	53,883	-	-	53,883
Compensated absences	107,983	-	-	107,983
Net Cash Provided by (Used for) Operating Activities	<u>\$ 1,227,910</u>	<u>\$ (31,029)</u>	<u>\$ 119,628</u>	<u>\$ 1,316,509</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. Revenues are received from property tax assessments. 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. Monies are received from special tax assessments. These bonds are not a liability of the City.

CITY OF LINCOLN
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSOTIAL FUNDS
JUNE 30, 2024

	<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	\$ 33,642	\$ 44,829	\$ 1,250,773	\$ 250,365
Assessments receivable	-	-	29,405	529
Interest receivable	41	54	1,510	302
Restricted cash and investments	<u>-</u>	<u>-</u>	<u>13,181,782</u>	<u>117,950</u>
Total Assets	<u>33,683</u>	<u>44,883</u>	<u>14,463,470</u>	<u>369,146</u>
<u>LIABILITIES</u>				
Accounts payable	-	-	-	2,250
Developer deposits payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,250</u>
<u>NET POSITION</u>				
Net position restricted for individuals, organizations, and other governments	<u>33,683</u>	<u>44,883</u>	<u>14,463,470</u>	<u>366,896</u>
Total Net Position	<u>\$ 33,683</u>	<u>\$ 44,883</u>	<u>\$ 14,463,470</u>	<u>\$ 366,896</u>

CITY OF LINCOLN
 COMBINING STATEMENT OF FIDUCIARY NET POSITION (continued)
 CUSTODIAL FUNDS
 JUNE 30, 2024

	<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	\$ 630,834	\$ 4,888,786	\$ 684,486	\$ 1,305,906	\$ 9,089,621
Assessments receivable	4,415	58,655	3,325	3,197	99,526
Interest receivable	761	5,902	826	1,577	10,973
Restricted cash and investments	<u>518,913</u>	<u>18,377,835</u>	<u>1,409,837</u>	<u>1,160,439</u>	<u>34,766,756</u>
Total Assets	<u>1,154,923</u>	<u>23,331,178</u>	<u>2,098,474</u>	<u>2,471,119</u>	<u>43,966,876</u>
<u>LIABILITIES</u>					
Accounts payable	166,250	-	-	-	168,500
Developer deposits payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,197)</u>	<u>(7,197)</u>
Total Liabilities	<u>166,250</u>	<u>-</u>	<u>-</u>	<u>(7,197)</u>	<u>161,303</u>
<u>NET POSITION</u>					
Net position restricted for individuals, organizations, and other governments	<u>988,673</u>	<u>23,331,178</u>	<u>2,098,474</u>	<u>2,478,316</u>	<u>43,805,573</u>
Total Net Position	<u>\$ 988,673</u>	<u>\$ 23,331,178</u>	<u>\$ 2,098,474</u>	<u>\$ 2,478,316</u>	<u>\$ 43,805,573</u>

CITY OF LINCOLN
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<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	\$ -	\$ -	\$ 4,096,852	\$ 250,283
Investment income:				
Interest income	806	1,081	1,065,691	6,558
Net increase (decrease) in fair value	<u>708</u>	<u>940</u>	<u>1,902</u>	<u>90</u>
Net investment income (loss)	<u>1,514</u>	<u>2,021</u>	<u>1,067,593</u>	<u>6,648</u>
Total Additions	<u>1,514</u>	<u>2,021</u>	<u>5,164,445</u>	<u>256,931</u>
<u>DEDUCTIONS</u>				
Professional services	20	1,527	120,265	22,981
Distribution to City	-	-	-	-
Payments to developers	-	-	-	-
Debt service:				
Principal	-	-	3,165,000	155,000
Interest	<u>-</u>	<u>-</u>	<u>633,365</u>	<u>64,954</u>
Total Deductions	<u>20</u>	<u>1,527</u>	<u>3,918,630</u>	<u>242,935</u>
Net increase (decrease) in fiduciary net position	<u>1,494</u>	<u>494</u>	<u>1,245,815</u>	<u>13,996</u>
Fiduciary Net Position - Beginning	32,189	44,389	20,410,290	352,900
Prior period adjustment	<u>-</u>	<u>-</u>	<u>(7,192,635)</u>	<u>-</u>
Fiduciary Net Position - Beginning, Restated	<u>32,189</u>	<u>44,389</u>	<u>13,217,655</u>	<u>352,900</u>
Fiduciary Net Position - Ending	<u>\$ 33,683</u>	<u>\$ 44,883</u>	<u>\$ 14,463,470</u>	<u>\$ 366,896</u>

CITY OF LINCOLN
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<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	\$ 900,323	\$ 6,549,842	\$ 993,260	\$ 1,196,319	\$ 13,986,879
Investment income:					
Interest income	9,821	143,091	96,393	344,211	1,667,652
Net increase (decrease) in fair value	<u>(1,153)</u>	<u>71,510</u>	<u>492</u>	<u>161,758</u>	<u>236,247</u>
Net investment income (loss)	<u>8,668</u>	<u>214,601</u>	<u>96,885</u>	<u>505,969</u>	<u>1,903,899</u>
Total Additions	<u>908,991</u>	<u>6,764,443</u>	<u>1,090,145</u>	<u>1,702,288</u>	<u>15,890,778</u>
<u>DEDUCTIONS</u>					
Professional services	47,430	136,073	45,596	12,178,151	12,552,043
Distribution to City	-	490,000	-	-	490,000
Payments to developers	164,000	-	-	-	164,000
Debt service:					
Principal	340,000	2,945,000	240,000	120,000	6,965,000
Interest	<u>328,612</u>	<u>2,502,048</u>	<u>654,588</u>	<u>626,381</u>	<u>4,809,948</u>
Total Deductions	<u>880,042</u>	<u>6,073,121</u>	<u>940,184</u>	<u>12,924,532</u>	<u>24,980,991</u>
Net increase (decrease) in fiduciary net position	<u>28,949</u>	<u>691,322</u>	<u>149,961</u>	<u>(11,222,244)</u>	<u>(9,090,213)</u>
Fiduciary Net Position - Beginning	959,724	22,639,856	3,102,829	13,700,560	61,242,737
Prior period adjustment	<u>-</u>	<u>-</u>	<u>(1,154,316)</u>	<u>-</u>	<u>(8,346,951)</u>
Fiduciary Net Position - Beginning, Restated	<u>959,724</u>	<u>22,639,856</u>	<u>1,948,513</u>	<u>13,700,560</u>	<u>52,895,786</u>
Fiduciary Net Position - Ending	<u>\$ 988,673</u>	<u>\$ 23,331,178</u>	<u>\$ 2,098,474</u>	<u>\$ 2,478,316</u>	<u>\$ 43,805,573</u>

STATISTICAL SECTION



STATISTICAL SECTION

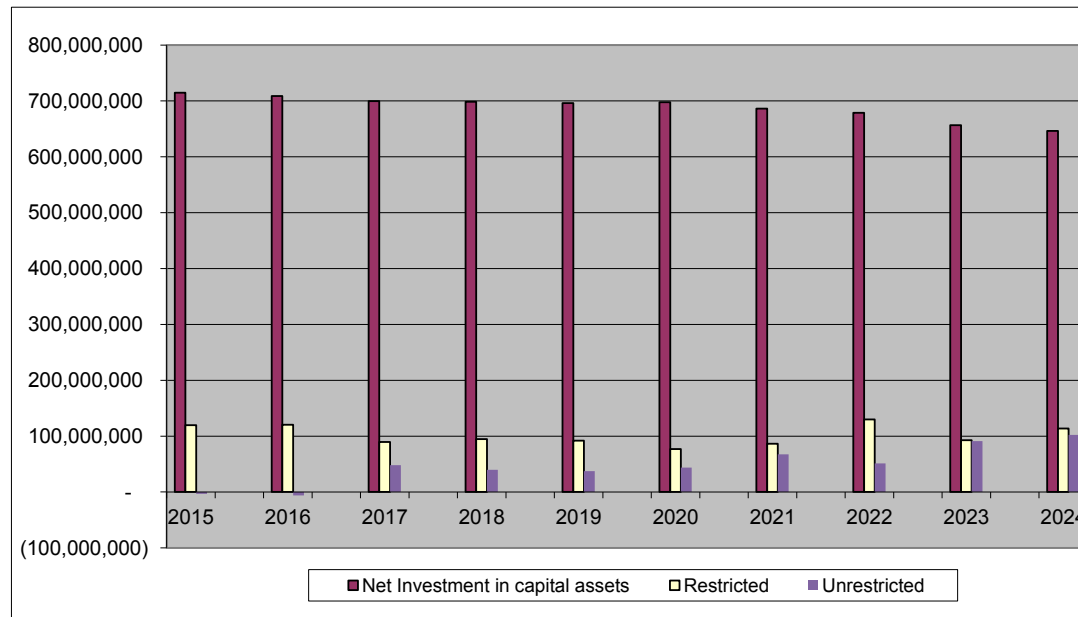
This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<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.	130 - 134
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.	135 - 138
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.	139 - 141
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.	142 - 144
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.	145 - 146

