City of
Lincoln

ANNUAL
COMPREHENSIVE FINANCIAL REPORT

2025

Fiscal Year Ended
June 30, 2025

CITY OF LINCOLN
STATE OF CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

PREPARED BY FINANCE DIVISION

CITY OF LINCOLN
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2025

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INTRODUCTORY SECTION

March 16, 2026

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, 2025, 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 24 square miles and serves a population of more than 55,000 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 to four-year terms.

Each of the Councilmembers may take 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 boards in an advisory capacity to the City Council. These include the Planning Commission, Economic Development Committee, Fiscal and Investment Oversight Committee, Airport Committee, Parks and Recreation Committee, and Library Board.

The City Council transitioned from an annual budget process to a biennium budget process, adopting a biennium budget every 2 years which serves as the foundation for the City's financial planning and control. 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 are reviewed and updated, as needed, annually and currently include Economic Development, Infrastructure, Organizational Excellence, Team Cohesion, Sustainable Fiscal Health, and Increased Public Safety Service Levels. The goals are wide ranging and are designed to ensure the ongoing quality of life and economic viability for the City of Lincoln organization, its residents, staff and community partners.

Major Initiatives

Using the Strategic Plan as developed by the City Council, the organization continued work to advance key initiatives including economic development, infrastructure projects, organizational excellence, team cohesion, sustainable fiscal health, and increased public safety levels.

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 continued work on the multi-year process of implementation of a new enterprise resources planning (ERP) system. The financial system implementation is complete as of the date of the audit report and the City recently rolled out the new utility billing system with payroll and human resources planned for 2027. Additionally, staff continue to work to enhance land management and permitting software, improve 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 Financial Transparency dashboard and the Property Tax lookup tool.

One of the most important priorities for the Council (historically) has been public safety funding and staffing. Although the City of Lincon has a very low attrition rate, ongoing recruitments to ensure full Police and Fire staffing is and will remain a key function of the City. Along that vein, the City recently added a dedicated Fire Chief position to provide oversight and management of all fire personnel and related activities. Separately, careful financial planning ensures 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.

The City continues its initiative to enhance economic development within the City by adding a second economic development position focused on enhancing existing business and attracting new business. With two staff now allocated to economic development and communications within the City, efforts will continue toward securing businesses to provide 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 continued the work on the Downtown specific plan with the intent of resetting and enhancing the economic environment of our historic downtown and surrounding areas.

Momentum for Lincoln Regional Airport continues with the construction of new hangar buildings underway increasing hanger capacity by approximately 33% which will have a positive impact on leasehold revenue and fuel sales. The hangers will include individual hangers for general aviation as well as box hangers which would be suitable for new businesses at the Airport (key economic development initiative). Staff has begun the process to clear a path for the sale/development of the 84 acres adjacent to the airport which should help ensure the fiscal sustainability well into the future.

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 facilities or to create new facilities to meet the needs of a growing community, including a large scale solar project designed to lower utility costs to the enterprise and other funds.

Local Economy

The national economy has fluctuated due to a number of factors and some neighboring jurisdictions have experienced a lag in housing starts. While Lincoln did see a slight slowing of permits, the development community remains positive and based on a recent survey Lincoln experienced a significant uptick in housing sales. The large-scale housing projects in Lincoln are on track and anticipate continued growth at a steady pace. Based on a variety of data sources it appears that barring any major economic downtown 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.

The City continues its conservative approach in revenue and expense forecasting. The City's property tax revenues remain stable 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.

Retail development is gaining momentum within Lincoln with a groundbreaking of the Ferrari Pavilion retail center and continued development of the 12 Bridges retail and West Lincoln Square. Lincoln is poised on the precipice of sustained retail growth which will have a positive impact on the City's General Fund.

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 Plan, the Housing Element and a series of land use policies that are evaluated from time to time.

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 Lincoln for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2024. This was the 5th consecutive year that the City of Lincoln has received the prestigious award and the 8th 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, Accounting Manager Alex Hom, 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

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Lincoln
California

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrill

Executive Director/CEO

CITY OF LINCOLN

CITY OFFICIALS

JUNE 30, 2025

ELECTED OFFICIALS

Mayor	Richard Pearl
Mayor Pro Tem	Whitney Eklund
Council Member	Holly Woods-Andreatta
Council Member	Ben Brown
Council Member	John Reedy
City Treasurer	Gregory E. Kevin

APPOINTED OFFICIALS

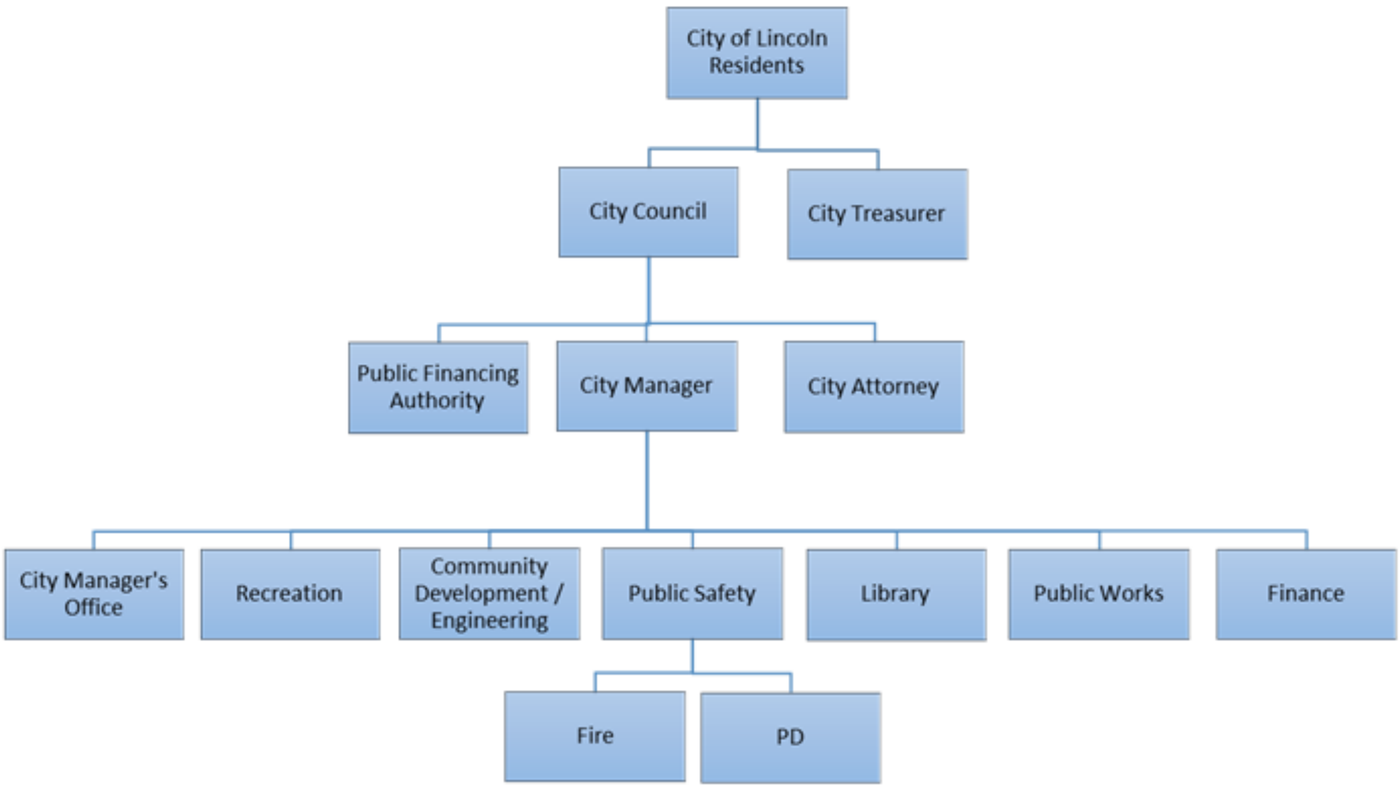
City Manager	Sean Scully
City Clerk	Hope Ithurburn
City Attorney	Kristine L. Mollenkopf

DEPARTMENT HEADS

Assistant City Manager/Director of Finance	Nita Wracker
Director of Community Development	Vacant
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 financial statements 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, 2025, 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, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2025, the City adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

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 March 16, 2026, 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
March 16, 2026

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, 2025. 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 $47,331,215, total liabilities of $5,215,910, and a total fund balance of $39,506,527. Of the total fund balance, the unassigned fund balance of the General Fund totaled $13,714,390 or 36% 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, 2025 by $890,117,923 (net position). Of this amount, $630,956,416 is invested in capital assets, net of related debt; $154,048,948 is restricted for debt service, capital projects, insurance, grants, taxes, and fees; and $105,112,559 is unrestricted.

- The City’s total net position increased by $11,353,121, of which $7,426,537 is an increase to governmental activities and $3,926,584 an increase to business-type activities.

- As of June 30, 2025, the City's governmental funds reported combined ending fund balances of $222,460,396, an increase of $39,339,735 from the prior year's balance of $183,120,661. Nonspendable, restricted, committed and assigned fund balances totaled $209,023,477, whereas unassigned fund balance totaled $13,436,919.

OVERVIEW OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT

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

Government-Wide Financial Statements

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

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

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

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

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

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

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, Special Assessment Districts, 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.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the City's financial statements. Each note is in sequence with the financial statements and can be found on pages 33 - 77 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's pension liability and other post-employment benefits (OPEB) liability. The City adopts an annual appropriated budget for all of its funds. Budgetary information on the City's major governmental funds, which include the General Fund, Public Facility Element (PFE) fund, Water Connections fund, Special Assessment Districts, Development Services fund, and Low/Moderate Income Housing fund can be found on pages 86 - 93. 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 94 - 128.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

A comparative analysis of the government-wide data follows.

Statement of Net Position
As of June 30, 2025 and 2024
(in thousands)

	Governmental Activities			Business-Type Activities			Total Government		
	2025	2024	Net Change	2025	2024	Net Change	2025	2024	Net Change
ASSETS									
Current and other assets	$ 248,894	$ 213,169	$ 35,725	$ 76,571	$ 70,895	$ 5,676	$ 325,465	$ 284,064	$ 41,401
Capital assets	330,713	333,903	(3,190)	325,076	325,942	(866)	655,789	659,845	(4,056)
Total Assets	579,607	547,072	32,535	401,647	396,837	4,810	981,254	943,909	37,345
DEFERRED OUTFLOWS OF RESOURCES	14,079	18,409	(4,330)	3,918	4,917	(999)	17,997	23,326	(5,329)
LIABILITIES									
Long-term liabilities	66,156	56,263	9,893	11,668	11,977	(309)	77,824	68,240	9,584
Other liabilities	16,747	20,953	(4,206)	8,265	7,681	584	25,012	28,634	(3,622)
Total Liabilities	82,903	77,216	5,687	19,933	19,658	275	102,836	96,874	5,962
DEFERRED INFLOWS OF RESOURCES	4,838	6,322	(1,484)	1,459	1,850	(391)	6,297	8,172	(1,875)
NET POSITION									
Net investment in capital assets	306,435	320,892	(14,457)	324,521	325,509	(988)	630,956	646,402	(15,446)
Restricted	132,490	93,397	39,093	21,559	20,148	1,411	154,049	113,545	40,504
Unrestricted	67,020	67,654	(634)	38,093	34,589	3,504	105,113	102,243	2,870
Total Net Position	$ 505,945	$ 481,943	$ 24,002	$ 384,173	$ 380,246	$ 3,927	$ 890,118	$ 862,190	$ 27,928

By far, the largest portion of the City's net position is unspendable ($630,956,416 or 71%) 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 $154,048,948 which are resources subject to external restrictions, and unrestricted net position totaling $105,112,559.

Changes in Net Position
As of June 30, 2025 and 2024
(in thousands)

	Governmental Activities			Business-Type Activities			Total Government		
	2025	2024	Net Change	2025	2024	Net Change	2025	2024	Net Change
REVENUES:									
Program Revenues									
Charges for services	$ 28,407	$ 29,686	$ (1,279)	$ 57,802	$ 47,727	$ 10,075	$ 86,209	$ 77,413	$ 8,796
Operating grants and contributions	13,069	9,094	3,975	826	636	190	13,895	9,730	4,165
Capital grants and contributions	-	2,959	(2,959)	1,510	1,153	357	1,510	4,112	(2,602)
General Revenues									
Property taxes	16,815	16,535	280	-	-	-	16,815	16,535	280
Sales taxes	5,451	5,910	(459)	59	61	(2)	5,510	5,971	(461)
Franchise taxes	1,033	960	73	-	-	-	1,033	960	73
Other taxes	412	298	114	-	-	-	412	298	114
Investment earnings	7,929	5,593	2,336	3,338	2,780	558	11,267	8,373	2,894
Other revenues	987	1,718	(731)	313	1,069	(756)	1,300	2,787	(1,487)
Gain (loss) on sale of asset	-	-	-	19	(106)	125	19	(106)	125
Total Revenues	74,103	72,753	1,350	63,867	53,320	10,547	137,970	126,073	11,897
EXPENSES:									
General government	9,472	6,490	2,982	-	-	-	9,472	6,490	2,982
Public safety	21,694	20,367	1,327	-	-	-	21,694	20,367	1,327
Public works and facilities	32,726	34,285	(1,559)	-	-	-	32,726	34,285	(1,559)
Culture & recreation	1,677	1,409	268	-	-	-	1,677	1,409	268
Urban redevelopment and housing	326	335	(9)	-	-	-	326	335	(9)
Education	1,725	1,385	340	-	-	-	1,725	1,385	340
Interest	890	430	460	-	-	-	890	430	460
Water	-	-	-	21,906	19,965	1,941	21,906	19,965	1,941
Wastewater	-	-	-	22,900	16,912	5,988	22,900	16,912	5,988
Solid waste	-	-	-	10,710	9,520	1,190	10,710	9,520	1,190
Airport	-	-	-	1,856	1,799	57	1,856	1,799	57
Transit	-	-	-	644	563	81	644	563	81
Total Expenses	68,510	64,701	3,809	58,016	48,759	9,257	126,526	113,460	13,066
Change in net position before transfers and special items	5,593	8,052	(2,459)	5,851	4,561	1,290	11,444	12,613	(1,169)
Transfers	1,917	717	1,200	(1,917)	(717)	(1,200)	-	-	-
Special items	-	-	-	-	5	(5)	-	5	(5)
Change in net position	7,510	8,769	(1,259)	3,934	3,849	85	11,444	12,618	(1,174)
Net Position Beginning, as restated	498,435	473,174	25,261	380,239	376,397	3,842	878,674	849,571	29,103
Net Position Ending	$ 505,945	$ 481,943	$ 24,002	$ 384,173	$ 380,246	$ 3,927	$ 890,118	$ 862,189	$ 27,929

Governmental activities increased the City's net position by $7,426,537 and business-type activities increased the City's net position by $3,926,584. Total net position increased by $11,353,121, or 3% over the prior year.

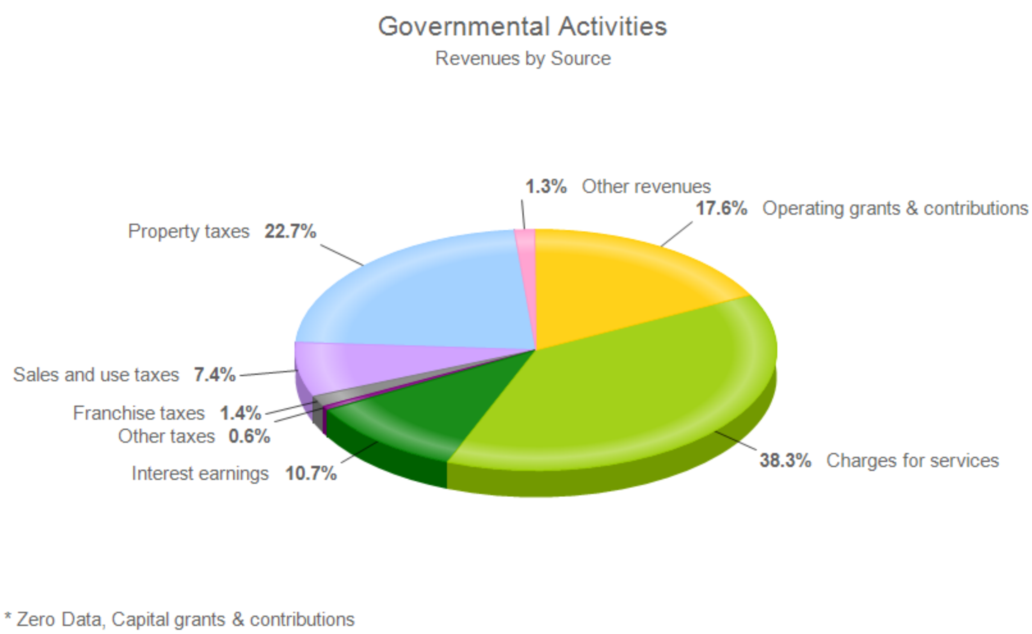
Governmental Activities

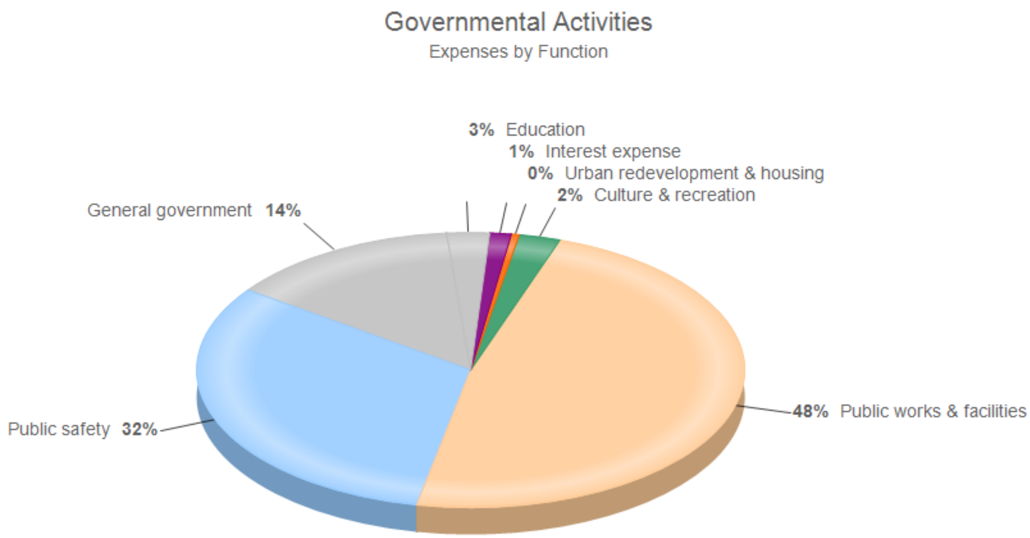
Governmental activities increased the City's net position by $7,426,537 or 1% as of June 30, 2025.

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

- Charges for services decreased $1.2 million primarily due to a decrease in the number of new residential construction permits issued.
- Operating grants and contributions increased $3.9 million primarily due to usage of COVID-19 relief funds.
- Capital grants and contributions decreased $2.9 million primarily due to one-time grant funding for the Joiner Parkway Repaving project.
- Interest and investment earnings increased $2.3 million primarily as a result of changes in market values.
- General government expenses increased $2.9 million primarily due to expenditure of COVID-19 relief funds.

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





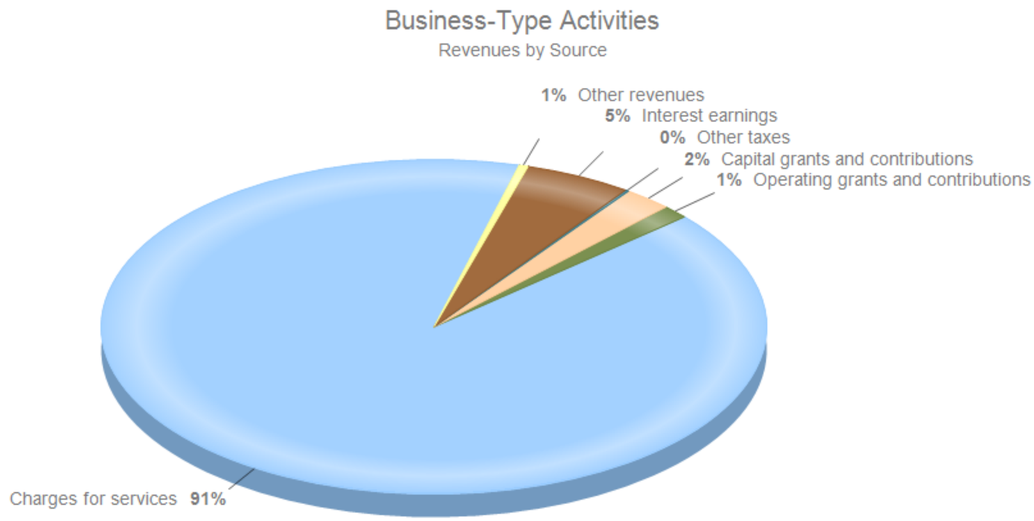
Business-Type Activities

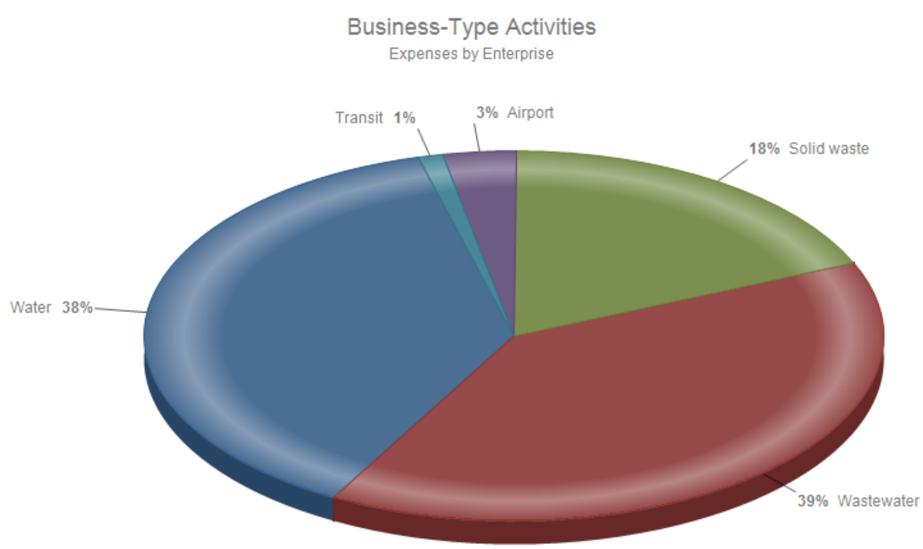
Business-type activities increased the City's net position by $3,926,584 or 0.5% as of June 30, 2025.

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.
- Wastewater expenses increased $5.9 million primarily due to increased charges for the wastewater treatment plant.
- Water expenses increased $1.9 million primarily due to an increase in the cost of water purchases.

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





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 $222,460,396, an increase of $39,339,735, or 12% 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 $47,414,313, restricted fund balances totaled $132,133,775, committed fund balances totaled $7,770,504, assigned fund balances totaled $21,704,885, and unassigned fund balances totaled $13,436,919. The General Fund has a positive unassigned fund balance of $13,714,390. The Federal Grants fund has a negative unassigned fund balance of $272,561 which is unchanged from the prior year. 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.

<u>General Fund</u>

The General Fund is the chief operating fund of the City. Fiscal year 2024-25 increased the City's General Fund balance by $9,185,903 to an ending fund balance of $39,506,527. The unassigned fund balance of the General Fund was $13,714,390. 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 $6,400,919 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 $4,675,090.

General Fund expenditures exceeded revenues by $3,314,334 while other financing sources (uses) resulted in an increase of $12,500,237 thus resulting in a year-end gain of $9,185,903. This gain is primarily due to the inception of a lease for the solar project.

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 36% of total General Fund expenditures, up from 58% in the prior year.

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, 2025 and 2024

	2025		2024		Increase (Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	Percent
Taxes and assessments	$ 23,711,392	50.3 %	$ 23,703,497	76.6 %	$ 7,895	- %
Licenses and permits	1,686,404	3.6 %	1,515,701	4.9 %	170,703	11.3 %
Intergovernmental	4,219,817	8.9 %	2,166,561	7.0 %	2,053,256	94.8 %
Fines and forfeitures	117,130	0.2 %	86,422	0.3 %	30,708	35.5 %
Use of money and property	1,499,836	3.2 %	819,207	2.7 %	680,629	83.1 %
Charges for services	3,150,243	6.7 %	2,513,314	8.1 %	636,929	25.3 %
Other revenues	551,391	1.2 %	25,709	0.1 %	525,682	2,044.7 %
Inception of financed purchases and leases	12,241,633	25.9 %	-	- %	12,241,633	100.0 %
Inception of SBITA	-	- %	80,118	0.3 %	(80,118)	(100.0)%
	$ 47,177,846	100.0 %	$ 30,910,529	100.0 %	$ 16,267,317	52.6 %

Total General Fund revenues increased by $16,267,317 or 52.6% from the prior fiscal year and are driven by a combination of factors:

- Intergovernmental revenues increased by $2,053,256 or 95% as a result of COVID-19 pandemic relief funds received in the previous year.
- Use of money and property increased by $680,629 or 83% because market value increases during the year.
- Charges for services increased by $636,929 or 25% resulting largely from mutual aid.

Expenditures by Function
General Fund
For the Years Ended June 30, 2025 and 2024

	2025		2024		Increase (Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	Percent
General government	$ 8,550,322	22.4 %	$ 5,685,860	19.2 %	$ 2,864,462	50.4 %
Public safety	18,772,450	49.1 %	17,132,549	57.8 %	1,639,901	9.6 %
Public works & facilities	2,004,310	5.2 %	2,962,667	10.0 %	(958,357)	(32.3)%
Culture & recreation	1,569,842	4.1 %	1,344,285	4.5 %	225,557	16.8 %
Urban development & housing	341,584	0.9 %	279,913	0.9 %	61,671	22.0 %
Education	1,151,961	3.0 %	842,211	2.8 %	309,750	36.8 %
Capital outlay	5,250,895	13.7 %	1,167,689	3.9 %	4,083,206	349.7 %
Debt principal	300,015	0.8 %	232,875	0.8 %	67,140	28.8 %
Debt interest	309,168	0.8 %	30,772	0.1 %	278,396	904.7 %
	$ 38,250,547	100.0 %	$ 29,678,821	100.0 %	$ 8,571,726	28.9 %

The above General Fund expenditures remain categorically consistent and increased by $8,571,726 or 29% from the prior fiscal year primarily due to rising salary, benefit, and retirement costs, as well as increased insurance costs.

Public Facility Element (PFE) Fund

The PFE funds are collected with the issuance of building permits and are used by the City to fund infrastructure projects and public facilities. The City's PFE funds include: transportation, drainage, parks, and community services for police, fire, administration, and the library. Development activity in Lincoln 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 $50,364,122 at the end of the fiscal year. This is improvement from the fund balance of $35,907,413 as of June 30, 2024 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 $66,948,122, or an increase of 8% 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 $19,516,809, or an increase of 16% 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 $21,749,848, or an increase of 11% 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 $1,804,626.

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, 2025 projected revenue of $36,676,098 and expenditures of $43,189,812, and a decrease in fund balance of $6,513,714. The General Fund's actual performance for the year however, ended with revenues totaling $34,936,213 or $1,739,885 less than projected and expenditures totaling $38,250,547, or $4,939,265 less than budgeted, resulting in an annual operating surplus of $3,314,334.

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, 2025, the City's total investment in capital assets for its governmental and business-type activities totaled $655,789,597 (net of accumulated depreciation/amortization) which decreased from the prior fiscal year by $4,055,006 or 0.6%, which is the result of current year annual depreciation exceeding asset investments.

CAPITAL ASSETS (NET OF DEPRECIATION)

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land and easements	$ 14,788,994	$ 14,712,994	$ 1,591,640	$ 1,591,640	$ 16,380,634	$ 16,304,634
Construction in progress	18,762,110	7,669,709	14,341,508	6,349,293	33,103,618	14,019,002
Buildings & improvements	68,846,255	71,395,856	10,450,749	10,995,891	79,297,004	82,391,747
Machinery & equipment	3,250,327	3,486,974	6,891,503	6,670,124	10,141,830	10,157,098
Infrastructure	223,786,899	236,062,669	291,536,076	299,997,607	515,322,975	536,060,276
Lease assets - vehicles	696,292	-	-	-	696,292	-
Subscription assets	582,472	574,864	264,772	336,982	847,244	911,846
Total	$ 330,713,349	$ 333,903,066	$ 325,076,248	$ 325,941,537	$ 655,789,597	$ 659,844,603

Governmental activities decreased by $3,189,717 or 1.0% and business-type activities decreased by 865,289 or 0.3%. Additional information on the City's capital assets can be found in Note 6 of this report.

Long-term Debt

As of June 30, 2025, the City of Lincoln had total debt outstanding of $28,232,611. This amount is comprised of $10,668,780 in bond debt, $12,170,621 in financed purchases, $611,598 in leases, $722,910 in subscription liabilities, and $4,058,702 in compensated absences.

CITY'S OUTSTANDING DEBT

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Bonds, net	$ 10,668,780	$ 11,813,785	$ -	$ -	$ 10,668,780	$ 11,813,785
Financed purchases	12,170,621	670,001	-	-	12,170,621	670,001
Lease liability	611,598	-	-	-	611,598	-
Subscription liability	504,831	534,138	218,079	273,931	722,910	808,069
Compensated absences	3,362,698	3,237,226	696,004	538,037	4,058,702	3,775,263
Total	$ 27,318,528	$ 16,255,150	$ 914,083	$ 811,968	$ 28,232,611	$ 17,067,118

The City's total debt increased by $11,165,493 or 65% during the fiscal year primarily due to the issuance of financed purchases and 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

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Net pension liability	$ 24,249,982	$ 24,753,668	$ 6,898,087	$ 7,060,443	$ 31,148,069	$ 31,814,111
Net OPEB liability	18,957,904	19,389,198	4,478,885	4,590,783	23,436,789	23,979,981
Total	$ 43,207,886	$ 44,142,866	$ 11,376,972	$ 11,651,226	$ 54,584,858	$ 55,794,092

The City's net pension liability and net OPEB liability decreased by $1,209,234 or 2%. Additional information on the City's net pension liability and net OPEB obligation can be found in notes 12 and 13, respectively.

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 remains 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, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments (Note 2)	$ 176,276,917	$ 72,345,356	$ 248,622,273
Accounts receivable, net	1,003,358	8,255,100	9,258,458
Interest receivable	169,216	71,598	240,814
Taxes receivable	775,102	1,742	776,844
Intergovernmental receivables	1,790,830	-	1,790,830
Leases receivable (Note 3)	2,514,998	423,979	2,938,977
Prepaid items	41,860,507	259,161	42,119,668
Inventory	-	59,564	59,564
Internal balances	4,845,651	(4,845,651)	-
Advances to Successor Agency (Note 18)	2,089,476	-	2,089,476
Restricted cash and cash equivalents (Note 2)	11,636,955	-	11,636,955
Loans receivable, net of allowance (Note 4)	5,931,344	-	5,931,344
Capital assets (Note 6)			
Land and construction in progress	33,551,104	15,933,148	49,484,252
Other capital assets, net of depreciation	297,162,245	309,143,100	606,305,345
Total capital assets	330,713,349	325,076,248	655,789,597
Total Assets	579,607,703	401,647,097	981,254,800
Deferred Outflows of Resources			
Changes in the net pension liability (Note 12)	8,830,468	2,529,093	11,359,561
Changes in net OPEB liability (Note 13)	5,248,128	1,389,000	6,637,128
Total Deferred Outflows of Resources	14,078,596	3,918,093	17,996,689
LIABILITIES			
Accounts payable	5,743,739	5,465,900	11,209,639
Accrued payroll and benefits	1,390,214	336,189	1,726,403
Accrued liabilities	129,425	-	129,425
Accrued interest payable	311,572	-	311,572
Retention payable	322,275	336,816	659,091
Deposits payable	2,648,645	1,342,131	3,990,776
Unearned revenue (Note 7)	1,830,263	161,277	1,991,540
Net pension liability (Note 12)			
Due in more than one year	24,249,982	6,898,087	31,148,069
Other postemployment benefits (Note 13)			
Due in more than one year	18,957,904	4,478,885	23,436,789
Accrued compensated absences (Note 8):			
Due within one year	2,690,158	556,803	3,246,961
Due in more than one year	672,540	139,201	811,741
Long-term liabilities (Note 8):			
Due within one year	1,680,512	66,026	1,746,538
Due in more than one year	22,275,318	152,053	22,427,371
Total Liabilities	82,902,547	19,933,368	102,835,915
DEFERRED INFLOWS OF RESOURCES			
Changes in the net pension liability (Note 12)	514,977	340,433	855,410
Changes in net OPEB liability (Note 13)	1,714,676	705,217	2,419,893
Leases (Note 3)	2,608,778	413,570	3,022,348
Total Deferred Inflows of Resources	4,838,431	1,459,220	6,297,651

See accompanying notes to the basic financial statements.

CITY OF LINCOLN
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2025

	Governmental Activities	Business-Type Activities	Total
NET POSITION			
Net investment in capital assets	306,435,245	324,521,171	630,956,416
Restricted for:			
Debt service	2,223,732	-	2,223,732
Capital projects	10,784,916	-	10,784,916
Grants	51,476	-	51,476
Loan programs and housing	4,698,484	-	4,698,484
Assessments and fees	60,083,425	-	60,083,425
Public facility element	50,364,122	21,558,514	71,922,636
Pension	3,695,412	-	3,695,412
Endowments			
Nonexpendable	356,659	-	356,659
Expendable	232,208	-	232,208
Unrestricted	67,019,642	38,092,917	105,112,559
Total Net Position	$ 505,945,321	$ 384,172,602	$ 890,117,923

See accompanying notes to the basic financial statements.