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,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net Investment in capital assets	367,624,105	359,758,260	354,718,311	350,361,056	348,742,386	344,847,105	336,402,231	332,378,568	325,142,234	320,892,244
Restricted	105,113,762	106,251,051	76,398,564	86,266,260	82,496,431	69,876,345	71,650,008	110,940,416	74,322,328	93,396,875
Unrestricted	(22,118,189)	(21,706,971)	19,409,294	5,020,121	8,392,145	14,138,806	34,834,119	20,184,955	65,261,933	67,653,944
Total governmental activities net position	430,188,419	450,619,678	444,302,340	450,526,169	441,647,437	439,630,962	428,862,256	442,886,358	463,503,939	481,943,063
Business-type activities										
Net Investment in capital assets	347,013,821	349,180,869	345,150,139	348,208,139	347,503,553	353,011,194	349,818,023	346,447,473	331,622,431	325,509,293
Restricted	14,504,672	14,312,412	12,990,446	8,639,096	9,304,148	7,205,080	14,644,566	18,842,976	18,541,435	20,147,573
Unrestricted	18,881,017	15,639,418	28,760,478	34,614,888	29,053,080	29,512,061	32,396,407	31,049,519	25,937,677	34,589,152
Total business-type activities net position	380,399,510	379,132,699	386,901,063	391,462,123	385,860,781	389,728,335	396,858,996	396,339,968	376,101,543	380,246,018
Primary government										
Net Investment in capital assets	714,637,926	708,939,129	699,868,450	698,569,195	696,245,939	697,858,299	686,220,254	678,826,041	656,764,665	646,401,537
Restricted	119,618,434	120,563,463	89,389,010	94,905,356	91,800,579	77,081,425	86,294,574	129,783,392	92,863,763	113,544,448
Unrestricted	(3,237,172)	(6,067,553)	48,169,772	39,635,009	37,445,225	43,650,867	67,230,526	51,234,474	91,199,610	102,243,096
Total primary government net position	831,019,188	823,435,039	837,427,232	833,109,560	825,491,743	818,590,591	839,745,354	859,843,907	840,828,038	862,189,081
<i>% change from prior year</i>	69.9%	-0.9%	1.7%	-0.5%	-0.9%	-0.8%	2.5%	2.3%	-2.3%	2.5%



Source : City of Lincoln Audited Financial Reports

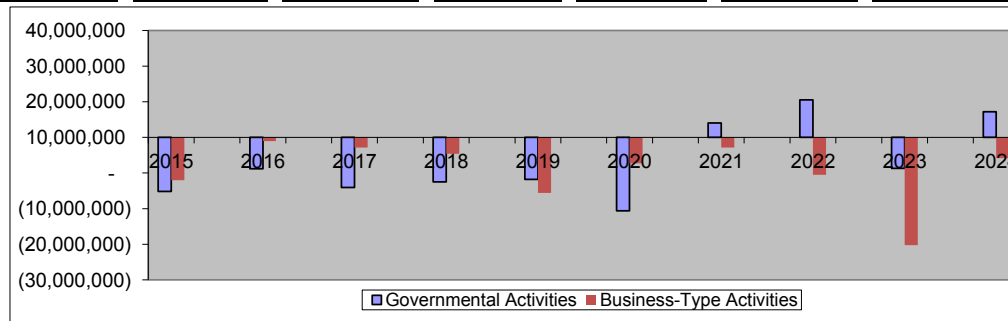
City of Lincoln
Change in Net Position
Last Ten Fiscal Years
(Full Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental Activities										
General government	2,465,172	3,936,661	3,135,241	3,697,194	1,517,206	5,110,616	7,237,227	7,978,828	6,705,161	6,489,697
Public safety	9,111,739	11,437,055	9,222,033	11,443,750	12,567,871	13,880,906	14,493,876	11,446,089	19,074,136	20,366,528
Public works and facilities	19,030,793	21,087,881	21,065,618	24,230,516	28,442,592	24,585,754	23,764,510	26,405,413	28,384,075	34,285,306
Culture and recreation	745,314	839,156	735,780	939,858	1,043,517	1,017,823	642,096	1,071,344	1,105,148	1,409,450
Urban redevelopment and housing	490,309	545,475	522,402	646,213	489,557	1,164,293	683,418	605,557	326,200	334,744
Education	568,277	786,381	1,139,387	1,006,407	810,164	768,182	1,172,252	1,326,178	1,376,724	1,384,998
Interest on long-term debt	1,012,610	988,938	1,143,290	576,397	587,288	586,324	556,611	514,762	645,549	430,101
Total Governmental Activities	<u>33,424,214</u>	<u>39,621,547</u>	<u>36,963,751</u>	<u>42,540,335</u>	<u>45,458,195</u>	<u>47,113,898</u>	<u>48,549,990</u>	<u>49,348,171</u>	<u>57,616,993</u>	<u>64,700,824</u>
Business-Type Activities										
Water	12,418,348	12,618,263	16,370,415	14,598,974	18,975,438	15,416,723	16,976,467	17,972,553	18,967,580	19,964,857
Sewer	10,760,685	12,813,685	13,176,196	14,613,442	15,997,571	15,160,709	14,621,387	17,503,845	15,826,029	16,911,755
Solid Waste	5,087,810	7,355,610	4,448,941	4,983,983	5,713,323	6,291,563	6,139,631	7,551,871	8,705,055	9,520,615
Airport	1,632,005	1,563,378	1,414,739	1,546,662	1,570,314	1,385,498	1,270,254	1,822,575	1,845,053	1,799,086
Transit	980,587	796,960	1,208,851	1,019,402	831,545	763,389	445,062	577,606	680,646	562,700
Total Business-Type Activities	<u>30,879,435</u>	<u>35,147,896</u>	<u>36,619,142</u>	<u>36,762,463</u>	<u>43,088,191</u>	<u>39,017,882</u>	<u>39,452,801</u>	<u>45,428,450</u>	<u>46,024,363</u>	<u>48,759,013</u>
Total Expenses	<u>64,303,649</u>	<u>74,769,443</u>	<u>73,582,893</u>	<u>79,302,798</u>	<u>88,546,386</u>	<u>86,131,780</u>	<u>88,002,791</u>	<u>94,776,621</u>	<u>103,641,356</u>	<u>113,459,837</u>
Program Revenues										
Governmental Activities										
Charges for Services										
General government	1,054,510	1,384,406	1,314,126	1,072,515	1,644,853	1,950,391	2,718,096	3,599,525	2,789,940	2,323,515
Public Safety	569,572	746,075	836,963	511,568	698,400	1,053,814	1,797,174	2,333,797	1,126,325	1,288,633
Culture and recreation	909,070	1,252,263	1,317,891	1,459,252	1,405,219	2,415,811	3,448,733	4,556,115	3,144,602	3,513,049
Education	7,480	32,185	14,933	18,506	17,420	12,715	-	15,495	53,772	108,015
Public works and facilities	9,447,200	9,179,640	11,226,143	8,943,756	8,832,175	13,912,931	21,628,437	31,616,856	20,264,863	22,452,539
Operating Grants and Contributions	1,673,308	651,321	3,977,143	5,587,725	5,264,119	5,184,744	5,355,866	8,298,306	9,533,395	9,094,106
Capital Grants and Contributions	14,184,897	3,255,890	2,685,758	3,806,413	1,354,228	1,119,210	1,559,687	5,124,528	2,329,059	2,958,926
Total Governmental Activities	<u>27,846,037</u>	<u>16,501,780</u>	<u>21,372,957</u>	<u>21,399,735</u>	<u>19,216,414</u>	<u>25,649,616</u>	<u>36,509,365</u>	<u>55,544,622</u>	<u>39,241,956</u>	<u>41,738,783</u>
Business-Type Activities										
Charges for Services										
Water	12,615,858	13,400,117	16,383,662	17,982,749	15,661,241	14,132,515	15,322,625	12,998,938	12,884,150	20,610,667
Wastewater	7,517,029	7,692,439	17,547,426	10,905,805	10,914,957	11,715,959	14,256,920	9,311,644	10,360,863	15,585,307
Solid Waste	5,825,523	6,219,021	6,686,470	7,234,003	7,230,150	7,172,944	7,462,223	7,845,387	8,097,993	9,500,109
Airport	1,261,533	1,253,203	1,259,101	1,426,040	1,578,138	1,454,717	1,473,336	1,714,159	2,091,134	2,030,216
Transit	39,289	2,589	1,926	2,842	1,344	553	63	-	-	-
Operating Grants and Contributions	1,188,545	2,058,693	478,160	4,901,085	398,364	458,708	233,448	518,658	325,791	636,300
Capital Grants and Contributions	4,254,405	2,125,839	2,174,326	1,401,690	1,288,121	1,636,972	4,578,125	9,994,350	3,036,338	1,152,929
Total Business-Type Activities	<u>32,702,182</u>	<u>32,751,901</u>	<u>44,531,071</u>	<u>43,854,214</u>	<u>37,072,315</u>	<u>36,572,368</u>	<u>43,326,740</u>	<u>42,383,136</u>	<u>36,796,269</u>	<u>49,515,528</u>
Total Program Revenues	<u>60,548,219</u>	<u>49,253,681</u>	<u>65,904,028</u>	<u>65,253,949</u>	<u>56,288,729</u>	<u>62,221,984</u>	<u>79,836,105</u>	<u>97,927,758</u>	<u>76,038,225</u>	<u>91,254,311</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)

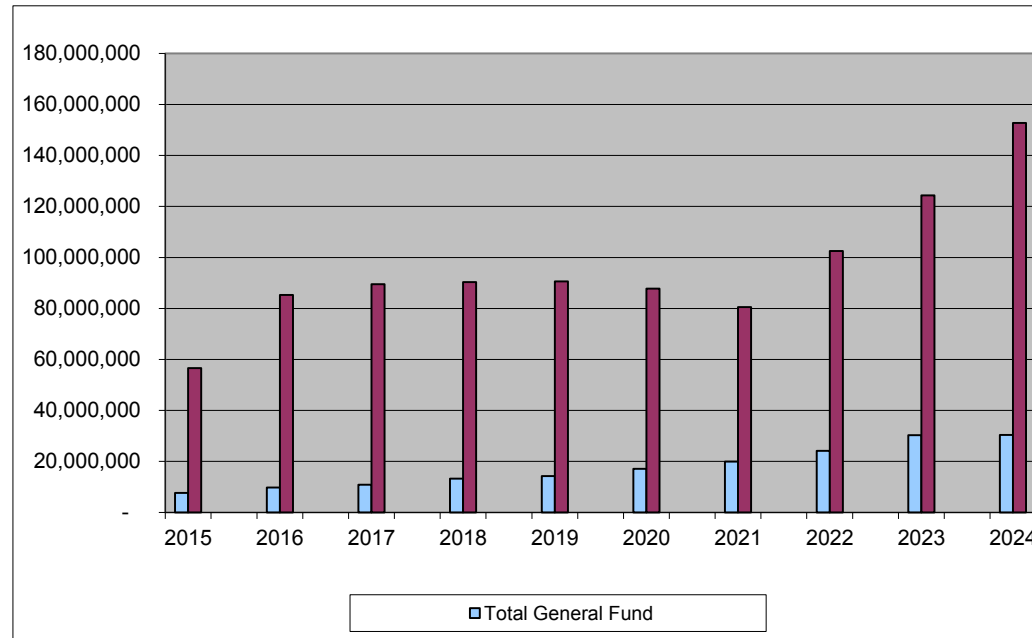
	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net (Expense)/Revenue										
Governmental Activities	(23,119,767)	(15,590,794)	(21,140,600)	(21,140,600)	(26,241,781)	(21,464,282)	(12,040,625)	6,196,451	(18,375,037)	(22,962,041)
Business-Type Activities	(2,395,995)	7,911,929	7,091,751	7,091,751	(6,015,876)	(2,445,514)	3,873,939	(3,045,314)	(9,228,094)	756,515
Total Net Expense	(25,515,762)	(7,678,865)	(14,048,849)	(14,048,849)	(32,257,657)	(23,909,796)	(8,166,686)	3,151,137	(27,603,131)	(22,205,526)
General Revenues										
Governmental Activities										
Taxes:										
Property taxes	9,020,576	8,983,948	9,705,899	10,066,655	10,527,123	11,103,454	12,605,783	13,819,529	15,804,351	16,534,725
Sales and use taxes	2,598,143	2,844,841	3,686,126	3,660,917	4,158,035	4,210,076	4,900,418	5,732,715	5,923,572	5,910,362
Franchise taxes	837,267	852,458	807,201	802,573	906,237	923,555	941,096	928,079	973,152	960,330
Other local taxes	259,982	222,229	283,663	303,022	346,865	260,495	202,521	407,621	297,541	298,080
Interest income	764,002	1,661,188	584,516	338,114	3,987,398	4,910,140	569,054	(4,624,516)	1,711,995	5,593,158
Miscellaneous	2,105,907	1,714,705	621,727	602,739	2,485,938	1,123,086	1,054,574	1,410,794	1,156,849	1,718,191
Special Item - agency fund bond proceeds	-	-	-	-	-	1,500,000	-	-	-	-
Special Item - custodial fund bond proceeds	-	-	-	-	-	-	-	-	5,057,387	-
Special Item - return of unused bond proceeds	-	-	-	-	-	(14,048,856)	-	-	(7,744,777)	-
Capital Contribution from property owners	-	-	-	-	-	-	6,889,963	-	-	-
Transfers	1,858,685	-	1,375,484	2,868,785	2,022,620	840,575	(1,098,682)	(3,364,704)	(3,473,020)	716,585
Extraordinary gain	489,374	523,060	-	-	-	-	-	-	-	-
Prior period adjustments	-	-	-	-	-	-	-	-	-	8,447,178
Total Governmental Activities	17,933,936	16,802,429	17,064,616	18,642,805	24,434,216	10,822,525	26,064,727	14,309,518	19,707,050	40,178,609
Business-Type Activities										
Taxes:										
Property taxes	-	-	-	-	-	-	-	-	-	-
Sales and use taxes	412,877	492,068	417,342	997,032	127,713	1,296,925	306,900	381,307	71,209	61,266
Interest income	372,555	735,107	75,455	(19,206)	2,191,471	2,329,372	129,650	(2,379,793)	346,329	2,780,424
Miscellaneous	125,745	239,418	984,836	200,260	99,153	2,322,591	1,704,393	1,142,019	3,594,886	1,068,597
Special Item - disposal of operations	-	-	-	-	-	-	-	-	(18,326,446)	4,937
Gain on sale of capital assets	(39,829)	83,688	(40,665)	1,100	18,817	34,133	17,097	18,049	-	-
Loss on disposal of capital assets	-	-	-	-	-	-	-	-	(161,092)	(105,734)
Transfers	(489,374)	(523,060)	(1,375,484)	(2,868,785)	(2,022,620)	(840,575)	1,098,682	3,364,704	3,473,020	(716,585)
Prior period adjustments	-	-	-	-	-	-	-	-	-	295,055
Total Business-Type Activities	381,974	1,027,221	61,484	(1,689,599)	414,534	5,142,446	3,256,722	2,526,286	(11,002,094)	3,387,960
Change in Net Position										
Governmental Activities	(5,185,831)	1,211,635	(4,075,984)	(2,497,795)	(1,807,565)	(10,641,757)	14,024,102	20,505,969	1,332,013	17,216,568
Business-Type Activities	(2,014,021)	8,939,150	7,153,235	5,402,152	(5,601,342)	2,696,932	7,130,661	(519,028)	(20,230,188)	4,144,475
Total Change in Net Position	(7,199,852)	10,150,785	3,077,251	2,904,357	(7,408,907)	(7,944,825)	21,154,763	19,986,941	(18,898,175)	21,361,043



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,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nonspendable	361,627	387,438	492,748	330,040	5,371,094	5,306,135	5,059,976	5,045,194	5,260,992	5,418,622
Restricted	43	96	-	-	-	-	-	-	-	-
Committed	3,803,726	3,929,856	4,063,745	11,695,956	7,204,704	7,096,007	6,280,471	6,905,274	7,145,829	7,770,504
Assigned	-	-	-	678,711	678,711	678,711	678,711	678,711	-	-
Unassigned	5,580,155	6,530,612	8,685,506	1,566,065	3,860,869	6,836,827	12,147,645	15,397,663	17,850,646	17,173,545
Total General Fund	<u>7,659,144</u>	<u>9,745,551</u>	<u>10,848,002</u>	<u>13,241,999</u>	<u>14,270,772</u>	<u>17,115,378</u>	<u>19,917,680</u>	<u>24,166,803</u>	<u>30,257,467</u>	<u>30,362,671</u>
All Other Governmental Funds										
Nonspendable	33,945,141	437,032	12,667,904	424,560	441,577	436,791	10,884,663	455,716	40,402,869	40,455,157
Restricted	65,041,906	99,829,860	76,041,673	86,304,574	84,105,879	75,718,003	82,956,757	110,583,757	73,965,669	93,040,216
Assigned	6,126,672	5,984,063	5,878,548	5,076,709	4,757,518	4,834,251	8,945,789	13,548,584	15,899,481	19,535,178
Unassigned	(19,846,487)	(16,713,886)	(4,251,315)	(1,196,249)	(1,572,478)	(441,536)	(252,394)	(288,181)	(392,561)	(272,561)
Total All Other Governmental Funds	<u>56,624,038</u>	<u>85,267,232</u>	<u>89,537,069</u>	<u>90,336,810</u>	<u>90,609,594</u>	<u>87,732,496</u>	<u>80,547,509</u>	<u>102,534,815</u>	<u>124,299,876</u>	<u>152,757,990</u>



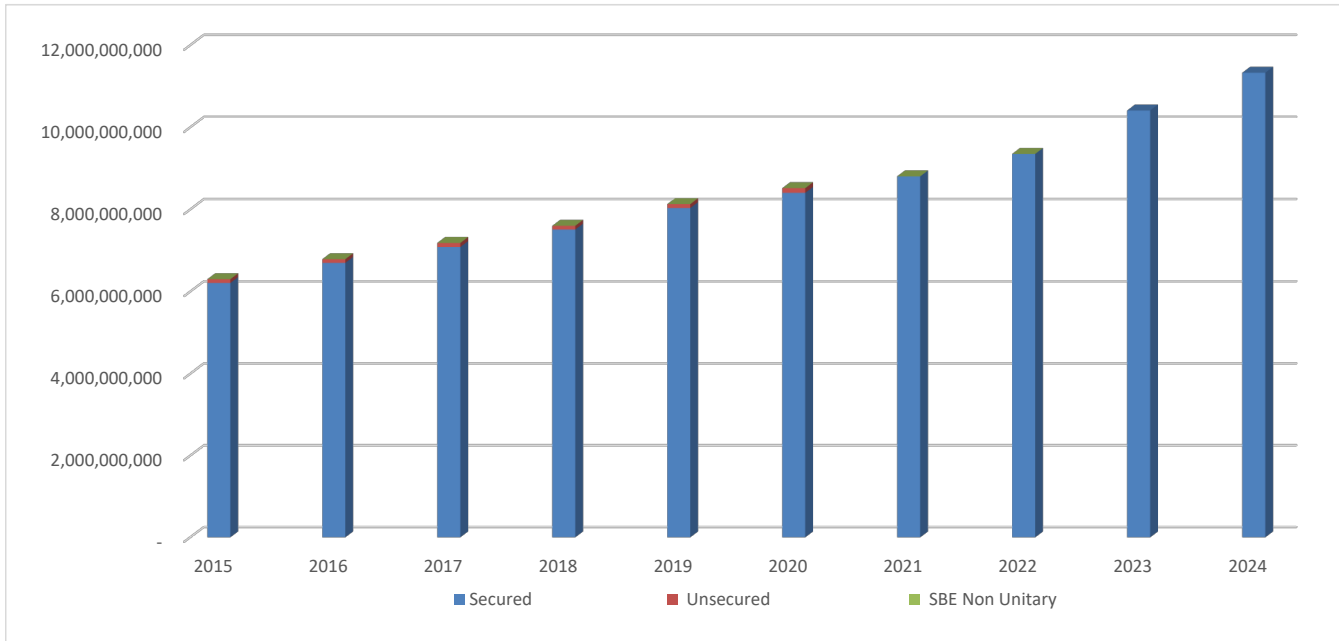
Source : City of Lincoln Audited Financial Reports