CITY OF LINCOLN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

		Program Revenues			Net (Expense) Revenue and Change in Net Position		
					Primary Government		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-Type Activities**	**Total Primary Government**
PRIMARY GOVERNMENT							
Governmental activities:							
General government	$ 9,472,027	$ 2,887,138	$ 1,623,035	$ -	$ (4,961,854)	$ -	$ (4,961,854)
Public safety	21,693,685	1,769,744	4,170,026	-	(15,753,915)	-	(15,753,915)
Public works and facilities	32,726,000	21,306,466	7,026,159	-	(4,393,375)	-	(4,393,375)
Culture and recreation	1,676,854	2,313,254	-	-	636,400	-	636,400
Urban redevelopment and housing	326,385	27,393	249,653	-	(49,339)	-	(49,339)
Education	1,724,863	102,891	-	-	(1,621,972)	-	(1,621,972)
Interest	889,696	-	-	-	(889,696)	-	(889,696)
Total governmental activities	68,509,510	28,406,886	13,068,873	-	(27,033,751)	-	(27,033,751)
Business-type activities:							
Water	21,906,341	25,731,822	1,696	670,681	-	4,497,858	4,497,858
Wastewater	22,899,722	18,822,587	631	611,842	-	(3,464,662)	(3,464,662)
Solid waste	10,710,546	11,329,387	200,242	227,497	-	1,046,580	1,046,580
Airport	1,855,664	1,918,531	28,053	-	-	90,920	90,920
Transit	643,806	-	594,949	-	-	(48,857)	(48,857)
Total business-type activities	58,016,079	57,802,327	825,571	1,510,020	-	2,121,839	2,121,839
Total primary government	$ 126,525,589	$ 86,209,213	$ 13,894,444	$ 1,510,020	(27,033,751)	2,121,839	(24,911,912)
General revenues:							
Taxes:							
Property taxes					16,815,190	-	16,815,190
Sales and use taxes					5,451,537	58,285	5,509,822
Franchise taxes					1,033,136	-	1,033,136
Other taxes					411,529	-	411,529
Interest and investment earnings					7,928,774	3,338,465	11,267,239
Gain on disposal of capital assets					-	19,169	19,169
Other revenue					987,454	312,593	1,300,047
Transfers					1,916,566	(1,916,566)	-
Total general revenues and transfers					34,544,186	1,811,946	36,356,132
Change in net position					7,510,435	3,933,785	11,444,220
Net position - July 1, 2024					481,943,063	380,246,018	862,189,081
Change in accounting principle (Note 19)					(83,898)	(7,201)	(91,099)
Prior period restatement (Note 19)					16,575,721	-	16,575,721
Net position - July 1, 2024, restated					498,434,886	380,238,817	878,673,703
Net position - June 30, 2025					$ 505,945,321	$ 384,172,602	$ 890,117,923

See accompanying notes to the basic financial statements.

CITY OF LINCOLN
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Public Facility Element (PFE)	Water Connections	Special Assessment Districts
ASSETS				
Cash and investments	$ 23,880,536	$ 52,768,524	$ 23,436,194	$ 20,117,726
Accounts receivable	706,408	-	5,018	26,730
Interest receivable	24,818	54,066	23,395	13,468
Taxes receivable	553,316	-	-	221,786
Intergovernmental receivable	1,116,641	10,457	-	-
Leases receivable	2,514,998	-	-	-
Due from other funds	512,865	-	-	-
Prepaid items	1,725,829	-	40,000,000	35,760
Advances to other funds	4,675,090	-	1,394,039	-
Advances to Successor Agency	-	-	2,089,476	-
Restricted cash and investments	11,620,714	-	-	-
Loans receivable, net	-	-	-	-
Total Assets	$ 47,331,215	$ 52,833,047	$ 66,948,122	$ 20,415,470
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 2,114,383	$ 672,191	$ -	$ 810,609
Accrued payroll and benefits	942,824	-	-	59,863
Accrued liabilities	98,546	-	-	-
Retention payable	209,644	46,301	-	1,158
Deposits and other payables	20,250	-	-	27,031
Due to other funds	-	-	-	-
Advances from other funds	-	1,750,433	-	-
Unearned revenue	1,830,263	-	-	-
Total Liabilities	5,215,910	2,468,925	-	898,661
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
Leases	2,608,778	-	-	-
Total Deferred Inflows of Resources	2,608,778	-	-	-
FUND BALANCES				
Nonspendable	6,400,919	-	40,000,000	35,760
Restricted	11,620,714	50,364,122	26,948,122	19,481,049
Committed	7,770,504	-	-	-
Assigned	-	-	-	-
Unassigned	13,714,390	-	-	-
Total Fund Balances	39,506,527	50,364,122	66,948,122	19,516,809
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 47,331,215	$ 52,833,047	$ 66,948,122	$ 20,415,470

See accompanying notes to the basic financial statements.

CITY OF LINCOLN
BALANCE SHEET (continued)
GOVERNMENTAL FUNDS
JUNE 30, 2025

	Development Services	Low/Moderate Income Housing	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	$ 25,449,270	$ 1,802,804	$ 22,884,041	$ 170,339,095
Accounts receivable	209,236	-	23,808	971,200
Interest receivable	26,154	1,822	19,230	162,953
Taxes receivable	-	-	-	775,102
Intergovernmental receivable	173,892	-	489,840	1,790,830
Leases receivable	-	-	-	2,514,998
Due from other funds	-	-	-	512,865
Prepaid items	44,963	-	49,057	41,855,609
Advances to other funds	-	-	526,955	6,596,084
Advances to Successor Agency	-	-	-	2,089,476
Restricted cash and investments	-	-	16,241	11,636,955
Loans receivable, net	-	3,979,969	1,951,375	5,931,344
Total Assets	$ 25,903,515	$ 5,784,595	$ 25,960,547	$ 245,176,511
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 1,205,817	$ -	$ 595,742	$ 5,398,742
Accrued payroll and benefits	108,571	-	68,755	1,180,013
Accrued liabilities	28,308	-	2,571	129,425
Retention payable	-	-	65,172	322,275
Deposits and other payables	2,601,364	-	-	2,648,645
Due to other funds	-	-	512,865	512,865
Advances from other funds	-	-	-	1,750,433
Unearned revenue	-	-	-	1,830,263
Total Liabilities	3,944,060	-	1,245,105	13,772,661
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	209,607	3,979,969	2,145,100	6,334,676
Leases	-	-	-	2,608,778
Total Deferred Inflows of Resources	209,607	3,979,969	2,145,100	8,943,454
FUND BALANCES				
Nonspendable	44,963	-	932,671	47,414,313
Restricted	-	1,804,626	21,915,142	132,133,775
Committed	-	-	-	7,770,504
Assigned	21,704,885	-	-	21,704,885
Unassigned	-	-	(277,471)	13,436,919
Total Fund Balances	21,749,848	1,804,626	22,570,342	222,460,396
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 25,903,515	$ 5,784,595	$ 25,960,547	$ 245,176,511

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, 2025

Total fund balances of governmental funds	$ 222,460,396
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 $319,972,540.	328,237,878
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.	5,931,344
Other long-term assets are not available to pay for current period expenditures and therefore, are reported as unavailable revenues in the governmental funds.	403,332
Deferred outflows of resources related to changes in the net pension liability are not applicable to the current period.	8,830,468
Deferred outflows of resources related to changes in the net OPEB liability are not applicable to the current period.	5,248,128
Long-term liabilities are not due in the current period and, therefore are not reported in the governmental funds.	
Net pension liability	(24,249,982)
Net OPEB liability	(18,957,904)
Compensated absences	(2,805,009)
Long-term liabilities net of premiums and discounts	(23,466,388)
Deferred inflows related to changes in the net pension liability	(514,977)
Deferred inflows related to changes in the net OPEB liability	(1,714,676)
Accrued interest payable from the current portion of interest due on long-term liabilities has not been reported in the governmental funds.	(311,572)
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.	6,854,283
Net position of governmental activities	$ 505,945,321

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, 2025

	General Fund	Public Facility Element (PFE)	Water Connections	Special Assessment Districts
REVENUES				
Taxes and assessments	$ 23,711,392	$ -	$ -	$ -
Special assessments	-	-	-	8,333,433
License and permits	1,686,404	-	-	-
Intergovernmental	4,219,817	-	-	520
Fines and forfeitures	117,130	-	-	-
Use of money and property	1,499,836	2,186,755	961,369	837,666
Charges for services	3,150,243	4,370,569	4,095,416	-
Other revenues	551,391	24,780	-	183,827
Total Revenues	34,936,213	6,582,104	5,056,785	9,355,446
EXPENDITURES				
Current:				
General government	8,550,322	-	-	7,149
Public safety	18,772,450	-	-	335,106
Public works and facilities	2,004,310	174,175	8,829	6,292,993
Cultural and recreation	1,569,842	-	-	-
Urban development and housing	341,584	-	-	-
Education	1,151,961	80,283	-	-
Capital outlay	5,250,895	3,782,850	-	780,654
Debt service:				
Principal	300,015	-	-	19,616
Interest and fiscal charges	309,168	17,687	-	2,184
Total Expenditures	38,250,547	4,054,995	8,829	7,437,702
Excess (Deficiency) of Revenues over Expenditures	(3,314,334)	2,527,109	5,047,956	1,917,744
OTHER FINANCING SOURCES (USES)				
Inception of financed purchases and leases	12,241,633	-	-	47,910
Transfers in	1,745,854	-	-	931,034
Transfers out	(1,487,250)	(1,234)	-	(202,012)
Total Other Financing Sources (Uses)	12,500,237	(1,234)	-	776,932
Net Change in Fund Balances	9,185,903	2,525,875	5,047,956	2,694,676
Fund Balances - July 1, 2024	30,362,671	35,907,413	57,213,232	16,822,133
Prior period restatement (Note 19)	(42,047)	11,930,834	4,686,934	-
Fund Balances - July 1, 2024, restated	30,320,624	47,838,247	61,900,166	16,822,133
Fund Balances - June 30, 2025	$ 39,506,527	$ 50,364,122	$ 66,948,122	$ 19,516,809

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, 2025

	Development Services	Low/Moderate Income Housing	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes and assessments	$ -	$ -	$ -	$ 23,711,392
Special assessments	-	-	-	8,333,433
License and permits	3,934,899	-	-	5,621,303
Intergovernmental	307,495	-	8,512,661	13,040,493
Fines and forfeitures	-	-	-	117,130
Use of money and property	1,155,149	80,355	828,197	7,549,327
Charges for services	2,479,967	-	252,949	14,349,144
Other revenues	74,190	-	29,223	863,411
Total Revenues	7,951,700	80,355	9,623,030	73,585,633
EXPENDITURES				
Current:				
General government	304,300	-	436,117	9,297,888
Public safety	121,266	-	195,284	19,424,106
Public works and facilities	5,124,545	841	3,616,405	17,222,098
Cultural and recreation	-	-	-	1,569,842
Urban development and housing	-	-	-	341,584
Education	-	-	-	1,232,244
Capital outlay	-	-	4,038,830	13,853,229
Debt service:				
Principal	50,136	-	1,126,936	1,496,703
Interest and fiscal charges	2,381	-	391,179	722,599
Total Expenditures	5,602,628	841	9,804,751	65,160,293
Excess (Deficiency) of Revenues over Expenditures	2,349,072	79,514	(181,721)	8,425,340
OTHER FINANCING SOURCES (USES)				
Inception of financed purchases and leases	-	-	132,565	12,422,108
Transfers in	-	-	1,351,955	4,028,843
Transfers out	(172,063)	-	(249,718)	(2,112,277)
Total Other Financing Sources (Uses)	(172,063)	-	1,234,802	14,338,674
Net Change in Fund Balances	2,177,009	79,514	1,053,081	22,764,014
Fund Balances - July 1, 2024	19,572,839	1,725,112	21,517,261	183,120,661
Prior period restatement (Note 19)	-	-	-	16,575,721
Fund Balances - July 1, 2024, restated	19,572,839	1,725,112	21,517,261	199,696,382
Fund Balances - June 30, 2025	$ 21,749,848	$ 1,804,626	$ 22,570,342	$ 222,460,396

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, 2025

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	$ 22,764,014
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.	
Capital asset purchases	13,818,732
Depreciation expense	(17,466,847)
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.	(8,444)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	
Debt principal payments	1,496,703
Proceeds from financed purchase	(11,682,638)
Proceeds from leases	(739,468)
Net accretion on bond premiums/discounts	60,005
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.	(146,478)
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.	
Loan program receipts	(14,129)
Accrued interest on loans	126,196
Accrued interest payable is interest due on long-term liabilities. This is the net change in accrued interest in the current period.	(207,620)
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.	
Pension expense related to deferred outflows and inflows of resources	(1,392,464)
OPEB expense related to deferred outflows and inflows of resources	(646,852)
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.	1,549,725
Change in net position of governmental activities	$ 7,510,435

See accompanying notes to the basic financial statements.

CITY OF LINCOLN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	Business-Type Activities			
	Major Funds			
	Water	Wastewater	Solid Waste	Airport
ASSETS				
Current Assets				
Cash and investments	$ 36,533,820	$ 17,999,678	$ 15,633,131	$ 1,119,536
Accounts receivable, net	3,821,253	2,699,808	1,726,390	7,649
Interest receivable	34,897	19,804	16,060	49
Taxes receivable	-	-	-	1,742
Leases receivable - current	-	-	-	57,516
Prepaid items	86,803	90,550	69,318	12,490
Inventory	-	-	-	59,564
Total Current Assets	40,476,773	20,809,840	17,444,899	1,258,546
Non Current Assets				
Leases receivable - noncurrent	-	-	-	366,463
Advances to other funds	-	-	356,394	-
Capital assets, net of accumulated depreciation	164,002,768	147,374,238	8,053,460	5,222,733
Total Non-Current Assets	164,002,768	147,374,238	8,409,854	5,589,196
Total Assets	204,479,541	168,184,078	25,854,753	6,847,742
DEFERRED OUTFLOWS OF RESOURCES				
Changes in net pension liability	806,889	563,462	915,751	135,996
Changes in net OPEB liability	487,053	383,234	418,040	53,614
Total Deferred Outflows of Resources	1,293,942	946,696	1,333,791	189,610
LIABILITIES				
Current Liabilities				
Accounts payable	3,823,667	617,433	425,451	89,695
Accrued salaries and benefits	103,482	82,267	141,670	7,893
Retention payable	250,461	51,131	35,224	-
Deposits payable	81,000	1,170,677	-	90,454
Unearned revenue	-	-	115,903	45,374
Compensated absences - current	186,632	125,877	221,435	21,653
Lease payable - current	-	-	-	-
SBITA payable - current	27,086	22,118	15,020	1,802
Total Current Liabilities	4,472,328	2,069,503	954,703	256,871
Non-Current Liabilities				
Advances from other funds	-	-	-	5,202,045
Compensated absences - noncurrent	46,658	31,469	55,359	5,413
Lease payable - noncurrent	-	-	-	-
SBITA payable - noncurrent	62,376	50,937	34,591	4,149
Net pension liability	2,128,332	1,507,074	2,473,347	431,852
Net OPEB liability	1,362,062	1,216,184	1,506,811	208,004
Total Non-Current Liabilities	3,599,428	2,805,664	4,070,108	5,851,463
Total Liabilities	8,071,756	4,875,167	5,024,811	6,108,334
DEFERRED INFLOWS OF RESOURCES				
Changes in net pension liability	137,625	147,533	24,438	16,546
Changes in net OPEB liability	240,035	208,471	235,692	16,629
Leases	-	-	-	413,570
Total Deferred Inflows of Resources	377,660	356,004	260,130	446,745
NET POSITION				
Net investment in capital assets	163,662,665	147,250,051	7,968,623	5,216,782
Restricted for public facility element	13,791,493	3,284,303	4,482,718	-
Unrestricted	19,869,909	13,365,249	9,452,262	(4,734,509)
Total Net Position	$ 197,324,067	$ 163,899,603	$ 21,903,603	$ 482,273

See accompanying notes to the basic financial statements.