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Taxes and assessments	16,082,063	16,357,235	20,106,114	18,567,904	19,516,493	20,601,909	23,113,462	26,155,258	29,284,295	31,025,209
Licenses and permits	1,604,400	1,562,852	2,039,503	1,610,635	1,642,440	2,991,491	5,633,116	7,520,490	5,998,348	6,079,173
Fines and penalties	74,132	94,962	68,350	64,909	68,102	56,661	52,932	50,196	97,291	86,422
Interest and investment income	747,630	1,620,941	350,746	334,845	3,778,750	4,556,485	424,125	(4,675,930)	1,561,575	5,282,464
Intergovernmental revenue	10,012,367	4,641,768	4,704,926	6,847,168	6,574,382	7,143,718	6,336,978	9,012,115	11,927,640	10,859,852
Charges for services	6,943,205	7,482,996	9,067,969	6,732,616	7,309,292	12,245,106	19,760,802	29,832,762	15,302,633	16,211,552
Other revenue	2,105,694	1,714,705	459,607	379,952	2,527,056	1,140,383	1,034,850	6,157,591	1,022,835	1,490,437
Total Revenues	37,569,491	33,475,459	36,797,215	34,538,029	41,416,515	48,735,753	56,356,265	74,052,482	65,194,617	71,035,109
Expenditures										
Current										
General government	2,846,091	3,197,417	3,319,937	3,202,404	3,112,059	3,837,505	4,774,854	6,008,466	7,363,473	6,123,840
Public safety	8,881,517	9,356,075	9,740,100	10,640,805	10,982,420	11,928,284	12,117,860	13,137,552	16,190,061	17,650,800
Public works and facilities	5,265,925	7,146,117	7,692,480	9,204,907	9,283,230	11,339,025	9,103,758	11,450,300	15,221,017	19,435,169
Culture and recreation	657,331	712,594	762,026	891,065	971,921	954,402	560,143	922,837	1,120,594	1,326,179
Education	558,746	710,838	542,818	610,054	674,174	700,966	651,526	820,449	926,889	899,093
Urban redevelopment and housing	487,553	510,589	933,166	840,001	646,904	725,067	666,323	582,316	329,074	282,572
Debt Service										
Principal retirement	880,524	911,116	19,386,939	1,008,510	918,697	952,261	1,138,810	1,217,867	1,252,165	1,277,875
Interest and bond issuance costs	1,024,729	1,003,612	(51,400)	632,227	621,105	599,557	619,843	582,144	714,295	500,671
Capital Outlay	7,850,556	5,224,887	8,512,198	9,982,312	11,154,911	10,291,590	6,547,605	10,554,897	7,549,299	9,795,055
Total Expenditures	28,452,972	28,773,245	50,838,264	37,012,285	38,365,421	41,328,657	36,180,722	45,276,828	50,666,867	57,291,254
Excess(Deficiency) of Revenue over Expenditures	9,116,519	4,702,214	(14,041,049)	(2,474,256)	3,051,094	7,407,096	20,175,543	28,775,654	14,527,750	13,743,855
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)	-	-	-	-
Inception of SBITA	-	-	-	-	-	-	-	-	145,560	80,118
Contribution from property owners	-	-	-	-	-	-	6,889,963	-	-	-
Operating transfers in	8,416,800	2,637,544	20,616,774	5,256,776	6,496,221	2,274,238	2,241,142	2,164,260	1,473,177	2,174,849
Operating transfers out	(7,601,327)	(1,967,470)	(19,241,290)	(2,596,991)	(5,322,452)	(1,457,663)	(3,070,219)	(5,528,964)	(5,543,433)	(1,458,264)
Proceeds from sale of capital assets	1,899,900	-	-	-	152,699	-	-	-	-	-
Proceeds from capital leases	-	-	-	-	-	-	-	220,000	-	-
Debt proceeds	-	-	(213,523)	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	2,715,373	670,074	18,921,961	2,536,617	(3,083,586)	(11,732,281)	6,060,886	(3,144,704)	(3,924,696)	796,703
Special Items (Note 18)										
Custodial fund bond proceeds	-	-	-	-	-	-	-	-	5,057,387	-
Return of unused bond funds	-	-	-	-	-	-	-	-	(7,744,777)	-
Net Change in fund balances before prior period adjustments and extraordinary items	5,372,288	5,372,288	62,361	62,361	(4,325,185)	26,236,429	-	10,603,054	-	14,540,558
Prior period adjustment	18,897,709	-	(6,544,385)	1,239,196	-	(57,500)	-	-	(109,457)	8,447,178
Extraordinary item:										
Assets transferred to/liabilities assumed by Successor Agency/Housing Successor	-	-	-	-	-	-	-	-	-	-
Net Change in fund balances	24,269,997	5,372,288	(6,482,024)	1,301,557	(4,325,185)	26,178,929	-	10,603,054	(109,457)	22,987,736
Debt service as a percentage of noncapital expenditures	9.2%	8.1%	45.7%	6.1%	5.7%	5.0%	5.9%	5.2%	4.6%	3.7%

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
2015	6,210,620,359	91,857,194	197,100	6,302,674,653	21.618%	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%	1.062%
2021	8,806,503,581	130,354,289	-	8,936,857,870	4.903%	1.069%
2022	9,352,403,919	124,469,858	-	9,476,873,777	6.043%	1.063%
2023	10,409,810,083	149,889,921	-	10,559,700,004	11.426%	1.063%
2024	11,328,653,734	154,948,870	-	11,483,602,604	8.749%	1.058%

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

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

	Fiscal Year Ended June 30, 2023									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</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%	0.04%	0.04%	0.06%	0.05%	0.05%	0.05%	0.04%	0.04%
Sierra Joint Community College District	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.01%	0.01%	0.02%	0.02%
	<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>	<u>1.06%</u>	<u>1.06%</u>	<u>1.06%</u>

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

		2023-2024		
<u>Property Owner</u>	<u>Primary Land Use</u>	<u>Rank</u>	<u>Taxable Assessed Value</u>	<u>% of Total City Taxable Assessed Value</u>
Sierra Pacific Industries	Heavy Industrial	1	\$ 103,328,899	0.91%
PW Fund B LP	Warehouse	2	100,532,202	0.89%
Taylor Morrison of California LLC	Residential- Development	3	56,823,398	0.50%
Tri Pointe Homes Holdings Inc	Residential- Development	4	49,964,954	0.44%
Century Communities of California LLC	Residential- Development	5	32,316,252	0.29%
JPS Development LLC	Commercial	6	27,724,618	0.24%
KB Home Sacramento Inc	Residential Development	7	26,939,377	0.24%
Kaiser Foundation Health Plan Inc	Medical Buildings	8	26,025,403	0.23%
Mehrzi Properties LLC	Residential Properties	9	22,403,981	0.20%
Target Corporation	Commercial	10	21,417,122	0.19%
			<u>467,476,206</u>	<u>4.13%</u>
2023-2024 Local Secured Assessed Valuation			<u>\$ 11,328,653,734</u>	

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

Source: California Municipal Statistics

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

<u>Fiscal Year</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>	
		<u>Amount</u>	<u>Percent of Levy</u>
2014 / 2015	4,689,175	4,648,015	99.12%
2015 / 2016	5,046,671	5,004,975	99.17%
2016 / 2017	5,366,078	5,324,911	99.23%
2017 / 2018	5,681,659	5,641,895	99.30%
2018 / 2019	6,101,116	6,060,436	99.33%
2019 / 2020	6,378,293	6,290,019	98.62%
2020 / 2021	6,664,607	6,612,758	99.22%
2021 / 2022	7,072,253	7,015,940	99.20%
2022 / 2023	7,755,930	7,690,780	99.16%
2023 / 2024	8,501,661	8,428,547	99.14%

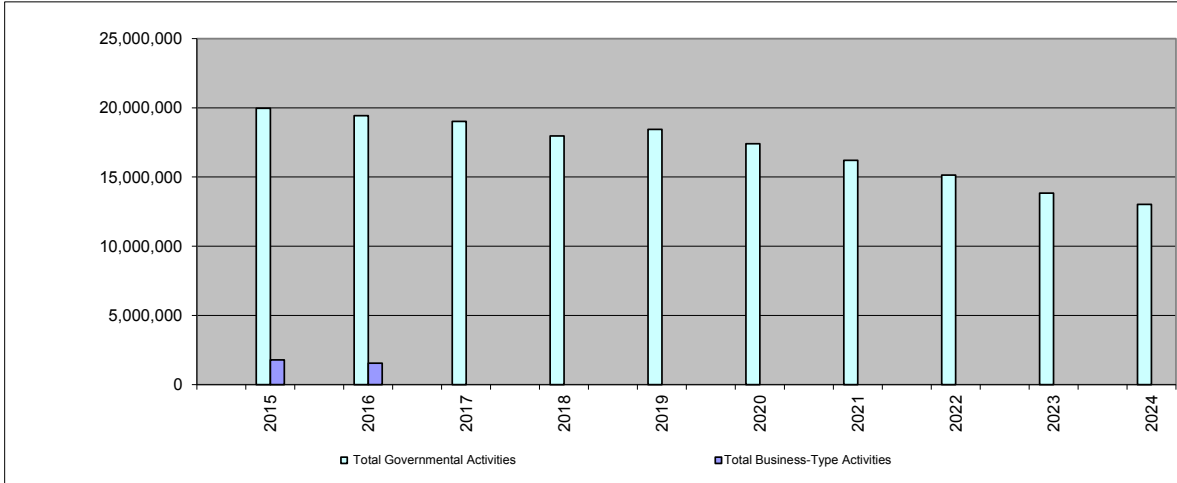
Notes:

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	Subscription Liability	Financed Purchases	Total Governmental Activities	Loans	Bonds	Subscription Liability	Financed Purchases	Total Business- Type Activities	Total Primary Government	Percentage of Personal Income (1)	Percentage of Assessed Value (2)	Per Capita (1)
2015	19,968,511	-	376,565	19,968,511	38,861	125,000	-	1,627,033	1,790,894	21,759,405	6141.13%	0.35%	497
2016	19,201,120	-	235,448	19,436,568	13,410	-	-	1,534,122	1,547,532	20,984,100	6501.46%	0.31%	464
2017	18,935,573	-	88,510	19,024,083	-	-	-	-	-	19,024,083	7291.04%	0.26%	420
2018	17,959,447	-	-	17,959,447	-	-	-	-	-	17,959,447	7955.71%	0.24%	379
2019	16,993,319	-	1,443,636	18,436,955	-	-	-	-	-	18,436,955	7965.99%	0.23%	383
2020	16,012,191	-	1,386,471	17,398,662	-	-	-	-	-	17,398,662	9041.75%	0.20%	358
2021	15,008,802	-	1,192,660	16,201,462	-	-	-	-	-	16,201,462	10416.23%	0.18%	336
2022	13,978,796	-	1,164,794	15,143,590	-	-	-	-	-	15,143,590	11683.07%	0.16%	307
2023	12,918,790	679,352	912,629	13,831,419	-	-	-	-	-	13,831,419	14201.57%	0.13%	279
2024	11,813,785	534,138	670,001	13,017,924	-	-	273,931	-	273,931	13,291,855	15450.78%	0.12%	259



(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 (Capital Assets Net of Depreciation) in MD&A section of ACFR

CITY OF LINCOLN
Direct and Overlapping Bonded Debt
As of June 30, 2024

2023-24 Assessed Valuation:

\$11,483,602,604

	Total Debt 6/30/2024	% Applicable (1)	City's Share of Debt 6/30/24
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Sierra Joint Community College District School Facilities Improvement District No. 4	\$ 201,485,000	12.642%	\$ 25,471,734
Western Placer Unified School District	103,280,000	86.086%	\$ 88,909,621
Western Placer Unified School District Community Facilities District No. 1	26,067,757	100.00%	\$ 26,067,757
Western Placer Unified School District Community Facilities District No. 2	34,980,000	100.00%	\$ 34,980,000
City of Lincoln Community Facilities Districts	88,540,000	100.00%	\$ 88,540,000
California Municipal Finance Authority Community Facilities Districts	46,915,000	100.00%	\$ 46,915,000
City of Lincoln 1915 Act Bonds	10,371,000	100.00%	\$ 10,371,000
California Statewide Communities Development Authority			
California Facilities Districts	8,800,000	100.00%	\$ 8,800,000
California Statewide Communities Development Authority Assessment Districts	10,330,047	100.00%	\$ 10,330,047
Total Overlapping Tax and Assessment Debt			\$ 340,385,159
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Placer County General Fund Obligations	\$ 77,190,000	10.946%	\$ 8,449,217
Sierra Joint Community College District Certificates of Participation	406,000	8.391%	34,067
Western Placer Unified School District Certificates of Participation	136,032,598	86.086%	117,105,022
City of Lincoln General Fund Obligations	11,065,000	100.000%	11,065,000
add Premium (discount) on bonds, net	748,785	100.000%	748,785
add Financed purchases	670,001	100.000%	670,001
add Subscription (SBITA) liability	534,138	100.000%	534,138
Placer Mosquito and Vector Control District Certificates of Participation	1,566,000	10.946%	171,414
Total Direct and Overlapping General Fund Debt			\$ 138,777,646
 <u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency)</u>			
	\$ 3,300,000	100.00%	\$ 3,300,000
TOTAL DIRECT DEBT			\$ 13,017,924
TOTAL OVERLAPPING DEBT			469,444,880
			<hr/>
COMBINED TOTAL DEBT			\$ 482,462,804 (2)

Ratios to 2023-24 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	2.96%
Total Direct Debt (\$11,065,000)	0.10%
Combined Total Debt	4.18%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$646,948,584):

Total Overlapping Tax Increment Debt	0.51%
--------------------------------------	-------

AB:(\$550)

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics

CITY OF LINCOLN
Computation of Legal Bonded Debt Margin
June 30, 2024

Secured Property Assessed Value, Net of Exempt Real Property	\$ 11,328,653,734
Bonded debt limit (3.75% of assessed value) (a)	\$ 424,824,515
Amount of Debt Subject to Limit:	
Total Bonded Debt	13,291,855
Less Total Bonds not subject to limit (b)	-
Amount of debt not subject to limit	13,291,855
Legal debt margin	\$ 411,532,660

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
2015	232,898,263	19,968,511	212,929,752	8.57%
2016	251,263,081	19,201,120	232,061,961	7.64%
2017	265,740,954	17,868,510	247,872,444	6.72%
2018	281,681,183	17,959,447	263,721,736	6.38%
2019	301,328,909	18,436,955	282,891,954	6.12%
2020	315,166,670	17,398,662	297,768,008	5.52%
2021	330,243,884	16,201,462	314,042,422	4.91%
2022	350,715,147	15,143,590	335,571,557	4.32%
2023	390,367,878	14,510,771	375,857,107	3.72%
2024	424,824,515	13,291,855	411,532,660	3.13%

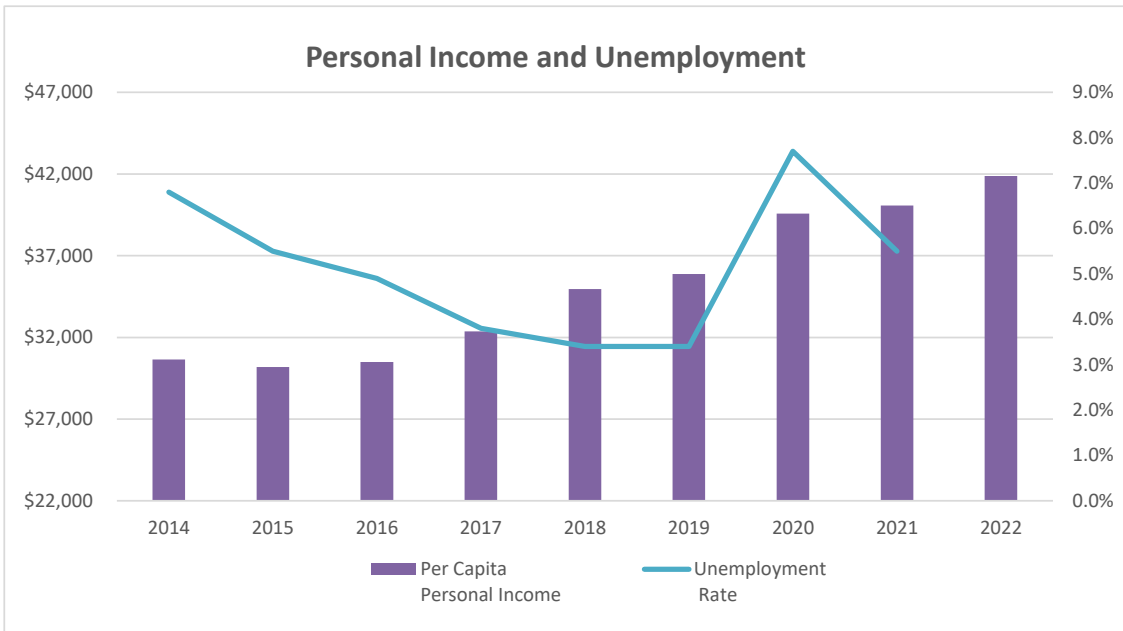
(a) California Government Code Section 43605 sets the debt limit at 15%. The Code section was enacted to the change in basing assessed value at full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing 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
2014	45,256	1,387,053,000	\$ 30,649	6.8%	41.2	93.7%	32.1%
2015	47,339	1,428,801,000	\$ 30,182	5.5%	42.3	93.5%	32.6%
2016	48,165	1,468,686,000	\$ 30,493	4.9%	42.3	93.0%	33.3%
2017	48,591	1,573,143,000	\$ 32,375	3.8%	42.7	93.0%	34.4%
2018	48,277	1,687,581,000	\$ 34,956	3.4%	43.1	92.4%	33.2%
2019	49,317	1,769,236,000	\$ 35,874	3.4%	43.3	92.4%	33.5%
2020	49,624	1,964,278,000	\$ 39,583	7.7%	43.3	92.8%	34.2%
2021	51,252	2,053,695,000	\$ 40,070	5.5%	43.7	94.6%	35.3%
2022	52,313	2,190,762,000	\$ 41,877	3.5%	43.9	94.0%	35.2%
2023	54,538	2,836,303,228	\$ 52,006	4.6%	43.6	94.0%	38.4%



**CITY OF LINCOLN
Principal Employers
2024**

Company	Business Description	Size (employees)
HORIZON CHARTER SCHOOLS	SCHOOLS	200
SIERRA PACIFIC LINCOLN	LUMBER-MANUFACTURERS	300
LOWE'S HOME IMPROVEMENT	HOME CENTERS	140
LINCOLN HIGH SCHOOL	SCHOOLS	130
THUNDER VALLEY CASINO	CASINOS (EXCEPT CASINO HOTELS)	2500
CITY OF LINCOLN	GOVERNMENT OFFICES-CITY	140
HOME DEPOT	HOME CENTERS	110
LINCOLN MEADOWS CARE CENTER	REHABILITATION SERVICES	140
SAFEWAY	GROCERS-RETAIL	120

Source: EDD, Labor Market Information Division

CITY OF LINCOLN
Sales Tax Producers - Top 25
FY 2023-2024

7 Eleven	Service Stations
Aisle 1	Service Stations
Apex Underground Supply	Heavy Industrial
Arco AM PM	Service Stations
Chevron	Service Stations
Chevron	Service Stations
Chevron	Service Stations
Gladding McBean	Building Materials
Home Depot	Building Materials
In n Out Burger	Quick-Service Restaurants
Lowes	Building Materials
McDonald's	Quick-Service Restaurants
Old Town Pizza	Casual Dining
Petsmart	Specialty Stores
Plunge	Electronics/Appliance Stores
Raley's	Grocery Stores
Ramos Oil	Petroleum Prod/Equipment
Ross	Family Apparel
Safeway	Grocery Stores
Safeway Fuel	Service Stations
Sun City Lincoln Hills Community Association	Leisure/Entertainment
Target	Discount Dept Stores
TJ Maxx	Family Apparel
Ulta Beauty	Specialty Stores
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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
City Manager										
Administration	2.8	2.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.8
Human Resources	2.5	2.0	2.0	5.0	3.8	2.5	2.8	3.5	3.0	3.0
Information Technology / GIS	-	-	-	-	-	2.0	4.5	5.0	7.0	8.0
Economic Development	1.0	1.0	1.0	1.0	1.0	1.0	1.5	1.0	1.0	1.0
Records Management	2.0	2.0	2.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0
City Attorney										
City Attorney	-	-	-	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Code Enforcement	-	-	-	-	2.0	1.0	1.0	1.0	2.0	2.0
Finance										
Administration	3.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0
Finance	9.0	9.0	9.0	9.0	9.3	11.0	11.0	11.0	11.0	13.0
Information Technology	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	1.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	5.0	6.0
Planning	3.5	3.5	4.0	4.0	3.0	3.0	3.0	3.0	4.0	4.0
Building	4.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	5.0	5.0
Development & Engineering	3.0	1.0	1.0	1.0	2.0	2.0	3.0	3.0	4.0	4.0
Financial Analysis	-	-	-	-	-	-	-	-	-	-
Public Works										
Administration	8.5	1.0	1.0	1.0	7.0	6.5	6.5	6.5	8.0	9.0
Engineering	-	-	-	7.0	8.5	5.0	5.0	7.0	7.0	8.0
Water	6.5	10.9	10.9	10.9	8.4	9.1	9.1	8.0	9.0	9.0
Wastewater	6.5	7.8	7.8	7.8	6.5	7.0	7.0	7.0	8.0	7.0
Solid Waste	13.4	13.5	13.5	13.5	15.0	15.0	15.0	16.0	18.0	18.0
Streets	6.2	6.3	6.3	6.3	7.9	7.9	8.9	10.0	10.0	10.0
Transit	7.0	2.0	2.0	2.0	1.0	-	-	-	-	-
Airport	2.0	2.0	2.0	2.0	2.0	1.0	1.5	1.5	1.5	1.5
Parks & Facilities	6.5	5.0	5.0	5.0	7.0	7.0	7.0	7.0	8.0	7.5
Fleet Maintenance	5.5	5.0	5.0	5.0	5.5	5.5	5.5	6.0	5.5	5.0
Police										
Administration	2.5	2.5	3.5	3.5	4.0	4.0	2.5	3.5	3.5	3.5
Communications	6.0	6.0	6.0	6.0	6.0	6.0	6.0	8.0	10.0	10.0
Operations	19.5	19.5	22.5	22.5	22.5	22.5	25.5	28.0	29.0	29.0
Fire										
Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.5	3.5	3.5	4.5
Operations	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	27.0	27.0
Library	3.9	3.9	5.6	3.4	5.7	5.9	5.9	6.6	6.6	6.6
Recreation (a)	4.0	4.0	4.0	5.0	5.0	5.0	5.0	5.0	5.0	6.0
Total Full-Time Equivalents	152.8	142.0	149.2	157.0	168.0	164.9	172.7	185.1	210.6	217.4