CITY OF LINCOLN
STATEMENT OF NET POSITION (continued)
PROPRIETARY FUNDS
JUNE 30, 2025

	Business-Type Activities		Governmental Activities
	Major Funds		
	Transit	Total	Internal Service Funds
ASSETS			
Current Assets			
Cash and investments	$ 1,059,191	$ 72,345,356	$ 5,937,822
Accounts receivable, net	-	8,255,100	32,158
Interest receivable	788	71,598	6,263
Taxes receivable	-	1,742	-
Leases receivable - current	-	57,516	-
Prepaid items	-	259,161	4,898
Inventory	-	59,564	-
Total Current Assets	1,059,979	81,050,037	5,981,141
Non Current Assets			
Leases receivable - noncurrent	-	366,463	-
Advances to other funds	-	356,394	-
Capital assets, net of accumulated depreciation	423,049	325,076,248	2,475,471
Total Non-Current Assets	423,049	325,799,105	2,475,471
Total Assets	1,483,028	406,849,142	8,456,612
DEFERRED OUTFLOWS OF RESOURCES			
Changes in net pension liability	106,995	2,529,093	-
Changes in net OPEB liability	47,059	1,389,000	-
Total Deferred Outflows of Resources	154,054	3,918,093	-
LIABILITIES			
Current Liabilities			
Accounts payable	509,654	5,465,900	344,997
Accrued salaries and benefits	877	336,189	210,201
Retention payable	-	336,816	-
Deposits payable	-	1,342,131	-
Unearned revenue	-	161,277	-
Compensated absences - current	1,206	556,803	446,151
Lease payable - current	-	-	7,789
SBITA payable - current	-	66,026	171,517
Total Current Liabilities	511,737	8,265,142	1,180,655
Non-Current Liabilities			
Advances from other funds	-	5,202,045	-
Compensated absences - noncurrent	302	139,201	111,538
Lease payable - noncurrent	-	-	30,216
SBITA payable - noncurrent	-	152,053	279,920
Net pension liability	357,482	6,898,087	-
Net OPEB liability	185,824	4,478,885	-
Total Non-Current Liabilities	543,608	16,870,271	421,674
Total Liabilities	1,055,345	25,135,413	1,602,329
DEFERRED INFLOWS OF RESOURCES			
Changes in net pension liability	14,291	340,433	-
Changes in net OPEB liability	4,390	705,217	-
Leases	-	413,570	-
Total Deferred Inflows of Resources	18,681	1,459,220	-
NET POSITION			
Net investment in capital assets	423,050	324,521,171	1,986,029
Restricted for public facility element	-	21,558,514	-
Unrestricted	140,006	38,092,917	4,868,254
Total Net Position	$ 563,056	$ 384,172,602	$ 6,854,283

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, 2025

	Business-Type Activities			
	Major Funds			
	Water	**Wastewater**	**Solid Waste**	**Airport**
OPERATING REVENUES				
Charges for services	$ 25,684,222	$ 18,822,587	$ 11,329,387	$ 1,918,531
Connection fees	47,600	-	-	-
Other revenue	127,077	145,851	27,966	1,352
Total Operating Revenue	25,858,899	18,968,438	11,357,353	1,919,883
OPERATING EXPENSES				
Salaries and benefits	2,707,590	2,257,653	3,723,460	355,635
Services and supplies	13,988,830	13,989,972	5,252,746	1,021,930
Support services	1,218,816	1,267,416	977,748	172,092
Depreciation	3,988,507	5,382,559	755,151	206,817
Total Operating Expenses	21,903,743	22,897,600	10,709,105	1,756,474
Operating Income (Loss)	3,955,156	(3,929,162)	648,248	163,409
NON-OPERATING REVENUES (EXPENSES)				
Taxes	-	-	-	58,285
Intergovernmental	1,696	631	200,242	28,053
Interest income	1,583,836	942,054	724,428	52,381
Other non-operating revenues	5,623	4,724	-	-
Gain on sale of capital assets	-	19,169	-	-
Interest expense	(2,598)	(2,122)	(1,441)	(99,190)
Total Non-Operating Revenues (Expenses)	1,588,557	964,456	923,229	39,529
Income (Loss) Before Transfers and Contributions	5,543,713	(2,964,706)	1,571,477	202,938
TRANSFERS AND CONTRIBUTIONS				
Capital connection fees	670,681	611,842	227,497	-
Transfers out	(618,754)	(406,764)	(796,543)	(94,407)
Total Transfers and Contributions	51,927	205,078	(569,046)	(94,407)
Change in net position	5,595,640	(2,759,628)	1,002,431	108,531
Net Position - July 1, 2024	191,730,132	166,660,345	20,905,439	373,742
Change in accounting principle (Note 19)	(1,705)	(1,114)	(4,267)	-
Net Position - July 1, 2024, restated	191,728,427	166,659,231	20,901,172	373,742
Net Position - June 30, 2025	$ 197,324,067	$ 163,899,603	$ 21,903,603	$ 482,273

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, 2025

	Business-Type Activities		Governmental Activities
	Major Funds		
	Transit	Total	Internal Service Funds
OPERATING REVENUES			
Charges for services	$ -	$ 57,754,727	$ 8,930,481
Connection fees	-	47,600	-
Other revenue	-	302,246	124,043
Total Operating Revenue	-	58,104,573	9,054,524
OPERATING EXPENSES			
Salaries and benefits	66,711	9,111,049	4,924,767
Services and supplies	533,806	34,787,284	2,595,977
Support services	-	3,636,072	-
Depreciation	43,289	10,376,323	254,646
Total Operating Expenses	643,806	57,910,728	7,775,390
Operating Income (Loss)	(643,806)	193,845	1,279,134
NON-OPERATING REVENUES (EXPENSES)			
Taxes	-	58,285	-
Intergovernmental	594,949	825,571	36,824
Interest income	35,766	3,338,465	253,249
Other non-operating revenues	-	10,347	-
Gain on sale of capital assets	-	19,169	-
Interest expense	-	(105,351)	(19,482)
Total Non-Operating Revenues (Expenses)	630,715	4,146,486	270,591
Income (Loss) Before Transfers and Contributions	(13,091)	4,340,331	1,549,725
TRANSFERS AND CONTRIBUTIONS			
Capital connection fees	-	1,510,020	-
Transfers out	(98)	(1,916,566)	-
Total Transfers and Contributions	(98)	(406,546)	-
Change in net position	(13,189)	3,933,785	1,549,725
Net Position - July 1, 2024	576,360	380,246,018	5,327,905
Change in accounting principle (Note 19)	(115)	(7,201)	(23,347)
Net Position - July 1, 2024, restated	576,245	380,238,817	5,304,558
Net Position - June 30, 2025	$ 563,056	$ 384,172,602	$ 6,854,283

See accompanying notes to the basic financial statements.

CITY OF LINCOLN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Business-Type Activities Major Funds			
	Water	**Wastewater**	**Solid Waste**	**Airport**
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	$ 25,680,015	$ 20,071,880	$ 10,956,066	$ 1,971,465
Cash paid to suppliers	(12,440,653)	(19,082,144)	(6,142,524)	(1,211,873)
Cash paid to employees	(2,533,032)	(2,119,029)	(3,457,862)	(332,741)
Net Cash Provided by (Used For) Operating Activities	10,706,330	(1,129,293)	1,355,680	426,851
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Intergovernmental	1,696	631	200,242	28,053
Taxes	-	-	-	57,112
Interfund repayments received	-	-	167,068	-
Interfund repayments paid	-	-	-	(182,354)
Transfers to other funds	(618,754)	(406,764)	(796,543)	(94,407)
Net Cash Provided by (Used for) Non-Capital Financing Activities	(617,058)	(406,133)	(429,233)	(191,596)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Connection fees	670,681	611,842	227,497	-
Proceeds from disposal of capital assets	-	19,169	-	-
Acquisition of capital assets	(5,762,112)	(1,549,123)	(2,094,358)	(105,442)
Principal paid on long-term debt	(22,912)	(18,710)	(12,706)	(1,524)
Interest paid on long-term debt	(2,598)	(2,122)	(1,441)	(99,190)
Net Cash Used for Capital and Related Financing Activities	(5,116,941)	(938,944)	(1,881,008)	(206,156)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	1,585,042	943,271	727,292	53,484
Net Cash Provided by Investing Activities	1,585,042	943,271	727,292	53,484
Net Increase (Decrease) in Cash and Cash Equivalents	6,557,373	(1,531,099)	(227,269)	82,583
Cash and Cash Equivalents - July 1, 2024	29,976,447	19,530,777	15,860,400	1,036,953
Cash and Cash Equivalents - June 30, 2025	$ 36,533,820	$ 17,999,678	$ 15,633,131	$ 1,119,536
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:				
Operating Income (Loss)	$ 3,955,156	$ (3,929,162)	$ 648,248	$ 163,409
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation expense	3,988,507	5,382,559	755,151	206,817
Other non-operating revenue	5,623	4,724	-	-
Pension expense	73,701	65,459	95,634	7,425
OPEB expense	50,021	44,644	65,499	6,029
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(175,507)	(72,247)	(360,209)	4,957
Decrease in leases receivable	-	-	-	62,672
(Increase) decrease in prepaid expenses	37,769	4,328	13,247	(178)
Increase in inventory	-	-	-	14,215
Increase (decrease) in accounts payable	2,638,904	(3,880,215)	39,499	(31,888)
Increase (decrease) in accrued wages	11,412	5,854	26,793	(1,006)
Increase (decrease) in retention payable	90,320	51,131	35,224	-
Increase (decrease) in deposits	(9,000)	1,170,965	-	15,586
Increase in compensated absences	39,424	22,667	77,672	10,446
Increase (decrease) in unearned revenue	-	-	(41,078)	45,374
Decrease in deferred inflows of resources leases	-	-	-	(77,007)
Net Cash Provided by (Used For) Operating Activities	$ 10,706,330	$ (1,129,293)	$ 1,355,680	$ 426,851
NON CASH SUPPLEMENTAL DISCLOSURE:				
Assets acquired under leases	$ -	$ -	$ -	$ -
Assets acquired under SBITAs	-	-	-	-

See accompanying notes to the basic financial statements.

CITY OF LINCOLN
STATEMENT OF CASH FLOWS (continued)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Business-Type Activities		Governmental Activities
	Major Funds		
	Transit	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	$ -	$ 58,679,426	$ 9,205,170
Cash paid to suppliers	(253,945)	(39,131,139)	(2,485,457)
Cash paid to employees	(63,768)	(8,506,432)	(4,999,228)
Net Cash Provided by (Used For) Operating Activities	(317,713)	11,041,855	1,720,485
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Intergovernmental	594,949	825,571	86,270
Taxes	-	57,112	-
Interfund repayments received	-	167,068	-
Interfund repayments paid	-	(182,354)	-
Transfers to other funds	(98)	(1,916,566)	-
Net Cash Provided by (Used for) Non-Capital Financing Activities	594,851	(1,049,169)	86,270
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Connection fees	-	1,510,020	-
Proceeds from disposal of capital assets	-	19,169	-
Acquisition of capital assets	-	(9,511,035)	(433,549)
Principal paid on long-term debt	-	(55,852)	(186,892)
Interest paid on long-term debt	-	(105,351)	(19,482)
Net Cash Used for Capital and Related Financing Activities	-	(8,143,049)	(639,923)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	35,880	3,344,969	252,377
Net Cash Provided by Investing Activities	35,880	3,344,969	252,377
Net Increase (Decrease) in Cash and Cash Equivalents	313,018	5,194,606	1,419,209
Cash and Cash Equivalents - July 1, 2024	746,173	67,150,750	4,518,613
Cash and Cash Equivalents - June 30, 2025	$ 1,059,191	$ 72,345,356	$ 5,937,822
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:			
Operating Income (Loss)	$ (643,806)	$ 193,845	$ 1,279,134
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation expense	43,289	10,376,323	254,646
Other non-operating revenue	-	10,347	-
Pension expense	1,226	243,445	-
OPEB expense	1,629	167,822	-
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	-	(603,006)	150,646
Decrease in leases receivable	-	62,672	-
(Increase) decrease in prepaid expenses	-	55,166	(4,898)
Increase in inventory	-	14,215	-
Increase (decrease) in accounts payable	279,861	(953,839)	115,418
Increase (decrease) in accrued wages	(469)	42,584	30,444
Increase (decrease) in retention payable	-	176,675	-
Increase (decrease) in deposits	-	1,177,551	-
Increase in compensated absences	557	150,766	(104,905)
Increase (decrease) in unearned revenue	-	4,296	-
Decrease in deferred inflows of resources leases	-	(77,007)	-
Net Cash Provided by (Used For) Operating Activities	$ (317,713)	$ 11,041,855	$ 1,720,485
NON CASH SUPPLEMENTAL DISCLOSURE:			
Assets acquired under leases	$ -	$ -	$ 42,101
Assets acquired under SBITAs	-	-	217,299

See accompanying notes to the basic financial statements.

CITY OF LINCOLN
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025

	Redevelopment Obligation Retirement Fund	OPEB Trust Fund	Custodial Funds
ASSETS			
Cash and investments (Note 2)	$ 2,308,893	$ -	$ 9,923,084
Assessments receivable	-	-	66,385
Interest receivable	3,481	-	13,168
Deferred costs	23,505	-	-
Restricted cash and investments (Note 2)	824	-	17,101,159
Restricted investments held in trust (Note 2):			
Mutual funds	-	18,588,153	-
Loans receivable	137,561	-	-
Capital assets, net of accumulated depreciation (Note 18)	2,544,731	-	-
Total Assets	5,018,995	18,588,153	27,103,796
LIABILITIES			
Accounts payable and other liabilities	-	-	228,440
Interest payable	28,155	-	-
Developer deposits payable	-	-	61,341
Advances from the City (Note 18)	2,089,476	-	-
Long-term liabilities (Note 18)	2,652,218	-	-
Total Liabilities	4,769,849	-	289,781
NET POSITION			
Restricted for:			
OPEB	-	18,588,153	-
Individuals, organizations and other governments	249,146	-	26,814,015
Total Net Position	$ 249,146	$ 18,588,153	$ 26,814,015

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, 2025

	Redevelopment Obligation Retirement Fund	OPEB Trust Fund	Custodial Funds
ADDITIONS			
Property taxes and assessments	$ 2,387,544	$ -	$ 11,187,402
Contributions from employer	-	2,080,768	-
Investment income:			
Interest income	46,580	917,045	668,830
Net increase in fair value	35,457	1,017,336	172,811
Net investment income	82,037	1,934,381	841,641
Total Additions	2,469,581	4,015,149	12,029,043
DEDUCTIONS			
Professional services	11,642	-	749,760
Administrative expense	-	70,125	-
Debt service:			
Principal	-	-	7,235,000
Interest	153,914	-	4,418,073
Total Deductions	165,556	70,125	12,402,833
Change in Fiduciary Net Position	2,304,025	3,945,024	(373,790)
Fiduciary Net Position - July 1, 2024	(2,054,879)	14,643,129	43,805,573
Prior period restatement (Note 19)	-	-	(16,617,768)
Fiduciary Net Position - July 1, 2024, Restated	(2,054,879)	14,643,129	27,187,805
Fiduciary Net Position - June 30, 2025	$ 249,146	$ 18,588,153	$ 26,814,015

See accompanying notes to the basic financial statements.

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.

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 City reports 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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. The permanent funds of the City include Stormwater Retention Maintenance, Suncal Open Space Endowment, Brookview Open Space Maintenance Trust, Sterling Point Endowment, WWTRF Tertiary Storage Basin Maintenance, and Lincoln Aircenter.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

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, 2025 totaled $15,904, for business-type activities. There was no allowance for doubtful accounts as of June 30, 2025 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.

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, 2025 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.

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.

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. The City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. 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.

N. 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.

O. 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Lessee

The City is a lessee for noncancellable leases of vehicles. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

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

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonable certain to exercise.

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

P. 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.

Q. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City’s California Public Employees’ Retirement System (CalPERS) 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Section 115 Trust

In fiscal year 2024-25, the City Council approved the creation of a Section 115 Trust Agreement with U.S. Bank National Association, Trustee, and Public Agency Retirement Services (PARS), Trust Administrator. The Section 115 Trust was established as a means to set aside monies to fund the City's pension obligations. Contributions to the Section 115 trust are irrevocable, the assets are dedicated to providing benefits to plan members, and the assets are protected from creditors of the City. The purpose of the creation of the Section 115 Trust was to address the City's pension obligations be accumulating assets to reduce the net pension liability. However, in accordance with generally accepted accounting principles, the assets in the Section 115 Trust are not considered to have present service capacity as plan assets and are therefore considered restricted assets of the City rather than plan assets. Accordingly, the Section 115 Trust's assets are recorded as restricted for pension benefits in the City's General Fund rather than assets of the pension plan during the measurement of the net pension liability. The assets held in trust will be considered pension plan assets at the time they are transferred out of the Trust into the pension plan.

S. 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, 2024
Measurement Period	July 1, 2023 - June 30, 2024

T. 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U. Equity Classifications

Government-wide Statements

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

a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

Fund Statements

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

a. Nonspendable - Amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

b. Restricted - Amounts that are restricted for specific purposes when constraints placed on the use of resources are either (1) externally imposed by creditors, grantors, contributors, laws, or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

c. Committed - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the government's highest level of decision-making authority.

d. Assigned - Amounts that are constrained by the City Council's intent to be used for specific purposes through a resolution, but are neither restricted or committed. The City Council assigns fund balances for specific purposes by resolution adopting the annual budget for the upcoming fiscal year, or by an amending budget resolution during the fiscal year.

e. Unassigned - Amounts representing the residual classification for the general fund or any other fund with a negative fund balance.

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

V. 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

W. Implementation of Governmental Accounting Standards Board Statements

Effective July 1, 2024, the City implemented the following accounting and financial reporting standards:

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 City implemented the provisions of GASB Statement 101 in the fiscal year ending June 30, 2025, see Note 19 for details.

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. There was no impact to the financial statements as a result of this statement.

X. Future Governmental Accounting Standards Board Statements

These statements are not effective until July 1, 2025 or later. The City has not determined the effects on the financial statements.

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 it 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.

Government Accounting Standards Board Statement No. 105

In December 2025, GASB issued Statement No. 105, *Subsequent Events*. The primary objective of this Statement is to improve the financial reporting requirements for subsequent events. The requirements of this Statements will improve financial reporting related to subsequent events by (1) clarifying the subsequent events time frame and the subsequent events that constitute recognized and nonrecognized events and (2) specifying the information items that are required to be disclosed about subsequent events. The requirements of this Statement are effective for the City's fiscal year ending June 30, 2027.

NOTE 2: CASH AND INVESTMENTS

Cash and investments as of June 30, 2025 are classified in the accompanying financial statements as follows:

	Cash and Investments	Restricted Cash and Investments	Total
Governmental activities	$ 176,276,917	$ 11,636,955	$ 187,913,872
Business-type activities	72,345,356	-	72,345,356
Total government-wide cash and investments	248,622,273	11,636,955	260,259,228
Fiduciary activities	12,231,977	35,690,136	47,922,113
Total cash and investments	$ 260,854,250	$ 47,327,091	$ 308,181,341

Cash and investments were carried at fair value as of June 30, 2025 and consisted of the following:

Cash on hand	$ 1,700
Cash in banks	77,483,653
Total cash	77,485,353
Money market funds	20,352,031
U.S. treasury obligations	81,717,077
Government agency securities	3,773,874
Medium term corporate notes	78,117,109
Local Agency Investment Fund (LAIF)	24,452,332
Held by pension trustee:	
Money market funds	79,967
Mutual funds	3,615,445
Held by OPEB trustee:	
Money market funds	359,224
Mutual funds	18,228,929
Total investments	230,695,988
Total cash and investments	$ 308,181,341

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.