(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									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Business Licenses										
Annual business license	1,938	1,988	1,979	2,330	2,442	2,239	2,251	2,309	2,229	2,587
Environment and Utilities										
Gallons of wastewater treated per year (in millions)	1,062	1,178	1,935	1,709	1,880	1,669	1,602	1,850	2,046	1,952
Gallons of wastewater discharged per year (in millions)	813	969	1,748	1,572	1,765	1,626	1,536	1,730	1,949	1,860
Fire										
Fires per year	142	149	152	158	145	154	153	152	135	140
Emergency medical calls per year	2,637	2,637	3,153	3,280	3,306	3,529	3,791	4,105	4,356	4,489
Hazardous materials incidents per year	40	41	58	52	49	65	52	57	65	76
Non-emergency service calls per year	749	1,250	1,442	1,261	1,176	1,428	1,571	1,813	1,777	1,847
Police										
911 calls per year	8,852	10,577	11,082	13,095	13,442	14,027	16,341	15,100	13,919	12,985
Cases investigated per year	1,866	1,872	2,288	2,226	2,310	2,209	2,693	2,627	2,428	2,350
Arrests per year	479	403	517	786	812	755	1,118	882	1,038	1,068
Building Permits										
New Single Family Dwellings	233	188	252	70	115	404	757	1,624	1,289	613
Commercial (New and Tenant Improvements)	135	146	132	26	119	94	84	104	91	106
All Other	2,313	2,820	2,314	1,100	1,847	1,945	2,606	3,390	3,594	2,443

n/a = information not available

** new licenses applied for

Source: City of Lincoln

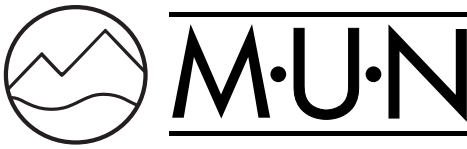
**CITY OF LINCOLN
SINGLE AUDIT AND RELATED REPORTS
FOR THE YEAR ENDED
JUNE 30, 2024**

**MUN CPAs, LLP
1760 Creekside Oaks Drive, Suite 160
Sacramento, California 95833**

**CITY OF LINCOLN
SINGLE AUDIT AND RELATED REPORTS
FOR THE YEAR ENDED JUNE 30, 2024**

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the City Council
City of Lincoln, California

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lincoln (City), California, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 22, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2024-002 and 2024-003 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

MUN CPAs, LLP

Sacramento, California
January 22, 2025



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the City Council
City of Lincoln, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Lincoln's (City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated January 22, 2025, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

MUN CPAs, LLP

Sacramento, California
January 22, 2025

**CITY OF LINCOLN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

<u>Federal Grantor/Pass-Through Grantor Program</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number/Grant Number</u>	<u>Federal Expenditures</u>
U.S Department of Housing and Urban Development			
Direct programs:			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	Beginning Loan Balance	\$ 228,408
Home Investment Partnerships Program	14.239	Beginning Loan Balance	<u>987,572</u>
Total U.S. Department of Housing and Urban Development			<u>1,215,980</u>
U.S Department of Transportation			
Direct programs:			
Airport Improvement Program	20.106	3-06-0120-028-2022	<u>25,412</u>
Total Airport Improvement Program			<u>25,412</u>
Pass-Through State of California Department of Transportation:			
Highway Planning and Construction	20.205	CML-5089 (025)	113,346
Highway Planning and Construction	20.205	STPL-5089 (028)	<u>1,670,464</u>
Total Highway Planning and Construction			<u>1,783,810</u>
Total U.S. Department of Transportation			<u>1,809,222</u>
U.S Department of the Treasury			
Pass-Through California State Controller:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		<u>1,522,347</u>
Total U.S. Department of the Treasury			<u>1,522,347</u>
Total Expenditures of Federal Awards			<u>\$ 4,547,549</u>

**CITY OF LINCOLN
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 1: REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the City of Lincoln (the City). The City reporting entity is defined in Note 1 of the City's Annual Comprehensive Financial Report. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the schedule. When federal awards were received from a pass-through entity, the Schedule of Expenditures of Federal Awards shows, if available, the identifying number assigned by the pass-through entity.

NOTE 2: BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City and is presented on accounting principles generally accepted in the United States of America. The information in this schedule is presented on the accrual basis of accounting and in accordance with requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

NOTE 3: RELATIONSHIP TO FINANCIAL STATEMENTS

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree, in all material respects, to amounts reported within the City's basic financial statements. Federal award revenues are reported principally in the City's financial statements as intergovernmental revenues in the governmental funds.

NOTE 4: CLAIMS

The City of Lincoln has received federal grants for specific purposes that are subject to review and audit by the Federal Government pass-through entity. Although such audits could result in expenditure disallowance under grant terms, any required reimbursements are not expected to be material which have not already been recorded.

NOTE 5: LOANS OUTSTANDING

The programs listed below had the following aggregate federally funded loans outstanding at June 30, 2024:

Federal AL Number	Program Title	Amount Outstanding
14.228	Community Development Block Grants/State's Program and Non-entitlement Grants in Hawaii	\$ 357,609
14.239	Home Investment Partnerships Program	<u>1,368,906</u>
	Total Loans Outstanding	<u>\$ 1,726,515</u>

NOTE 6: INDIRECT COSTS

The City elected not to use the 10% de minimis indirect cost rate, and did not charge indirect costs to federal grants during the year ended June 30, 2024.

**CITY OF LINCOLN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 200.516 of the Uniform Guidance	No
Identification of Major Programs:	
Home Investment Partnerships Program, AL 14.239	
Coronavirus State and Local Fiscal Recovery Funds, AL 21.027	
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

**CITY OF LINCOLN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
CURRENT YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024**

SECTION II: FINANCIAL STATEMENT FINDINGS

Findings relating to the financial statements which are required to be reported in accordance with Generally Accepted *Government Auditing Standards*.

Finding 2024-001 Special Assessment Debt Proceeds (Material Weakness) - Repeat Finding

Criteria

Certain deficiencies in the internal control system over financial reporting could adversely affect an entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

GASB Statement No. 6 - *Accounting and Reporting for Special Assessments*, Paragraph 19 - The debt service transactions of a special assessment issue for which the government is not obligated in any manner should be reported in a custodial fund rather than a debt service fund, to reflect the fact that the government's duties are limited to acting as an agent for the assessed property owners and the bondholders. The construction phase should be reported like other capital improvements - in a capital projects fund, or other appropriate fund. The source of funds in the capital project fund should be identified by a description other than - bond proceeds, such as - contribution from property owners. The capital assets constructed or acquired (other than those related to an enterprise fund) should be reported in the governmental activities, as appropriate. Displaying the transactions in this way recognizes that the construction or acquisition is a governmental activity and results in the addition of a governmental asset, but is not financed by governmental debt.

Condition

- Approximately \$7.2 million relating to costs incurred in prior years for the construction of roadway improvements was transferred from the LPFA 12 Bridges Refunding Series 2011 A & B custodial fund to the PFE Transportation special revenue fund. Construction of these projects should have been paid with the proceeds of the special assessment debt.
- Approximately \$1.2 million relating to costs incurred in prior years for the construction of roadway improvements including a sound wall was transferred from the CFD 2005-1 Series 2006 (Sorrento) custodial fund to the PFE Transportation special revenue fund. Construction of this project should have been paid with the proceeds of special assessment debt.

Cause

The City has numerous issues of special assessment debt dating back to 1999 that have been refunded several times. During the early 2000's when the City experienced unprecedented growth and development, the Administrative department did not have adequate staffing to keep up with the appropriate accounting required to properly track use of the bond proceeds and the various debt refundings. Therefore, documentation to support the amounts of project funds by funding source and transfers was not properly maintained, and funds have not been properly applied to projects in the year the projects were constructed. The transfers noted above are a result of current management actively working to research and resolve any potential adjustments resulting from these prior transactions.

Effect

The City was not appropriately transferring the special assessment debt proceeds to the capital projects funds for use when the projects were constructed. Consequently, other funding sources may have contributed to the costs of these projects.

**CITY OF LINCOLN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
CURRENT YEAR FINDINGS (continued)
FOR THE YEAR ENDED JUNE 30, 2024**

Recommendation

We recommend the City continue to reconcile all special assessment debt and related activity (cash with fiscal agent, special assessment revenue, bond payments, and capital projects) to ensure the funds are recorded in the proper fund and being tracked and used for the appropriate projects. Procedures should be developed for the transfer of special assessment bond funds to/from City capital project funds for the approved capital projects. Transfers between the funds should be adequately supported.