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

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

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

Investments Authorized by Pension and OPEB Trusts

Investment of funds in the pension and OPEB trusts are managed by a Plan Administrator. The pension and OPEB trust investment policies allow the Plan Administrator to manage the investments consistent with the investment objectives as outlined in the investment policies, the Prudent Expert Rules, and the provisions of the Employee Retirement Income Security Act of 1974.

The investment policies grant the administrator full power and authority to make purchases, sales, exchanges, conversion, and trades in connection therewith as the administrator deems appropriate. The assets in the plans are administered in a manner that is consistent with generally accepted standards of fiduciary responsibility, to insure the security of principal, and maximum yield on all investments through a mix of well diversified, high quality, fixed income and equity securities.

Authorized investment types include the following:

Authorized Investment Type	Maximum Percentage of Portfolio	Maximum Investment in one Issuer
Domestic equity	40%	5% of equity portfolio
International equity	40%	5% of equity portfolio
Other growth assets	20%	not specified
Fixed income	50%	5% (U.S. government exempt)
Other income assets	20%	Not specified
Real return assets	20%	Not specified
Cash equivalents	20%	Not specified

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, 2025, the City had the following recurring fair value measurements:

	Fair Value Measurements Using			
Investments	**Level 1 Inputs**	**Level 2 inputs**	**Level 3 inputs**	**Fair Value**
Money market funds	$ -	$ 20,352,031	$ -	$ 20,352,031
U.S. treasury obligations	-	81,717,077	-	81,717,077
Government agency securities	-	3,773,874	-	3,773,874
Medium term corporate notes	-	78,117,109	-	78,117,109
Local Agency Investment Fund	-	-	-	24,452,332
Held by pension trustee:				
Money market funds	-	79,967	-	79,967
Mutual funds	3,615,445	-	-	3,615,445
Held by OPEB trustee:				
Money market funds	-	359,224	-	359,224
Mutual funds	18,228,929	-	-	18,228,929
Total Investments	$ 21,844,374	$ 184,399,282	$ -	$ 230,695,988

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.

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, 2025:

		Remaining Maturity		
Investments	**Interest Rates**	**< 12 months**	**1-5 years**	**Fair Value**
Money market funds	0.010%	$ 20,352,031	$ -	$ 20,352,031
U.S. treasury obligations	0.50% - 2.75%	-	81,717,077	81,717,077
Government agency securities	0.125% - 3.375%	-	3,773,874	3,773,874
Medium term corporate notes	0.125% - 3.875%	400	78,116,709	78,117,109
Local Agency Investment Fund	Variable	24,452,332	-	24,452,332
Held by pension trustee:				
Money market funds	Variable	79,967	-	79,967
Mutual funds	Variable	3,615,445	-	3,615,445
Held by OPEB trustee:				
Money market funds	Variable	359,224	-	359,224
Mutual funds	Variable	18,228,929	-	18,228,929
		$ 67,088,328	$ 163,607,660	$ 230,695,988

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, 2025.

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.

		Rating as of Fiscal Year End		
	Total	Minimum Legal Rating	S&P	Moody's
Money market funds	$ 20,352,031	N/A	Not rated	Not rated
U.S. Treasury obligations	80,752,737	N/A	N/A	AAA
U.S. Treasury obligations	964,340	N/A	N/R	N/R
Government agency securities	3,773,874	N/A	AA+	AAA
Medium term corporate notes	2,720,049	A	A	A1
Medium term corporate notes	6,703,971	A	A	A2
Medium term corporate notes	1,280,126	A	A	AA3
Medium term corporate notes	1,027,727	A	A-	A1
Medium term corporate notes	4,421,737	A	A-	A2
Medium term corporate notes	4,867,574	A	A-	A3
Medium term corporate notes	3,487,582	A	A+	A1
Medium term corporate notes	2,217,575	A	A+	A2
Medium term corporate notes	3,400,533	A	A+	AA2
Medium term corporate notes	3,699,110	A	A+	AA3
Medium term corporate notes	1,890,086	A	AA	AA2
Medium term corporate notes	1,024,780	A	AA-	A1
Medium term corporate notes	4,373,456	A	AA-	AA2
Medium term corporate notes	97,010	A	AA-	AA3
Medium term corporate notes	1,390,690	A	BBB+	A2
Medium term corporate notes	5,478,438	A	AAA	N/A
Medium term corporate notes	19,989,954	A	N/R	N/R
Medium term corporate notes	5,014,468	A	AAA	AAA
Medium term corporate notes	5,032,243	A	N/A	AAA
Local Agency Investment Fund	24,452,332	N/A	Not rated	Not rated
Held by pension trustee:				
Money market funds	79,967	N/A	Not rated	Not rated
Mutual funds	3,615,445	N/A	Not rated	Not rated
Held by OPEB trustee:				
Money market funds	359,224	N/A	Not rated	Not rated
Mutual funds	18,228,929	N/A	Not rated	Not rated
	$ 230,695,988			

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, 2025, that represent 5 percent or more of total City investments are as follows:

Issuers	Investment Type	Amount
Federal Home Loan Banks	Government agency securities	$ 20,170,623

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, 2025, the carrying amount of the City's deposits was $77,483,653 and bank balances were $77,751,917. 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 $2,938,977 at June 30, 2025. For the year ended June 30, 2025, the City reported lease revenue of $117,593 and interest revenue of $154,187 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%.

NOTE 3: LEASES RECEIVABLE (CONTINUED)

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

Governmental Activities

For the Year Ending June 30,	Principal	Interest	Total
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	86,456	110,917	197,373
2031 - 2035	518,528	484,146	1,002,674
2036 - 2040	693,147	337,896	1,031,043
2041 - 2045	919,285	143,077	1,062,362
Total	$ 2,514,998	$ 1,558,062	$ 4,073,060

Business-type Activities

For the Year Ending June 30,	Principal	Interest	Total
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	30,803	11,461	42,264
2031 - 2035	176,336	34,983	211,319
2036 - 2040	40,340	1,923	42,263
Total	$ 423,979	$ 114,897	$ 538,876

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, 2025, the balance of the deferred inflow of resources was $3,022,348.

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.

NOTE 4: LOANS RECEIVABLE (CONTINUED)

Total loans receivable, including accrued interest, net of allowance as of June 30, 2025 are as follows:

	Loans Receivable	Accrued Interest	Allowance	Total Loans Receivable, net
Community development block grants	$ 228,408	$ 135,599	$ -	$ 364,007
Home investment partnership	970,059	412,096	-	1,382,155
CalHOME	177,004	28,209	-	205,213
Low/Moderate Income Housing	2,358,000	1,621,969	-	3,979,969
Totals	$ 3,733,471	$ 2,197,873	$ -	$ 5,931,344

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, 2025 was as follows:

Receivable Fund	Payable Fund	Description	Amount
Governmental Funds			
General Fund	CDBG-CV	Overdrawn cash	$ 240,304
General Fund	Federal Grants	Overdrawn cash	272,561
		Total Governmental Funds	$ 512,865

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, 2025 was as follows:

Receivable Fund	Payable Fund	Description	Maturity	Amount
Governmental Funds				
General Fund	Airport	Fund deficit	June 2079	$ 4,675,090
Water Connections	Public Facility Element	Capital project funding	June 2026	1,394,039
LPFA Series 2016	Airport	Capital lease refinance	October 2028	526,955
			Total Governmental Funds	$ 6,596,084
Proprietary Funds				
Solid Waste	Public Facility Element	Capital project funding	June 2028	$ 356,394
			Total Proprietary Funds	$ 356,394

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

Interfund Transfers to/from Other Funds

Transfers between funds during the fiscal year ended June 30, 2025 were as follows:

Transfer From	Transfer To	Description of Transfer	Amount
Governmental Funds			
General Fund	LPFA Refunding Series 2016	Debt service	$ 556,216
General Fund	Special Assessment Districts	Budget	931,034
Public Facility Element (PFE)	General Fund	Pension trust	1,234
Special Assessment Districts	General Fund	Pension trust	137,987
Special Assessment Districts	LPFA Refunding Series 2016	Debt service	64,025
Development Services	General Fund	Pension trust	76,026
Development Services	LPFA Refunding Series 2016	Debt service	96,037
Park In-Lieu	Gas Tax	NCCSIF allocation	18,106
Gas Tax	LPFA Refunding Series 2016	Debt service	32,012
Gas Tax	General Fund	Pension trust	97,719
Street Fund	LPFA Refunding Series 2016	Debt service	32,012
Street Fund	General Fund	Pension trust	69,358
Parks and Recreation Tax	General Fund	Pension trust	163
Police Grants	General Fund	Pension trust	348
		Total Governmental Interfund Transfers	$ 2,112,277
Proprietary Funds			
Water	General Fund	Pension trust	$ 433,349
Water	LPFA Refunding Series 2016	Debt service	185,405
Wastewater	General Fund	Pension trust	213,356
Wastewater	LPFA Refunding Series 2016	Debt service	193,408
Solid Waste	General Fund	Pension trust	648,486
Solid Waste	LPFA Refunding Series 2016	Debt service	148,057
Airport	General Fund	Pension trust	67,730
Airport	LPFA Refunding Series 2016	Debt service	26,677
Transit	General Fund	Pension trust	98
		Total Proprietary Interfund Transfers	$ 1,916,566

Intra-fund Transfers between Funds

The following table represents intra-fund transfers made during the year ended June 30, 2025:

Transfer From	Transfer To	Description	Amount
Supplemental Fees	General Fund	Annual budget transfer	$ 316,273
Public Safety Tax	General Fund	Public safety tax share	44,745
Standard Allowance	General Fund	Budget transfer	762
Wastewater	Wastewater Capital Improvement	Budget transfer	2,616,591
Solid Waste	Solid Waste Capital Improvement	Budget transfer	1,180,000
		Total Intra-fund Transfers	$ 4,158,371

NOTE 6: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025, was as follows:

Governmental Activities:

	Balance at July 1, 2024	Additions	Retirements	Transfers	Balance at June 30, 2025
Capital assets not being depreciated/amortized					
Land	$ 14,470,390	$ 76,000	$ -	$ -	$ 14,546,390
Easements	242,604	-	-	-	242,604
Construction-in-progress	7,669,709	12,561,567	-	(1,469,166)	18,762,110
Total capital assets not being depreciated/amortized	22,382,703	12,637,567	-	(1,469,166)	33,551,104
Capital assets being depreciated/amortized					
Buildings and improvements	83,204,761	-	-	903,731	84,108,492
Machinery and equipment	11,980,822	821,053	(159,908)	-	12,641,967
Infrastructure	483,747,775	74,285	-	31,613	483,853,673
Land improvements	34,032,289	-	-	533,822	34,566,111
Lease assets - vehicles	-	781,572	-	-	781,572
Subscription assets	965,671	217,299	-	-	1,182,970
Total capital assets being depreciated/amortized	613,931,318	1,894,209	(159,908)	1,469,166	617,134,785
Less accumulated depreciation/amortization					
Buildings and improvements	(30,527,781)	(2,339,825)	-	-	(32,867,606)
Machinery and equipment	(8,493,848)	(1,057,700)	159,908	-	(9,391,640)
Infrastructure	(247,685,106)	(12,381,668)	-	-	(260,066,774)
Land improvements	(15,313,413)	(1,647,329)	-	-	(16,960,742)
Lease assets - vehicles	-	(85,280)	-	-	(85,280)
Subscription assets	(390,807)	(209,691)	-	-	(600,498)
Total accumulated depreciation/amortization	(302,410,955)	(17,721,493)	159,908	-	(319,972,540)
Total capital assets being depreciated/amortized, net	311,520,363	(15,827,284)	-	1,469,166	297,162,245
Total Capital Assets, net	$ 333,903,066	$ (3,189,717)	$ -	$ -	$ 330,713,349

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

Governmental Activities:

General government	$ 824,707
Public safety	950,069
Public works and facilities	15,148,939
Culture and recreation	69,466
Education	473,666
Internal service funds	254,646
Total governmental activities depreciation/amortization expense	$ 17,721,493

NOTE 6: CAPITAL ASSETS (CONTINUED)

Business-type Activities:

	Balance at July 1, 2024	Additions	Retirements	Balance at June 30, 2025
Capital assets not being depreciated				
Land	$ 1,549,390	$ -	$ -	$ 1,549,390
Easements	42,250	-	-	42,250
Construction-in-progress	6,349,293	7,992,215	-	14,341,508
Total capital assets not being depreciated	7,940,933	7,992,215	-	15,933,148
Capital assets being depreciated				
Buildings and improvements	26,356,615	-	-	26,356,615
Machinery and equipment	15,242,999	1,518,819	(275,000)	16,486,818
Infrastructure	459,211,334	-	-	459,211,334
Land improvements	1,154,850	-	-	1,154,850
Subscription assets	361,052	-	-	361,052
Total capital assets being depreciated	502,326,850	1,518,819	(275,000)	503,570,669
Less accumulated depreciation				
Buildings and improvements	(15,775,450)	(486,253)	-	(16,261,703)
Machinery and equipment	(8,572,875)	(1,297,440)	275,000	(9,595,315)
Infrastructure	(159,213,727)	(8,461,531)	-	(167,675,258)
Land improvements	(740,124)	(58,889)	-	(799,013)
Subscription assets	(24,070)	(72,210)	-	(96,280)
Total accumulated depreciation	(184,326,246)	(10,376,323)	275,000	(194,427,569)
Total capital assets being depreciated, net	318,000,604	(8,857,504)	-	309,143,100
Total Capital Assets, net	$ 325,941,537	$ (865,289)	$ -	$ 325,076,248

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

Business-type Activities:

Water	$ 3,988,507
Wastewater	5,382,559
Solid Waste	755,151
Airport	206,817
Transit	43,289
Total business-type activities depreciation/amortization expense	$ 10,376,323

NOTE 7: UNEARNED REVENUE

At June 30, 2025, components of unearned revenue were as follows:

		Amount
Governmental Funds		
General Fund		
ARPA advance	$	1,830,263
Total Governmental Funds	$	1,830,263
Proprietary Funds		
Solid Waste		
Beverage Container Recycling Program advance	$	115,903
Airport		
Airport Improvement Program grant advances		45,374
Total Proprietary Funds	$	161,277

NOTE 8: LONG-TERM LIABILITIES

A. Governmental Activities

Governmental activities long-term debt issued and outstanding at June 30, 2025 was comprised of the following:

Type of Indebtedness	Maturity	Interest Rates		Authorized and Issued		Outstanding June 30, 2025
LPFA Refunding Bonds Series 2016A	2037	5.69-6.12%	$	18,296,066	$	9,980,000
Bond issuance premiums (discounts)						
Series 2016A net premium						688,780
Financed purchases				1,946,900		12,170,621
Lease liability				781,572		611,598
Subscription (SBITA) liability				1,084,394		504,831
Compensated absences						3,362,698
Total Governmental Activities					$	27,318,528

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, 2025:

	Balance at July 1, 2024	Prior Period Restatement	Additions	Reductions	Balance June 30, 2025	Current Portion
Governmental Activities:						
Bonds, financed purchases, leases, and SBITAs payable:						
LPFA Refunding Bonds Series 2016A	$ 11,065,000	$ -	$ -	$ (1,085,000)	$ 9,980,000	$ 1,125,000
Premium (discount) on bonds, net	748,785	-	-	(60,005)	688,780	60,006
Financed purchases	670,001	-	11,682,638	(182,018)	12,170,621	188,205
Lease liability	-	-	781,569	(169,971)	611,598	119,619
Subscription (SBITA) liability	534,138	-	217,299	(246,606)	504,831	187,682
Total bonds, financed purchases, leases, and SBITAs payable	13,017,924	-	12,681,506	(1,743,600)	23,955,830	1,680,512
Other liabilities:						
Compensated absences	3,237,226	83,898	41,574	-	3,362,698	2,690,158
Total Governmental Activities	$ 16,255,150	$ 83,898	$ 12,723,080	$ (1,743,600)	$ 27,318,528	$ 4,370,670

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, 2025 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.

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:

For the Year Ending	2016A	
June 30,	Principal	Interest
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	585,000	170,338
2031 - 2035	3,285,000	502,777
2036 - 2037	1,465,000	47,568
Total	$ 9,980,000	$ 1,821,335

Premium/Discount on Bonds

Net capitalized premiums (discount) on bonds related to the above issuances have been recorded in the amount of $688,780 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, 2025 totaled $60,005.

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, 2025, equipment, net of accumulated depreciation under the financed purchase agreement totaled $514,996.

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, 2025, equipment acquired under the financed purchase agreement was fully depreciated.

In July 2024, the City entered into a financed purchase agreement with Banc of America Public Capital Corp. in the initial amount of $11,682,638 for the acquisition and installation of solar equipment. Principal and interest payments ranging from $266,489 to $648,996 are due semi-annually until February 2044. Interest on the financed purchase agreement is 4.368%. At June 30, 2025, installation of the equipment is in progress and $4,192,865 is included in construction in progress.

NOTE 8: LONG-TERM LIABILITES (CONTINUED)

Future debt service payments on the agreements are as follows:

For the Year Ending June 30,	Principal	Interest
2026	$ 188,205	$ 526,920
2027	338,521	518,435
2028	387,788	504,548
2029	283,341	488,572
2030	304,229	475,968
2031 - 2035	2,573,069	2,103,846
2036 - 2040	3,626,377	1,443,571
2041 - 2044	4,469,091	459,413
Total	$ 12,170,621	$ 6,521,273

Lease Liability

As of June 30, 2025, the City has vehicles with lease payments ranging from $4,992 to $38,668 and interest rates that range from 4.2235% to 7.0907%. The total of the City's right-to-use lease assets are recorded at $781,572 with accumulated amortization of $85,280.

Future debt service payments on the leases are as follows:

For the Year Ending June 30,	Principal	Interest
2026	$ 119,619	$ 31,852
2027	126,536	24,935
2028	133,873	17,597
2029	141,657	9,813
2030	89,913	2,492
Total	$ 611,598	$ 86,689

Subscription Liability (SBITAs)

The City has entered into SBITAs involving various software subscriptions. The subscriptions have interest rates that range from 2.312% to 7.75%. The total of the City's SBITA assets are recorded at a cost of $1,182,970 less accumulated amortization of $600,498.

Future debt service payments on the SBITAs are as follows:

For the Year Ending June 30,	Principal	Interest
2026	$ 187,682	$ 14,131
2027	176,476	12,833
2028	46,861	6,655
2029	26,100	5,025
2030	27,275	3,850
2031 - 2032	40,437	3,963
Total	$ 504,831	$ 46,457

NOTE 8: LONG-TERM LIABILITES (CONTINUED)

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

For the Year Ending June 30,	Principal	Interest
2026	$ 1,620,506	$ 918,241
2027	1,816,533	855,541
2028	1,788,522	780,238
2029	1,576,098	707,948
2030	1,006,417	652,648
2031 - 2035	5,898,506	2,610,586
2036 - 2040	5,091,377	1,491,139
2041 - 2045	4,469,091	459,413
Total	$ 23,267,050	$ 8,475,754

B. Business-type Activities

Business-type activities long-term debt issued and outstanding at June 30, 2025 was comprised of the following:

Type of Indebtedness	Outstanding June 30, 2025
Subscription (SBITA) liability	$ 218,079
Compensated absences	696,004
Total Business-type Activities	$ 914,083

The following is a summary of changes in the City's business-type long-term liabilities for the fiscal year ended June 30, 2025:

	Balance at July 1, 2024	Prior Period Restatement	Additions	Reductions	Balance June 30, 2025	Current Portion
Business-Type Activities:						
Subscription (SBITA) liability	$ 273,931	$ -	$ -	$ (55,852)	$ 218,079	$ 66,026
Other liabilities:						
Compensated absences	538,037	7,202	150,765	-	696,004	556,803
Total Business-Type Activities	$ 811,968	$ 7,202	$ 150,765	$ (55,852)	$ 914,083	$ 622,829

NOTE 8: LONG-TERM LIABILITES (CONTINUED)

Subscriptions (SBITAs)

The City has entered into SBITAs involving various software subscriptions. The subscriptions have interest rates that range from 2.312% to 7.75%. The total of the City's SBITA assets are recorded at a cost of $361,052 less accumulated amortization of $96,280.

Future debt service payments on the SBITAs are as follows:

For the Year Ending June 30,	Principal	Interest
2026	$ 66,026	$ 5,042
2027	72,527	3,516
2028	79,526	1,839
Total	$ 218,079	$ 10,397

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, 2025, the principal amount of special assessment debt outstanding for which the City is not obligated was as follows:

Assessment Debt	Project Description	Original Amount	Outstanding June 30, 2025
Refunding Bond, Series 2011A Twelve Bridges Series 2004	Twelve Bridges	$ 28,305,000	$ 3,255,000
Refunding Bond, Series 2011B Twelve Bridges Series 2004	Twelve Bridges	13,495,000	1,676,000
Special Tax Refunding Bonds 2018 CFD Lincoln Crossing Project Series 2018	Lincoln Crossing	64,470,000	48,325,000
Special Tax Refunding Bonds, Series 2021 Lakeside Series 2021 Refunding	Lakeside	4,510,000	4,050,000
Special Tax Revenue Bonds, Series 2013 CFD Sorrento Series 2013	Sorrento Project	5,165,000	1,105,000
Special Tax Revenue Bonds, Series 2014 CFD Sorrento Series 2014	Sorrento Project	5,680,000	5,490,000
Special Tax Revenue Bonds, Series 2017 CFD Lakeside Series 2006-1	Lakeside	6,235,000	4,690,000
Special Tax Revenue Bonds, Series 2016 CFD Sorrento Series 2005-1	Sorrento Project	8,860,000	7,970,000
Special Tax Revenue Bonds, Series 2017 CFD Foskett Ranch 2017-1	Foskett Ranch	2,975,000	1,940,000
Special Tax Bonds, Series 2022 CFD 2019-1	Independence at Lincoln	13,225,000	13,050,000
			$ 91,551,000

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:

<u>Nonspendable</u>: 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.

<u>Restricted</u>: 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.

<u>Committed</u>: 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.

<u>Assigned</u>: 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.

<u>Unassigned:</u> 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, 2025

NOTE 10: FUND BALANCE (CONTINUED)

The fund balances for all major and nonmajor governmental funds as of June 30, 2025, were distributed as follows:

	General Fund	Public Facility Element (PFE)	Water Connections	Special Assessment Districts	Develop-ment Services	Low/ Moderate Income Housing	Non-Major Govern-mental Funds	Total Governmental Funds
Nonspendable								
Prepaid items	$ 1,725,829	$ -	$ 40,000,000	$ 35,760	$ 44,963	$ -	$ 49,057	$ 41,855,609
Advances to other funds	4,675,090	-	-	-	-	-	526,955	5,202,045
Endowments - principal	-	-	-	-	-	-	356,659	356,659
Total Nonspendable	6,400,919	-	40,000,000	35,760	44,963	-	932,671	47,414,313
Restricted								
Public facility improvements	-	50,364,122	-	-	-	-	-	50,364,122
Water capacity expansion	-	-	26,948,122	-	-	-	-	26,948,122
Public improvements and maintenance	-	-	-	19,481,049	-	-	-	19,481,049
Parks and recreation	-	-	-	-	-	-	1,820,415	1,820,415
Streets and roads	-	-	-	-	-	-	11,352,027	11,352,027
Grants	-	-	-	-	-	-	51,476	51,476
Debt service	-	-	-	-	-	-	2,223,732	2,223,732
Loan programs	-	-	-	-	-	-	2,893,858	2,893,858
Capital projects	7,925,302	-	-	-	-	-	2,859,614	10,784,916
Housing	-	-	-	-	-	1,804,626	-	1,804,626
Oak tree replacement	-	-	-	-	-	-	481,812	481,812
Pension	3,695,412	-	-	-	-	-	-	3,695,412
Endowments - open space preservation	-	-	-	-	-	-	232,208	232,208
Total Restricted	11,620,714	50,364,122	26,948,122	19,481,049	-	1,804,626	21,915,142	132,133,775
Committed								
Operating reserve	6,760,956	-	-	-	-	-	-	6,760,956
Capital replacement	1,009,548	-	-	-	-	-	-	1,009,548
Total Committed	7,770,504	-	-	-	-	-	-	7,770,504
Assigned								
Fees for future improvements	-	-	-	-	21,704,885	-	-	21,704,885
Total Assigned	-	-	-	-	21,704,885	-	-	21,704,885
Unassigned	13,714,390	-	-	-	-	-	(277,471)	13,436,919
Total Fund Balance	$ 39,506,527	$ 50,364,122	$ 66,948,122	$ 19,516,809	$21,749,848	$1,804,626	$22,570,342	$ 222,460,396

NOTE 11: DEFICIT FUND BALANCE / UNRESTRICTED NET POSITION

Governmental Funds

As of June 30, 2025, the following governmental funds had a fund balance deficit:

Governmental Fund	Amount
CDBG-CV	$ 4,910
Federal Grants	272,561

The deficits are a result of expenditures incurred in advance of receipt of revenue and will be eliminated through future revenues.

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.

The rate plan's provisions and benefits in effect at June 30, 2025, are summarized as follows:

	Miscellaneous		
Hire Date	Prior to February 13, 2011	Between February 13, 2011 and January 1, 2013	On or After January 1, 2013
	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%	7.75%
Required Employer Contribution Rate	16.02%	10.15%	7.87%
Required UAL Contribution	$1,756,338	$7,364	$20,553

NOTE 12: DEFINED BENEFIT PENSION PLAN (CONTINUED)

	Safety		
Hire Date	Prior to January 1, 2013	On or After January 1, 2013	On or After January 1, 2013
	Tier I	PEPRA Fire	PEPRA Police
Benefit Formula	3.0% @ 50	2.7% @ 57	2.7% @ 57
Final compensation	Three-year average	Three-year average	Three-year average
Benefit Vesting Schedule	5 years service	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life	monthly for life
Retirement Age	50	50 - 57	50 - 57
Monthly Benefits, as a % of Eligible Compensation	3.0%	2.0% - 2.7%	2.0% - 2.7%
Required Employee Contribution Rate	9.00%	13.75%	13.75%
Required Employer Contribution Rate	25.86%	13.76%	13.76%
Required UAL Contribution	$981,368	$820	$6,072

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, 2025 were $5,019,019.

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

As of June 30, 2025, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of $31,148,069. $24,249,982 of the liability is reported in governmental activities and $6,898,087 of the liability is reported in business-type activities.

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2024, 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, 2023 rolled forward to June 30, 2024 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, 2023 and 2024 was as follows:

Proportion - June 30, 2023	0.25502%
Proportion - June 30, 2024	0.25684%
Change - Increase	0.00182%

NOTE 12: DEFINED BENEFIT PENSION PLAN (CONTINUED)

For the year ended June 30, 2025, the City recognized pension expense of $5,270,561. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	$ 5,019,019	$ -
Changes of assumptions	786,924	-
Differences between expected and actual experience	2,630,839	95,846
Differences between projected and actual investment earnings	1,674,752	-
Differences between employer's contributions and proportionate share of contributions	538,536	293,076
Change in employer's proportion	709,491	466,488
Total	$ 11,359,561	$ 855,410

$5,019,019 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

For the Fiscal Year Ending June 30,	Net Deferred Outflows (Inflows) of Resources
2026	$ 1,900,977
2027	4,036,420
2028	121,322
2029	(573,587)

Actuarial Assumptions

The total pension liabilities in the June 30, 2024 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
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.

NOTE 12: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Changes in Assumptions

For the measurement period June 30, 2024, there were no changes in assumptions.

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 20-year market return expectations as well as the expected pension fund (PERF) cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

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

Asset Class	Assumed Asset Allocation	Real Return Years 1-10 (a,b)
Global Equity - Cap-weighted	30.0%	4.54%
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 2021-22 Asset Liability Management study.

NOTE 12: DEFINED BENEFIT PENSION PLAN (CONTINUED)

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:

	Discount Rate -1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate +1% (7.90%)
Net Pension Liability	$ 49,599,014	$ 31,148,069	$ 16,004,269

Pension Plan Fiduciary Net Position

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

NOTE 13: OTHER POST EMPLOYMENT BENEFITS

Plan Description

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

Benefits provided: Employees become eligible to retire and receive City-paid healthcare benefits upon attainment of age 50 and 5 years of service. For retirees hired prior to January 1, 1998, the City pays the full premium of the retiree, spouse, and eligible dependents. Supplemental contributions are paid from a City-funded Retirement Medical Account to the extent necessary to achieve compliance with PEMHCA's equal contribution method with respect to these retirees. For all others, the City pays 50% of the applicable "State Formula" dollar amount for retirees with 10 years of service, plus an additional 5% per year of service, to a maximum of 100% after 20 years. Benefits are paid for the lifetime of the retiree, spouse or surviving spouse, and dependents up to the age of 26. The 2025 State Formula monthly dollar amounts are $1,060 single, $2,039 two-party, and $2,551 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, 2024 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	19
Total	288

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, 2025 were $3,501,911

NOTE 13: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Net OPEB Liability

The City's net OPEB liability ("NOL") was measured as of June 30, 2024 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	6.00%
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 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 using data from 1997 to 2019, except for a different basis used to project future mortality improvements.

Changes in Assumptions

For the measurement period June 30, 2024, there were no changes in assumptions.

Expected Long-term Return on Trust Assets

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

			Correlation Matrix			
Asset Class/Investment	Geometric Return	Volatility	Domestic Equity	Fixed Income	International Equity	Real Assets
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 10 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:

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

NOTE 13: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Discount Rate

GASB 75 requires a discount rate that reflects the following:

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

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

Reporting Date	Measurement Date	Long-Term Expected Return of Plan Investments (if any)	Discount Rate
June 30, 2025	June 30, 2024	6.00%	6.00%

Changes in the Net OPEB Liability	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance June 30, 2023 (measurement date)	$ 35,403,722	$ 11,423,741	$ 23,979,981
Service cost	1,721,545	-	1,721,545
Interest cost	2,190,442	-	2,190,442
Employer contributions	-	2,835,028	(2,835,028)
Net investment income	-	732,211	(732,211)
Change due to investment experience	-	927,615	(927,615)
Benefit payments	(1,235,791)	(1,235,791)	-
Administrative expense	-	(39,675)	39,675
Net change during 2023-24	2,676,196	3,219,388	(543,192)
Balance at June 30, 2024 (measurement date)	$ 38,079,918	$ 14,643,129	$ 23,436,789
Plan fiduciary net position as a percentage of the total OPEB liability			38.45 %

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

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

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Net OPEB Liability	$ 28,748,790	$ 23,436,789	$ 19,072,280

NOTE 13: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

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

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability	$ 18,476,972	$ 23,436,789	$ 29,599,319

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

For the fiscal year ended June 30, 2025, the City recognized OPEB expense of $4,316,585. As of fiscal year ended June 30, 2025, 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	$ 3,501,911	$ -
Changes of assumptions	1,965,717	1,066,147
Differences between expected and actual experience	1,169,500	1,328,088
Net difference between projected and actual return on investments	-	25,658
Total	$ 6,637,128	$ 2,419,893

$3,501,911 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
2026	$ 1,067,533
2027	555,977
2028	(805,296)
2029	(408,185)
2030	113,492
Thereafter	191,803

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, 2025, the nonspendable amount was $356,659 and the spendable amount was $232,208.

NOTE 15: RISK MANAGEMENT

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

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

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

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

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

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

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

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

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

The City's investment in the NCCSIF of $624,485 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, 2025:

Fund	Excess Expenditures and Transfers
Water Connections	$ 8,829
Low/Moderate Income Housing	841
Park In-Lieu	18,642
Police Grants	8,127
Revitalization and Rehabilitation Loans	449

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

NOTE 17: CONTINGENCIES AND COMMITMENTS

Grant Awards

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

Litigation

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

Contracts

At June 30, 2025, the City had construction contracts outstanding of approximately $11,074,439 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.

NOTE 17: CONTINGENCIES AND COMMITMENTS (CONTINUED)

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, 2025, the remaining balance due to JMC was $2,517,516. City management considers the amount owed to be contingent on certain future events and therefore has not recorded a liability on the statement of fiduciary net position.

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

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

Within the Area 2 Improvement District, a total of $2,293,028.30 in costs were approved by the City for reimbursement to JMC for the construction of critical improvements and fees paid. As of June 30, 2025, the remaining balance due to JMC was $1,279,364. 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, 2025, the balance due to the developer was $1,104,936 for PFE fees and $0 for wastewater oversizing. City management considers the amount owed to be contingent on certain future events and therefore has not recorded a liability on the government-wide statement of net position.

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

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

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

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 $2,089,476 due to the Water Connections fund.

Capital assets activity for the year ended June 30, 2025, was as follows:

	Balance July 1, 2024	Additions	Retirements	Balance June 30, 2025
Capital assets, not being depreciated				
Land	$ 2,544,731	$ -	$ -	$ 2,544,731
Total capital assets, not being depreciated	2,544,731	-	-	2,544,731
Capital assets, net	$ 2,544,731	$ -	$ -	$ 2,544,731

The following is a summary of changes in long-term liabilities for the year ended June 30, 2025:

	Balance at July 1, 2024	Additions	Reductions	Balance June 30, 2025	Current Portion
Tax Allocation Refunding					
Series 2016A	$ 3,300,000	$ -	$ (845,000)	$ 2,455,000	$ 885,000
Premium (discount) on bonds, net	220,420	-	(23,202)	197,218	23,202
Total Long-Term Liabilities	$ 3,520,420	$ -	$ (868,202)	$ 2,652,218	$ 908,202

A description of the long-term liabilities related to the Successor Agency at June 30, 2025 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.

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

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

For the Year Ending June 30,	2016A Principal	2016A Interest
2026	$ 885,000	$ 74,181
2027	715,000	41,331
2028	110,000	28,888
2029	115,000	25,229
2030	115,000	21,276
2031 - 2034	515,000	39,702
Total	$ 2,455,000	$ 230,607

NOTE 19: RESTATEMENT OF BEGINNING BALANCES

During the fiscal year ending June 30, 2025, the City implemented GASB Statement No. 101, *Compensated Absences*. These changes were incorporated in the financial statements and are reported as a change in accounting principle. The effects of the change in accounting principle are summarized in the "Restatement - GASB 101 Implementation" column in the following table.
In 2025, 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. Fiduciary fund expenditures were incorrectly recorded.

The effects of these changes are summarized in the "Adjustments" column in the following table.