Views of Responsible Officials

The City agrees with this finding, and we will continue to reconcile all Special Assessment Debt and related activity to ensure the funds are recorded in the proper fund. The City believes that facilities that were intended to be financed with bond proceeds were mistakenly paid from other available City funds and that the City continued the process of rectifying this error to properly allocate the expenditure of bond proceeds to those public facilities that were intended to be financed but were instead paid for by other available City funds. City staff will complete the reconciliation during Fiscal Year 2024/2025.

**CITY OF LINCOLN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
CURRENT YEAR FINDINGS (continued)
FOR THE YEAR ENDED JUNE 30, 2024**

Finding 2024-002 Financial Close & Financial Reporting (Significant Deficiency)

Criteria

An effective internal control system and timely financial reporting provides reasonable assurance for the safeguarding of assets, the reliability of financial information, and compliance with laws and regulations.

Condition

During the performance of the audit, processes utilized for closing and reporting of financial activity for the fiscal year were not effective. Approximately 20 journal entries were proposed and posted to the trial balance for audit. Some of the specific financial statement areas that required adjustments included:

- Accounts payable had not been reconciled and had an overall debit balance of approximately \$34,000. Upon inquiry, journal entries were provided to correct the balance.
- We noted a five-year software agreement entered into during the year was not correctly included in the City's SBITA calculation in accordance with GASB 96. In addition, when recording the activity for this agreement, the City incorrectly posted the allocation between funds and the inception was not included in governmental funds.
- The City changed systems for the tracking of capital assets and SBITAs during the year. The City did not reconcile beginning balances and activity between the two systems and spreadsheets, resulting in several errors and adjustments.
- Workers' compensation payable was not properly reconciled resulting in an overstatement of the liability and expenditure account balances of approximately \$219,153.
- In relation to long-term debt, the City recorded principal and interest payments in the same account and did not true up debt balances in the long term debt/asset fund.

Cause

The City did not have adequate controls in place to ensure accounting records were closed accurately.

Effect

The financial statements as presented to the auditors contained material misstatements that required adjustment.

Recommendation

We recommend the City develop checklists or other guidance documents over the City's closing process to ensure all supporting schedules agree and reconcile to respective account balances prior to the trial balance being provided for the audit.

Views of Responsible Officials

The City agrees with this finding. As a result of the increased workload in the transition from the City's legacy accounting system to its new Enterprise ERP with Tyler Technologies resulted in additional audit journal entries. The City has updated its year-end checklist to incorporate additional procedures. Additionally, the implementation of GASB 96 - Subscription-Based Information Technology Arrangements (SBITAs) has proven to be a challenge for government agencies. The City has implemented an additional review and oversight process for new software subscriptions to ensure appropriate recording for GASB 96, as a capital asset and in relation to long-term debt as appropriate.

CITY OF LINCOLN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
CURRENT YEAR FINDINGS (continued)
FOR THE YEAR ENDED JUNE 30, 2024

Finding 2024-003 Grant Accounting (Significant Deficiency)

Criteria

Certain deficiencies in the internal control system over financial reporting could adversely affect an entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Condition

Three grants had revenue recognized in the current year related to expenditures incurred in the prior year. The expenses were not claimed in the appropriate period due to expense miscodings.

Unavailable revenue related to one grant was improperly recorded.

One grant had revenue that was double posted.

Cause

The City did not have proper procedures in place to reconcile grant revenues, expenditures, receivables, and unearned revenue for financial reporting purposes at year-end.

Effect

There were errors identified to properly match grant revenues, expenditures, unearned revenue and receivables within a fiscal year. Prior period adjustments totaling \$385,000 were recorded in relation to the grant expenditures incurred in the prior year.

Recommendation

We recommend the City enhance their grant reconciliation process. With assistance from department heads/grant managers, summarized grant information and program information should be provided to the Finance Department such as:

- Copies of grant agreements and budgets
- Copies of material expenditures with proper approvals of coding and application
- Copies of reimbursement requests submitted
- Monitoring of grant cash flow.

The Finance Department should then be able to prepare a reconciliation of grant revenues, expenditures, unearned revenue, cash received, and receivables for fiscal year-end.

Views of Responsible Officials

The City agrees with this finding; the grant reconciliation process is now centralized in the Finance Department, a change from the previous decentralization of grant administration. With oversight of grant administration and reconciliation now administered by the Finance Department, an enhanced reconciliation process is in place ensuring this type of error will not occur in subsequent years.

SECTION III: FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Findings and questioned costs for Federal Awards, which includes audit findings as defined in section 200.516 of the Uniform Guidance

None reported.

**CITY OF LINCOLN
SCHEDULE OF PRIOR YEAR FINDINGS
JUNE 30, 2024**

Finding 2023-001 Special Assessment Debt Proceeds (Material Weakness)

Condition

- Approximately \$5 million relating to costs incurred in 2007 and prior years for the construction of Lincoln Fire Stations #1 and #2 was transferred from the LPFA 12 Bridges Refunding Series 2011 A & B custodial fund to the PFE Community Services - Fire special revenue fund. Construction of these projects should have been paid with the proceeds of the special assessment debt.
- Approximately \$4.7 million of unused bond funds was moved from the Twelve Bridges capital project fund to the Twelve Bridges Series 2011 custodial fund.
- Approximately \$3.1 million of unused bond funds was moved from the Lincoln Crossing capital project fund to the Lincoln Crossing CFD custodial fund.

Recommendation

We recommend the City continue to reconcile all special assessment debt and related activity (cash with fiscal agent, special assessment revenue, bond payments, and capital projects) to ensure the funds are recorded in the proper fund and being tracked and used for the appropriate projects. Procedures should be developed for the transfer of special assessment bond funds to/from City capital project funds for the approved capital projects. Transfers between the funds should be adequately supported.

Status

Not implemented, see repeat finding 2024-001



Management Letter

January 22, 2025

City of Lincoln
600 6th Street
Lincoln, California 95648

In planning and performing our audit of the financial statements of the City of Lincoln (the City) as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. A separate letter dated January 22, 2025, contains our communication of significant deficiencies or material weaknesses in the City's internal control. This letter does not affect our report dated January 22, 2025, on the financial statements of the City of Lincoln.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various City personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

The City's responses to the comments identified in our audit are described in the accompanying schedule of control deficiencies and internal control recommendations. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, City Council, and others within the City, and is not intended to be, and should not be, used by anyone other than those specified parties.

Sincerely,

MUN CPAs, LLP

MUN CPAs, LLP

City of Lincoln
Control Deficiencies and Internal Control Recommendations
June 30, 2024

Pooled Cash

Upon the City's transition to a pooled cash system, we noted that the claims on cash balances do not agree to the pooled cash balances. However, we noted the difference is not material. We recommend the City review how transactions are processed to reconcile the claims on cash balances to the pooled cash balances and prevent future errors.

Management's Response:

City management agrees with this recommendation, and we will carefully review claims on cash to reconcile to pooled cash balances.

Transfers

During our procedures over transfers, we noted the City recorded a transaction to transfer cash from one fund to another incorrectly using fund balance rather than transfers in and transfers out. We recommend the City only post adjustments directly to fund balance in accordance with GAAP.

Management's Response:

City management agrees with this recommendation and this one-time issue has been resolved.

City of Lincoln
Status of Prior Year Findings
June 30, 2024

Leases

During our testing of leases receivable and related deferred inflows of resources, we noted the City used an incorrect discount rate for the calculation of one lease. We recommend that the City utilize the proper discount rate when calculating the lease receivable and related deferred inflow of resources.

Status: Implemented

Subscription-Based Information Technology Arrangements (SBITAs)

During our testing of SBITA implementation, we noted the City recorded the beginning balance of SBITA assets and liabilities as expenditures and other financing sources rather than as a change in accounting principle. We recommend the City properly record the impact of the restatement related to the implementation of new accounting standards.

Status: Implemented

Accounts Payable

During our testing of accounts payable, we noted the detail accounts payable schedule did not agree to the balance of accounts payable recorded in the general ledger. We recommend the City reconcile the accounts payable detail schedule to the balance recorded in the general ledger and correct any differences prior to the start of the annual audit.

Status: Not implemented, see repeat finding 2024-002

Unavailable Revenue

During our testing of unavailable revenue, we noted the City incorrectly recorded unavailable revenue in an internal service fund. We recommend the City only record unavailable revenue in funds that use the modified accrual basis of accounting.

Status: Implemented

Long-term Debt

During our testing of long-term debt, we noted one principal and interest payment was incorrectly recorded as investment revenue. We recommend that all debt service principal and interest payments be properly recorded in expenditure accounts.

Status: Implemented

Special Assessment Debt

During our testing of special assessment debt, we noted the amortization schedules provided for one debt issuance did not agree to actual payments made during the fiscal year. We recommend all debt service principal and interest payments be properly recorded and amortization schedules provided properly reflect principal and interest payments made during the year.

Status: Implemented



January 22, 2025

To the City Council
City of Lincoln
606 6th Street
Lincoln, California

We have audited the 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) for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 17, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 99, *Omnibus 2022*, and No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were:

Depreciation: Management's estimate of depreciation is based on the City's capitalization policy.

Allowance for uncollectible accounts: Management's allowance for uncollectible accounts is based on current and historical collections and write-offs.

Allowance for notes receivable: Management's allowance for notes receivable is based on management's specific identification of loans and long-term deferrals and non-current payments.

Net pension liability and other post-employment benefits (OPEB) liability: Management's estimates for the net pension and net OPEB liabilities are based on actuarial valuations.

Lease receivable and deferred inflows of resources: Management's estimate of leases receivable and deferred inflows of resources is based on the present value of payments to be received.

ROU subscription asset and subscription liability: Management's estimate of the ROU subscription asset and subscription liability is based on the present value of payments to be made.