	Net Position/Fund Balance June 30, 2025, as Previously Reported	Restatement - GASB 101 Implementation	Adjustments	Net Position/Fund Balance June 30, 2025, as Restated/ Adjusted
Government-Wide				
Governmental Activities	$ 481,943,063	$ (83,898)	$ 16,575,721	$ 498,434,886
Business-type Activities	380,246,018	(7,201)	-	380,238,817
Total Government-Wide	$ 862,189,081	$ (91,099)	$ 16,575,721	$ 878,673,703
Governmental Funds				
General Fund	$ 30,362,671	$ -	$ (42,047)	$ 30,320,624
Public Facility Element (PFE)	35,907,413	-	11,930,834	47,838,247
Water Connections	57,213,232	-	4,686,934	61,900,166
Total Governmental Funds	$ 123,483,316	$ -	$ 16,575,721	$ 140,059,037

NOTE 19: RESTATEMENT OF BEGINNING BALANCES (CONTINUED)

	Net Position/Fund Balance June 30, 2025, as Previously Reported	Restatement - GASB 101 Implementation	Adjustments	Net Position/Fund Balance June 30, 2025, as Restated/ Adjusted
Enterprise Funds				
Water	$ 191,730,132	$ (1,705)	$ -	$ 191,728,427
Wastewater	166,660,345	(1,114)	-	166,659,231
Solid Waste	20,905,439	(4,267)	-	20,901,172
Transit	576,360	(115)	-	576,245
Total Enterprise Funds	$ 862,189,081	$ (91,099)	$ 16,575,721	$ 878,673,703
Total Internal Service Funds	$ 5,327,905	$ (23,347)	$ -	$ 5,304,558
Total Custodial Funds	$ 43,805,573	$ -	$ (16,617,768)	$ 27,187,805

NOTE 20: SUBSEQUENT EVENTS

On November 6, 2025, the City issued $9,145,000 of City of Lincoln Community Facilities District No. 2019-1 (Independence at Lincoln) Special Tax Bonds, Series 2025 to finance certain public improvements. The interest rate on the bonds is 5 percent and the maturity date is September 1, 2055.

On December 2, 2025, the City issued $11,995,000 of City of Lincoln Community Facilities District No. 2025-1 (Joiner Ranch East) Special Tax Bonds, Series 2025 to finance certain public improvements. The interest rate on the bonds ranges from 4 percent to 5.05 percent and the maturity date is September 1, 2055.

Management has evaluated subsequent events through March 16, 2026 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, 2025
Last 10 Years

	Measurement Period				
	2024	**2023**	**2022**	**2021**	**2020**
Proportion of the net pension liability	0.25684 %	0.25502 %	0.25046 %	0.24620 %	0.22617 %
Proportionate share of the net pension liability	$ 31,148,069	$ 31,814,111	$ 28,929,618	$ 13,315,051	$ 24,608,405
Covered payroll	$ 19,560,322	$ 16,856,371	$ 14,436,812	$ 13,343,483	$ 13,246,028
Proportionate share of the net pension liability as a percentage of covered payroll	159.24 %	188.74 %	200.39 %	99.79 %	185.78 %
Plan fiduciary net position as a percentage of the total pension liability	78.08 %	76.21 %	76.68 %	88.30 %	75.10 %

Notes to Schedule:

Changes in assumptions. In 2024 and 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, 2025
Last 10 Years

	Measurement Period				
	2019	**2018**	**2017**	**2016**	**2015**
Proportion of the net pension liability	0.22051 %	0.21781 %	0.21651 %	0.21666 %	0.22580 %
Proportionate share of the net pension liability	$ 22,596,016	$ 20,988,366	$ 21,472,079	$ 18,748,220	$ 15,498,852
Covered payroll	$ 12,523,804	$ 12,408,728	$ 11,448,542	$ 11,091,872	$ 9,853,264
Proportionate share of the net pension liability as a percentage of covered payroll	180.42 %	169.14 %	187.55 %	169.03 %	157.30 %
Plan fiduciary net position as a percentage of the total pension liability	75.30 %	73.69 %	73.29 %	74.06 %	78.40 %

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, 2025
Last 10 Years

	Fiscal Year-End				
	2025	2024	2023	2022	2021
Contractually required contribution (actuarially determined)	$ 5,019,019	$ 4,500,524	$ 4,115,514	$ 3,597,502	$ 3,286,549
Contributions in relation to the actuarially determined contributions	5,019,019	4,500,524	4,115,514	3,597,502	3,286,549
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 20,497,548	$ 19,560,322	$ 16,856,371	$ 14,436,812	$ 13,343,483
Contributions as a percentage of covered payroll	24.49 %	23.01 %	24.42 %	24.92 %	24.63 %

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, 2025
Last 10 Years

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

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*

	2024	2023	2022	2021
Total OPEB liability				
Service cost	$ 1,721,545	$ 1,287,049	$ 1,249,562	$ 1,351,867
Interest	2,190,442	2,026,106	1,898,945	1,965,766
Actual vs. expected experience	-	678,170	-	(2,850,248)
Changes of assumptions	-	308,078	-	(2,288,095)
Benefit payments	(1,235,791)	(1,106,878)	(1,129,799)	(1,054,899)
Net change in total OPEB liability	2,676,196	3,192,525	2,018,708	(2,875,609)
Total OPEB liability, beginning	35,403,722	32,211,197	30,192,489	33,068,098
Total OPEB liability, ending (a)	$ 38,079,918	$ 35,403,722	$ 32,211,197	$ 30,192,489
Plan fiduciary net position				
Contributions - employer	$ 2,835,028	$ 2,588,311	$ 2,829,392	$ 2,838,692
Net investment income	1,659,826	842,356	(2,151,414)	1,704,885
Benefit payments	(1,235,791)	(1,106,878)	(1,129,799)	(1,054,899)
Administrative expenses	(39,675)	(31,493)	(30,751)	(21,933)
Net change in plan fiduciary net position	3,219,388	2,292,296	(482,572)	3,466,745
Plan fiduciary net position, beginning	11,423,741	9,131,445	9,614,017	6,147,272
Plan fiduciary net position, ending (b)	$ 14,643,129	$ 11,423,741	$ 9,131,445	$ 9,614,017
Net OPEB liability, ending (a) - (b)	$ 23,436,789	$ 23,979,981	$ 23,079,752	$ 20,578,472
Plan fiduciary net position as a percentage of the total OPEB liability	38.45 %	32.27 %	28.35 %	31.84 %
Covered-employee payroll	$ 23,197,469	$ 19,926,982	$ 17,459,086	$ 15,553,955
Net OPEB liability as a percentage of covered-employee payroll	101.03 %	120.34 %	132.19 %	132.30 %

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 eight 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*

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

	2025	2024	2023	2022
Actuarially Determined Contribution (ADC)	$ 3,529,623	$ 2,774,394	$ 2,693,586	$ 2,973,969
Contributions in relation to the ADC	(3,501,911)	(2,835,028)	(2,588,311)	(2,829,392)
Contribution deficiency (excess)	$ 27,712	$ (60,634)	$ 105,275	$ 144,577
Covered-employee payroll	$ 24,602,731	$ 23,197,469	$ 19,926,982	$ 17,459,086
Contributions as a percentage of covered-employee payroll	14.23%	12.22%	12.99%	16.21%

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

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

	2021	2020	2019	2018
Actuarially Determined Contribution (ADC)	$ 2,887,227	$ 1,918,161	$ 1,291,605	$ 1,222,832
Contributions in relation to the ADC	(2,838,692)	(1,918,161)	(1,680,769)	(1,461,479)
Contribution deficiency (excess)	$ 48,535	$ -	$ (389,164)	$ (238,647)
Covered-employee payroll	$ 15,553,955	$ 15,063,799	$ 14,551,020	$ 14,446,929
Contributions as a percentage of covered-employee payroll	18.25%	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, 2025

	2024 - 2025 Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	$ 24,192,509	$ 24,792,509	$ 23,711,392	$ (1,081,117)
Licenses and permits	1,716,900	1,724,900	1,686,404	(38,496)
Intergovernmental	1,528,285	6,524,324	4,219,817	(2,304,507)
Fines and forfeitures	82,000	140,000	117,130	(22,870)
Use of money and property	119,376	119,376	1,499,836	1,380,460
Charges for services	2,462,217	2,975,217	3,150,243	175,026
Other revenues	349,772	399,772	551,391	151,619
Total Revenues	30,451,059	36,676,098	34,936,213	(1,739,885)
EXPENDITURES				
Current:				
General Government				
Administration allocation	4,890,220	6,644,358	4,744,034	1,900,324
City council	250,178	250,178	279,098	(28,920)
City treasurer	8,478	8,478	8,741	(263)
City attorney	323,607	622,941	762,391	(139,450)
City manager administration	575,000	824,300	840,890	(16,590)
Human resources	48,000	48,000	59,058	(11,058)
Economic development	374,480	820,444	678,472	141,972
Administrative services	67,400	142,400	117,720	24,680
IT	63,781	523,601	345,465	178,136
Finance	688,098	696,619	714,453	(17,834)
Total General Government	7,289,242	10,581,319	8,550,322	2,030,997
Public Safety				
Fire operations	8,738,607	8,969,927	9,034,860	(64,933)
Police operations	9,746,969	9,971,280	9,737,590	233,690
Total Public Safety	18,485,576	18,941,207	18,772,450	168,757
Public Works and Facilities				
Streets	800,000	810,000	97,238	712,762
Parks	318,900	323,368	322,665	703
Facilities maintenance	1,166,723	1,419,346	1,162,335	257,011
Fleet maintenance	538,128	535,743	422,072	113,671
Total Public Works	2,823,751	3,088,457	2,004,310	1,084,147
Culture and Recreation				
Recreation and administration	649,274	679,274	540,031	139,243
Adult sports	115,619	115,619	95,987	19,632
Youth sports	250,046	250,046	228,053	21,993
Community classes/facility rental	229,882	229,882	352,106	(122,224)
Special events	122,719	122,719	107,967	14,752
Contract classes	99,932	96,932	62,900	34,032
Aquatic programs	189,402	189,402	182,798	6,604
Total Culture and Recreation	1,656,874	1,683,874	1,569,842	114,032

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, 2025

	2024 - 2025 Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance with Final Budget Positive (Negative)**
Urban Development and Housing				
Development services administration	105,958	105,958	120,330	(14,372)
Planning	52,575	314,796	44,520	270,276
Engineering	97,839	134,928	105,897	29,031
Building	119,601	119,601	70,837	48,764
Total Urban Development and Housing	375,973	675,283	341,584	333,699
Education				
Twelve Bridges library	984,723	1,241,455	1,151,961	89,494
Total Education	984,723	1,241,455	1,151,961	89,494
Capital Outlay				
City attorney	-	-	53,844	(53,844)
Information technology	27,825	183,743	183,743	-
Finance	-	-	315,130	(315,130)
Engineering	-	4,422,698	4,192,865	229,833
Parks	-	27,302	23,955	3,347
Public works	-	170,184	134,102	36,082
Fleet	1,100,000	1,464,954	107,038	1,357,916
Police	-	74,151	240,218	(166,067)
Total Capital Outlay	1,127,825	6,343,032	5,250,895	1,092,137
Debt Service:				
Principal	200,602	329,853	300,015	29,838
Interest	28,794	305,332	309,168	(3,836)
Total Debt Service	229,396	635,185	609,183	26,002
Total Expenditures	32,973,360	43,189,812	38,250,547	4,939,265
Excess (deficiency) of revenues over expenditures	(2,522,301)	(6,513,714)	(3,314,334)	3,199,380
OTHER FINANCING SOURCES (USES)				
Inception of financed purchases and leases	-	-	12,241,633	12,241,633
Transfers in	456,956	456,956	1,745,854	1,288,898
Transfers out	(899,166)	(899,166)	(1,487,250)	(588,084)
Total Other Financing Sources (Uses)	(442,210)	(442,210)	12,500,237	12,942,447
Net change in fund balance	$ (2,964,511)	$ (6,955,924)	9,185,903	$ 16,141,827
Fund balance - July 1, 2024			30,362,671	
Prior period restatement			(42,047)	
Fund balance - July 1, 2024, restated			30,320,624	
Fund balance - June 30, 2025			$ 39,506,527	

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, 2025

	2024 - 2025 Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ -	$ 30,000	$ -	$ (30,000)
Use of money and property	6,300	6,300	2,186,755	2,180,455
Charges for services	8,000,000	6,400,000	4,370,569	(2,029,431)
Other revenues	(98,344)	11,832,491	24,780	(11,807,711)
Total Revenues	7,907,956	18,268,791	6,582,104	(11,686,687)
EXPENDITURES				
Current:				
Public works and facilities	36,864	185,450	174,175	11,275
Education	94,700	94,700	80,283	14,417
Capital outlay	18,274,085	4,133,772	3,782,850	350,922
Debt service:				
Interest	17,687	17,687	17,687	-
Total Expenditures	18,423,336	4,431,609	4,054,995	376,614
Excess (deficiency) of revenues over expenditures	(10,515,380)	13,837,182	2,527,109	(11,310,073)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,200,000	-	-	-
Transfers out	-	-	(1,234)	(1,234)
Total Other Financing Sources (Uses)	1,200,000	-	(1,234)	(1,234)
Net change in fund balance	$ (9,315,380)	$ 13,837,182	2,525,875	$ (11,311,307)
Fund balance - July 1, 2024			35,907,413	
Prior period restatement			11,930,834	
Fund balance - July 1, 2024, restated			47,838,247	
Fund balance - June 30, 2025			$ 50,364,122	

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, 2025

	2024 - 2025 Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	$ 116,021	$ 116,021	$ 961,369	$ 845,348
Charges for services	4,260,000	4,260,000	4,095,416	(164,584)
Total Revenues	4,376,021	4,376,021	5,056,785	680,764
EXPENDITURES				
Current:				
Public works and facilities	-	-	8,829	(8,829)
Total Expenditures	-	-	8,829	(8,829)
Excess of revenues over expenditures	4,376,021	4,376,021	5,047,956	671,935
OTHER FINANCING SOURCES (USES)				
Transfers in	-	4,686,934	-	(4,686,934)
Total Other Financing Sources (Uses)	-	4,686,934	-	(4,686,934)
Net change in fund balance	$ 4,376,021	$ 9,062,955	5,047,956	$ (4,014,999)
Fund balance - July 1, 2024			57,213,232	
Prior period restatement			4,686,934	
Fund balance - July 1, 2024, restated			61,900,166	
Fund balance - June 30, 2025			$ 66,948,122	

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, 2025

	2024 - 2025 Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	$ 7,518,046	$ 7,986,473	$ 8,333,433	$ 346,960
Intergovernmental	-	-	520	520
Use of money and property	-	-	837,666	837,666
Other revenues	22,918	22,918	183,827	160,909
Total Revenues	7,540,964	8,009,391	9,355,446	1,346,055
EXPENDITURES				
Current:				
General government	49,963	49,963	7,149	42,814
Public safety	330,205	331,205	335,106	(3,901)
Public works and facilities	6,216,537	6,854,344	6,292,993	561,351
Capital outlay	944,150	698,028	780,654	(82,626)
Debt service:				
Principal	40,000	22,536	19,616	2,920
Interest	-	-	2,184	(2,184)
Total Expenditures	7,580,855	7,956,076	7,437,702	518,374
Excess (deficiency) of revenues over expenditures	(39,891)	53,315	1,917,744	1,864,429
OTHER FINANCING SOURCES (USES)				
Inception of leases	-	-	47,910	47,910
Transfers in	-	-	931,034	931,034
Transfers out	(58,670)	(58,670)	(202,012)	(143,342)
Total Other Financing Sources (Uses)	(58,670)	(58,670)	776,932	835,602
Net change in fund balance	$ (98,561)	$ (5,355)	2,694,676	$ 2,700,031
Fund balance - July 1, 2024			16,822,133	
Fund balance - June 30, 2025			$ 19,516,809	

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, 2025

	2024 - 2025 Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
License and permits	$ 3,593,200	$ 4,293,200	$ 3,934,899	$ (358,301)
Intergovernmental	-	460,000	307,495	(152,505)
Use of money and property	-	-	1,155,149	1,155,149
Charges for services	2,328,500	2,578,500	2,479,967	(98,533)
Other revenues	23,000	39,500	74,190	34,690
Total Revenues	5,944,700	7,371,200	7,951,700	580,500
EXPENDITURES				
Current:				
General government	247,270	323,296	304,300	18,996
Public safety	352,325	352,325	121,266	231,059
Public works and facilities	5,915,846	6,825,939	5,124,545	1,701,394
Culture and recreation	200	200	-	200
Debt service:				
Principal	-	-	50,136	(50,136)
Interest	-	-	2,381	(2,381)
Total Expenditures	6,515,641	7,501,760	5,602,628	1,899,132
Excess (deficiency) of revenues over expenditures	(570,941)	(130,560)	2,349,072	2,479,632
OTHER FINANCING SOURCES (USES)				
Transfers out	(66,838)	(66,838)	(172,063)	(105,225)
Total Other Financing Sources (Uses)	(66,838)	(66,838)	(172,063)	(105,225)
Net change in fund balance	$ (637,779)	$ (197,398)	2,177,009	$ 2,374,407
Fund balance - July 1, 2024			19,572,839	
Fund balance - June 30, 2025			$ 21,749,848	

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, 2025

	2024 - 2025 Budgeted Amounts			
	Original*	Final*	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	$ -	$ -	$ 80,355	$ 80,355
Total Revenues	-	-	80,355	80,355
EXPENDITURES				
Current:				
Public works and facilities	-	-	841	(841)
Total Expenditures	-	-	841	(841)
Net change in fund balance	$ -	$ -	79,514	$ 79,514
Fund balance - July 1, 2024			1,725,112	
Fund balance - June 30, 2025			$ 1,804,626	

*The City did not adopt a budget for the Low/Moderate Income Housing Fund for the year ended June 30, 2025.