We evaluated the methods, assumptions, and data used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The material misstatements in Attachment A were detected as a result of audit procedures and were corrected by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 22, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other significant matters discussed with management include the material weakness related to the prior period adjustments issued for the year ended June 30, 2024, that was reported in the Schedule of Findings and Questioned Costs included in the Single Audit and Related Reports package. The material weakness was related to the following adjustments recorded by the City:

- Reimbursement received in the Public Facility Element (PFE) special revenue fund from the Twelve Bridges Series 2011 custodial fund for expenditures that were incurred in prior fiscal years.
- Reimbursement received in the Public Facility Element (PFE) special revenue fund from the Sorrento CFD custodial fund for expenditures that were incurred in prior fiscal years.

The material weakness indicates there is a high risk that potential errors related to special assessment debt proceeds may not be prevented, or detected and corrected, on a timely basis.

Other Matters

We applied certain limited procedures to management's discussion and analysis, budgetary comparison schedules for the General Fund and major special revenue funds, the schedule of proportionate share of the net pension liability, the schedule of contributions to the pension plan, the schedule of changes in the net OPEB liability and related ratios, and the schedule of contributions to the OPEB plan, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund statements and the budgetary comparison schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on introductory and statistical sections of the annual comprehensive financial report, which accompany the financial statements but are not RSI. Such information has 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 it.

Restriction on Use

This information is intended solely for the information and use of City Council and management of City and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

MUN CPAs, LLP

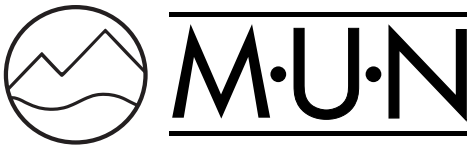
MUN CPAs, LLP

**CITY OF LINCOLN
SUMMARY OF AUDIT ADJUSTMENTS
June 30, 2024**

Description	Effect - Increase (Decrease)				
	Assets / Deferred Outflows of Resources	Liabilities / Deferred Inflows of Resources	Equity	Revenue	Expenses
To correct cash and accounts payable balances	\$ 9,512,503	\$ 9,512,503	\$ -	\$ -	\$ -
To record prior period adjustment for funds received from custodial funds	-	-	-	(13,404,338)	(13,404,338)
To correct beginning fund balance/net position			9,364	(13,486)	(4,122)
To correct rental revenue incorrectly recorded as deposits	-	(600)	-	600	-
To correct unavailable revenue and grant receivable	(40,000)	(40,000)	-	-	-
To record prior period adjustment for amounts not properly recorded in the prior year	-	-	395,282	(395,282)	-
To correct workers' compensation payable and expense	(2)	(219,164)	-	-	(219,162)
To record due to/from related to deficit cash balances	452,768	452,768	-	-	-
To correct accounts payable	-	34,201	-	-	34,201
To record correct SBITAs	428,349	349,313	-	80,118	1,082
To correct leases	-	(237,649)	-	-	(237,649)
To correct fund balance and transfers	-	-	-	697,965	697,965
Total Income Statement Effect				<u>\$ (13,034,423)</u>	<u>\$ (13,132,023)</u>
Balance Sheet Effect	<u>\$ 10,353,618</u>	<u>\$ 9,851,372</u>	<u>\$ 404,646</u>		

**CITY OF LINCOLN
APPROPRIATIONS LIMIT CALCULATION
AS OF JUNE 30, 2024**

**MUN CPAs, LLP
1760 CREEKSIDE OAKS DRIVE, SUITE 160
SACRAMENTO, CALIFORNIA 95833**



INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below on the accompanying Appropriations Limit Calculation of the City of Lincoln, CA, for the year ended June 30, 2024. The City of Lincoln's management is responsible for the Appropriations Limit Calculation.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of meeting the requirements of Section 1.5 of Article XIII B of the California Constitution. Additionally, the League of California Cities (as presented in the publication entitled Agreed-upon Procedures Applied to Appropriations Limitation Prescribed by Article XIII-B of the California Constitution) has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1. We obtained the completed internal calculations and compared the limit and annual adjustment factors included in those calculations to the limit and annual adjustment factors that were adopted by a resolution of the City Council. We compared the population and inflation options included in the aforementioned calculations to those that were selected by a recorded vote of the City Council.

Finding: No exceptions were noted as a result of our procedures.

2. For the Appropriations Limit Calculation, we added July 1, 2023's appropriations limit to the annual permitted adjustments and agreed the resulting amount to the June 30, 2024 appropriations limit.

Finding: No exceptions were noted as a result of our procedures.

3. We compared current year information presented in the appropriations limit calculation to supporting worksheets.

Finding: No exceptions were noted as a result of our procedures.

4. We compared the July 1, 2023 appropriations limit presented in the appropriations limit calculation to the prior year appropriations limit adopted by the City Council during the prior year.

Finding: No exceptions were noted as a result of our procedures.

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Appropriations Limit Calculation. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

No procedures have been performed with respect to the determination of the appropriations limit for the base year, as defined by Article XIII B of the California Constitution.

This report is intended solely for the information and use of the specified users listed above and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

MUN CPAs LLP

Sacramento, California
January 22, 2025

CITY OF LINCOLN
APPROPRIATIONS LIMIT CALCULATION
JUNE 30, 2024

	<u>Amount</u>	<u>Source</u>
A. Prior year's appropriations limit at July 01, 2023	\$ <u>37,770,437</u>	
B. Adjustment factors for the current fiscal year:		
1. Population change	1.0218	* State Finance
2. Inflation (per capita personal income change)	<u>1.0444</u>	* State Finance
Total adjustment	<u>1.0672</u>	* [(B1xB2)-1.0]
C. Annual adjustment	2,536,962	AxB
D. Other Adjustments		
Lost responsibility (-)	-	
Transfer to fees (-)	-	
Assumed responsibility (+)	<u>-</u>	
	<u>-</u>	
E. Total adjustments	<u>2,536,962</u>	C+D
F. Current year's appropriations limit at June 30, 2024	\$ <u><u>40,307,399</u></u>	A+E

* Rounded to the nearest ten thousandth



City of Lincoln

Summary of Audit Results June 30, 2024



M·U·N

Auditor & Management Responsibilities



- **Management is responsible** for the preparation and presentation of the financial statements.
- Purpose of an audit is to provide financial statement users with an **independent opinion** on whether the financial statements are presented fairly, in all material respects, and in accordance with applicable accounting standards (GAAP).

Audit Process



- Audit Interim Fieldwork – June 2024
 - Planning – risk assessment, review of Council minutes, management inquiry
 - Documentation of financial processes and testing of internal controls
 - Cash Receipts
 - Disbursements
 - Payroll
 - Journal entries, bank reconciliations, financial reporting

Audit Process



- Audit Year-End Fieldwork – October 2024
 - Testing of Year-End Balances and Activity
 - Confirmation of balances
 - Cut-off testing – receivables and payables
 - Detail tests of transactions
 - Analytical review
 - Single Audit – Audit of Federal grant expenditures in accordance with the Uniform Guidance
 - Preparation of Financial Statements and footnotes

Audit Reporting



- Reporting Results of the Audit
 - Audit Opinion - Independent Auditor's Report
 - *Government Auditing Standards (GAS)* Report
 - Uniform Guidance (Single Audit) Report
 - Management Letter, if required
 - Audit Conclusion Letter to those Charged with Governance

Financial Report - ACFR



- Annual Comprehensive Financial Report (ACFR)
 - Introductory Section
 - Basic information on the City
 - Transmittal Letter
 - Financial Section
 - Independent Auditor's Report
 - Management's Discussion & Analysis (MD&A)
 - Financial Statements and Related Notes
 - Statistical Section
 - Additional financial, economic, and demographic information

Audit Results – Financial Statements



- **Independent Auditor’s Report – Financial Section of the ACFR**
 - Types of opinions: Unmodified, qualified, adverse, and disclaimer
 - June 30, 2024: **Unmodified** (“Clean”) Audit Opinion
 - No material misstatements
 - Financial statements are presented in accordance with GAAP

Audit Reporting – *Government Auditing Standards*



- Types of Findings: Material Weakness, Significant Deficiency, & Compliance
 - Material Weakness (1)
 - 2024-001: Special Assessment Debt Proceeds (repeat – related to prior year transactions)
 - Significant Deficiencies (2)
 - 2024-002: Financial Close & Financial Reporting
 - 2024-003: Grant Accounting
 - Compliance Exceptions - none

Audit Reporting – Single Audit



- Uniform Guidance (Federal Single Audit) Report
 - Required when an entity expends more than \$750,000 in Federal grant funds
 - Major Programs Tested:
 - HOME Investment Partnership
 - Coronavirus State and Local Fiscal Recovery Funds
 - **Unmodified** (“clean”) audit opinion on the major programs
 - No findings in relation to internal controls over compliance
 - No compliance exceptions

Audit Reporting – Management Letter



- Management letter reports *control deficiencies* or recommendations for improvement
 - Pooled cash – reconciliation of claims on cash to individual funds
 - Transfers – proper recording of cash transfers
- Prior year recommendations (6) – 5 recommendations were implemented, 1 recommendation related to accounts payable reconciliation was not implemented (Reported as part of financial close finding)

Audit Reporting – Conclusion Letter



- Communication with Those Charged with Governance
 - **New Accounting Policies**
 - GASB 100, *Accounting Changes and Error Corrections*
 - Changes in major and non-major fund presentation
 - **Significant Changes in Disclosures**
 - None
 - **Accounting Estimates**
 - Allowance for accounts and notes receivables
 - Depreciation
 - Pension and OPEB liabilities
 - Lease receivable and SBITAs

Audit Reporting – Conclusion Letter



- **Difficulties Encountered in Performing the Audit**
 - None
- **Disagreements with Management**
 - None
- **Other Matters**
 - Reference to material weakness related to special assessment debt
- **Audit Adjustments (12) – Attachment A**
 - Various audit areas

Summary of Audit Results



- Reporting Results of the Audit
 - **Unmodified** (“Clean”) opinion on financial statements
 - **Unmodified** opinion on major program for Single Audit and no compliance exceptions
 - 1 material weakness, 2 significant deficiencies, no compliance exceptions
 - 2 recommendations for improvement
 - 12 audit adjustments
 - No major issues, disagreements, or difficulties performing the audit

Thank you.

Justin Williams, CPA
Erica Pastor, CPA

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