CITY OF LINCOLN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY ACCOUNTING AND CONTROL
FOR THE YEAR ENDED JUNE 30, 2025

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 the first year of the biennium budget cycle the Finance Department is to submit to the City Council a recommended operating budget for the biennium cycle 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:

	Appropriations	Expenditures	Excess of Expenditures Over Appropriations
City council	$ 250,178	$ 279,098	$ 28,920
City treasurer	8,478	8,741	263
City attorney	622,941	762,391	139,450
City manager administration	824,300	840,890	16,590
Human resources	48,000	59,058	11,058
Finance	696,619	714,453	17,834
Fire operations	8,969,927	9,034,860	64,933
Community classes/facility rental	229,882	352,106	122,224
Development services administration	105,958	120,330	14,372
Capital outlay - city attorney	-	53,844	53,844
Capital outlay - finance	-	315,130	315,130
Capital outlay - police	74,151	240,218	166,067
Debt service - interest	305,332	309,168	3,836

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.

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 Projects

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

Lincoln Crossing

Accounts for monies provided and used for Lincoln Crossing improvements.

DEBT SERVICE FUNDS

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

Lincoln Public Financing Authority Series 2016

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

PERMANENT FUNDS

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

Stormwater Retention Maintenance

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

Suncal Open Space Endowment

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

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, 2025

	Special Revenue Funds				
	Park In-Lieu	Gas Tax	Street Fund	Parks and Recreation Tax	CDBG-CV
ASSETS					
Cash and investments	$ 1,154,373	$ 4,785,834	$ 6,618,946	$ 675,736	$ -
Accounts receivable	-	-	21,871	-	-
Interest receivable	1,155	4,799	6,749	702	-
Intergovernmental receivable	-	249,537	-	-	240,303
Prepaid items	-	14,988	34,069	-	-
Advances to other funds	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-
Loans receivable, net	-	-	-	-	-
Total Assets	$ 1,155,528	$ 5,055,158	$ 6,681,635	$ 676,438	$ 240,303
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)					
LIABILITIES:					
Accounts payable	$ 11,152	$ 77,202	$ 195,917	$ -	$ -
Accrued payroll and benefits	-	35,044	25,310	-	-
Accrued liabilities	-	-	2,236	-	-
Retention payable	399	-	-	-	4,909
Due to other funds	-	-	-	-	240,304
Total Liabilities	11,551	112,246	223,463	-	245,213
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenues	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
FUND BALANCES (DEFICITS):					
Nonspendable	-	14,988	34,069	-	-
Restricted	1,143,977	4,927,924	6,424,103	676,438	-
Unassigned	-	-	-	-	(4,910)
Total Fund Balances (Deficits)	1,143,977	4,942,912	6,458,172	676,438	(4,910)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	$ 1,155,528	$ 5,055,158	$ 6,681,635	$ 676,438	$ 240,303

CITY OF LINCOLN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (continued)
JUNE 30, 2025

	Special Revenue Funds				
	Police Grants	ARPA	Revitalization and Rehabilitation Loans	Community Development Block Grant (CDBG)	HOME Investment Partnership Program
ASSETS					
Cash and investments	$ 59,815	$ 453,232	$ 960,962	$ 153,050	$ 685,993
Accounts receivable	-	-	-	-	1,937
Interest receivable	61	-	971	-	-
Intergovernmental receivable	-	-	-	-	-
Prepaid items	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-
Loans receivable, net	-	-	-	364,007	1,382,155
Total Assets	$ 59,876	$ 453,232	$ 961,933	$ 517,057	$ 2,070,085
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)					
LIABILITIES:					
Accounts payable	$ -	$ 202,846	$ -	$ 390	$ 390
Accrued payroll and benefits	8,401	-	-	-	-
Accrued liabilities	-	-	-	-	-
Retention payable	-	56,660	-	-	-
Due to other funds	-	-	-	-	-
Total Liabilities	8,401	259,506	-	390	390
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenues	-	193,725	-	364,007	1,382,155
Total Deferred Inflows of Resources	-	193,725	-	364,007	1,382,155
FUND BALANCES (DEFICITS):					
Nonspendable	-	-	-	-	-
Restricted	51,475	1	961,933	152,660	687,540
Unassigned	-	-	-	-	-
Total Fund Balances (Deficits)	51,475	1	961,933	152,660	687,540
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	$ 59,876	$ 453,232	$ 961,933	$ 517,057	$ 2,070,085

CITY OF LINCOLN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (continued)
JUNE 30, 2025

	Special Revenue Funds			Capital Project Funds	
	Cal Home Grants	**Oak Tree Mitigation**	**Federal Grants**	**Capital Projects**	**Twelve Bridges Capital Projects**
ASSETS					
Cash and investments	$ 1,091,945	$ 481,640	$ -	$ 1,070,815	$ 93,715
Accounts receivable	-	-	-	-	-
Interest receivable	-	507	-	843	95
Intergovernmental receivable	-	-	-	-	-
Prepaid items	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-
Loans receivable, net	205,213	-	-	-	-
Total Assets	$ 1,297,158	$ 482,147	$ -	$ 1,071,658	$ 93,810
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)					
LIABILITIES:					
Accounts payable	$ 220	$ -	$ -	$ 756	$ -
Accrued payroll and benefits	-	-	-	-	-
Accrued liabilities	-	335	-	-	-
Retention payable	-	-	-	-	-
Due to other funds	-	-	272,561	-	-
Total Liabilities	220	335	272,561	756	-
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenues	205,213	-	-	-	-
Total Deferred Inflows of Resources	205,213	-	-	-	-
FUND BALANCES (DEFICITS):					
Nonspendable	-	-	-	-	-
Restricted	1,091,725	481,812	-	1,070,902	93,810
Unassigned	-	-	(272,561)	-	-
Total Fund Balances (Deficits)	1,091,725	481,812	(272,561)	1,070,902	93,810
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	$ 1,297,158	$ 482,147	$ -	$ 1,071,658	$ 93,810

CITY OF LINCOLN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (continued)
JUNE 30, 2025

	Capital Project Funds	Debt Service Funds	Permanent Funds		
	Lincoln Crossing	Lincoln Public Financing Authority Series 2016	Stormwater Retention Maintenance	Suncal Open Space Endowment	Brookview Open Space Maintenance Trust
ASSETS					
Cash and investments	$ 1,803,146	$ 2,222,783	$ 38,852	$ 291,181	$ 5
Accounts receivable	-	-	-	-	-
Interest receivable	1,829	942	39	294	-
Intergovernmental receivable	-	-	-	-	-
Prepaid items	-	-	-	-	-
Advances to other funds	-	526,955	-	-	-
Restricted cash and investments	-	7	-	-	16,234
Loans receivable, net	-	-	-	-	-
Total Assets	$ 1,804,975	$ 2,750,687	$ 38,891	$ 291,475	$ 16,239
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)					
LIABILITIES:					
Accounts payable	$ 106,869	$ -	$ -	$ -	$ -
Accrued payroll and benefits	-	-	-	-	-
Accrued liabilities	-	-	-	-	-
Retention payable	3,204	-	-	-	-
Due to other funds	-	-	-	-	-
Total Liabilities	110,073	-	-	-	-
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenues	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
FUND BALANCES (DEFICITS):					
Nonspendable	-	526,955	25,439	221,220	5,000
Restricted	1,694,902	2,223,732	13,452	70,255	11,239
Unassigned	-	-	-	-	-
Total Fund Balances (Deficits)	1,694,902	2,750,687	38,891	291,475	16,239
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	$ 1,804,975	$ 2,750,687	$ 38,891	$ 291,475	$ 16,239

CITY OF LINCOLN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (continued)
JUNE 30, 2025

	Permanent Funds			
	Sterling Point Endowment	**WWTRF Tertiary Storage Basin Maintenance**	**Lincoln Aircenter**	**Total Non-major Governmental Funds**
ASSETS				
Cash and investments	$ 71,537	$ 72,307	$ 98,174	$ 22,884,041
Accounts receivable	-	-	-	23,808
Interest receivable	72	73	99	19,230
Intergovernmental receivable	-	-	-	489,840
Prepaid items	-	-	-	49,057
Advances to other funds	-	-	-	526,955
Restricted cash and investments	-	-	-	16,241
Loans receivable, net	-	-	-	1,951,375
Total Assets	$ 71,609	$ 72,380	$ 98,273	$ 25,960,547
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)				
LIABILITIES:				
Accounts payable	$ -	$ -	$ -	$ 595,742
Accrued payroll and benefits	-	-	-	68,755
Accrued liabilities	-	-	-	2,571
Retention payable	-	-	-	65,172
Due to other funds	-	-	-	512,865
Total Liabilities	-	-	-	1,245,105
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenues	-	-	-	2,145,100
Total Deferred Inflows of Resources	-	-	-	2,145,100
FUND BALANCES (DEFICITS):				
Nonspendable	50,000	50,000	5,000	932,671
Restricted	21,609	22,380	93,273	21,915,142
Unassigned	-	-	-	(277,471)
Total Fund Balances (Deficits)	71,609	72,380	98,273	22,570,342
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	$ 71,609	$ 72,380	$ 98,273	$ 25,960,547

CITY OF LINCOLN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

	Special Revenue Funds				
	Park In-Lieu	Gas Tax	Street Fund	Parks and Recreation Tax	CDBG-CV
REVENUES					
Intergovernmental	$ -	$ 2,915,320	$ 3,803,344	$ -	$ 249,653
Use of money and property	51,225	205,153	226,446	28,661	-
Charges for services	9,408	4,609	-	121,665	-
Other revenue	576	-	24,277	-	-
Total Revenues	61,209	3,125,082	4,054,067	150,326	249,653
EXPENDITURES					
Current:					
General government	-	-	301	-	254,563
Public safety	-	-	-	-	-
Public works and facilities	536	1,175,561	2,390,355	292	-
Capital outlay	11,551	1,486,740	900,249	14,190	-
Debt service:					
Principal	-	1,724	40,212	-	-
Interest	-	195	1,446	-	-
Total Expenditures	12,087	2,664,220	3,332,563	14,482	254,563
Excess (Deficiency) of Revenues over Expenditures	49,122	460,862	721,504	135,844	(4,910)
OTHER FINANCING SOURCES (USES)					
Inception of leases	-	-	132,565	-	-
Transfers in	-	18,106	-	-	-
Transfers out	(18,106)	(129,731)	(101,370)	(163)	-
Total Other Financing Sources (Uses)	(18,106)	(111,625)	31,195	(163)	-
Net change in fund balances	31,016	349,237	752,699	135,681	(4,910)
Fund balances (deficits) - July 1, 2024	1,112,961	4,593,675	5,705,473	540,757	-
Fund balances (deficits) - June 30, 2025	$ 1,143,977	$ 4,942,912	$ 6,458,172	$ 676,438	$ (4,910)

CITY OF LINCOLN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (continued)
FOR THE YEAR ENDED JUNE 30, 2025

	Special Revenue Funds				
	Police Grants	ARPA	Revitalization and Rehabilitation Loans	Community Development Block Grant (CDBG)	HOME Investment Partnership Program
REVENUES					
Intergovernmental	$ 194,663	$ 1,349,681	$ -	$ -	$ -
Use of money and property	2,491	-	42,833	-	-
Charges for services	-	-	-	-	14,124
Other revenue	-	-	-	-	-
Total Revenues	197,154	1,349,681	42,833	-	14,124
EXPENDITURES					
Current:					
General government	-	171,260	-	4,798	4,926
Public safety	195,284	-	-	-	-
Public works and facilities	-	-	449	-	-
Capital outlay	-	1,178,420	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	195,284	1,349,680	449	4,798	4,926
Excess (Deficiency) of Revenues over Expenditures	1,870	1	42,384	(4,798)	9,198
OTHER FINANCING SOURCES (USES)					
Inception of leases	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	(348)	-	-	-	-
Total Other Financing Sources (Uses)	(348)	-	-	-	-
Net change in fund balances	1,522	1	42,384	(4,798)	9,198
Fund balances (deficits) - July 1, 2024	49,953	-	919,549	157,458	678,342
Fund balances (deficits) - June 30, 2025	$ 51,475	$ 1	$ 961,933	$ 152,660	$ 687,540

CITY OF LINCOLN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (continued)
FOR THE YEAR ENDED JUNE 30, 2025

	Special Revenue Funds			Capital Projects Funds	
	Cal Home Grants	Oak Tree Mitigation	Federal Grants	Capital Projects	Twelve Bridges Capital Projects
REVENUES					
Intergovernmental	$ -	$ -	$ -	$ -	$ -
Use of money and property	-	20,566	-	36,296	4,178
Charges for services	-	75,750	-	27,393	-
Other revenue	-	-	-	4,370	-
Total Revenues	-	96,316	-	68,059	4,178
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works and facilities	2,276	36,037	-	381	44
Capital outlay	-	-	-	4,601	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	2,276	36,037	-	4,982	44
Excess (Deficiency) of Revenues over Expenditures	(2,276)	60,279	-	63,077	4,134
OTHER FINANCING SOURCES (USES)					
Inception of leases	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net change in fund balances	(2,276)	60,279	-	63,077	4,134
Fund balances (deficits) - July 1, 2024	1,094,001	421,533	(272,561)	1,007,825	89,676
Fund balances (deficits) - June 30, 2025	$ 1,091,725	$ 481,812	$ (272,561)	$ 1,070,902	$ 93,810

CITY OF LINCOLN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (continued)
FOR THE YEAR ENDED JUNE 30, 2025

	Capital Projects Funds	Debt Service Funds	Permanent Funds		
	Lincoln Crossing	Lincoln Public Financing Authority Series 2016	Stormwater Retention Maintenance	Suncal Open Space Endowment	Brookview Open Space Maintenance Trust
REVENUES					
Intergovernmental	$ -	$ -	$ -	$ -	$ -
Use of money and property	92,049	92,791	1,732	12,979	8
Charges for services	-	-	-	-	-
Other revenue	-	-	-	-	-
Total Revenues	92,049	92,791	1,732	12,979	8
EXPENDITURES					
Current:					
General government	-	-	19	136	-
Public safety	-	-	-	-	-
Public works and facilities	970	9,504	-	-	-
Capital outlay	443,079	-	-	-	-
Debt service:					
Principal	-	1,085,000	-	-	-
Interest	-	389,538	-	-	-
Total Expenditures	444,049	1,484,042	19	136	-
Excess (Deficiency) of Revenues over Expenditures	(352,000)	(1,391,251)	1,713	12,843	8
OTHER FINANCING SOURCES (USES)					
Inception of leases	-	-	-	-	-
Transfers in	-	1,333,849	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	1,333,849	-	-	-
Net change in fund balances	(352,000)	(57,402)	1,713	12,843	8
Fund balances (deficits) - July 1, 2024	2,046,902	2,808,089	37,178	278,632	16,231
Fund balances (deficits) - June 30, 2025	$ 1,694,902	$ 2,750,687	$ 38,891	$ 291,475	$ 16,239

CITY OF LINCOLN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (continued)
FOR THE YEAR ENDED JUNE 30, 2025

	Permanent Funds			
	Sterling Point Endowment	WWTRF Tertiary Storage Basin Maintenance	Lincoln Aircenter	Total Non-major Governmental Funds
REVENUES				
Intergovernmental	$ -	$ -	$ -	$ 8,512,661
Use of money and property	3,189	3,224	4,376	828,197
Charges for services	-	-	-	252,949
Other revenue	-	-	-	29,223
Total Revenues	3,189	3,224	4,376	9,623,030
EXPENDITURES				
Current:				
General government	34	34	46	436,117
Public safety	-	-	-	195,284
Public works and facilities	-	-	-	3,616,405
Capital outlay	-	-	-	4,038,830
Debt service:				
Principal	-	-	-	1,126,936
Interest	-	-	-	391,179
Total Expenditures	34	34	46	9,804,751
Excess (Deficiency) of Revenues over Expenditures	3,155	3,190	4,330	(181,721)
OTHER FINANCING SOURCES (USES)				
Inception of leases	-	-	-	132,565
Transfers in	-	-	-	1,351,955
Transfers out	-	-	-	(249,718)
Total Other Financing Sources (Uses)	-	-	-	1,234,802
Net change in fund balances	3,155	3,190	4,330	1,053,081
Fund balances (deficits) - July 1, 2024	68,454	69,190	93,943	21,517,261
Fund balances (deficits) - June 30, 2025	$ 71,609	$ 72,380	$ 98,273	$ 22,570,342

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, 2025

	2024 - 2025 Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	$ -	$ -	$ 51,225	$ 51,225
Charges for services	8,256	8,256	9,408	1,152
Other revenues	-	-	576	576
Total Revenues	8,256	8,256	61,209	52,953
EXPENDITURES				
Current:				
Public works and facilities	-	-	536	(536)
Capital outlay	-	11,551	11,551	-
Total Expenditures	-	11,551	12,087	(536)
Excess (deficiency) of revenues over expenditures	8,256	(3,295)	49,122	52,417
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(18,106)	(18,106)
Total Other Financing Sources (Uses)	-	-	(18,106)	(18,106)
Net change in fund balance	$ 8,256	$ (3,295)	31,016	$ 34,311
Fund balance - July 1, 2024			1,112,961	
Fund balance - June 30, 2025			$ 1,143,977	

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, 2025

	2024 - 2025 Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 2,790,906	$ 2,790,906	$ 2,915,320	$ 124,414
Use of money and property	-	-	205,153	205,153
Charges for services	1,000	6,000	4,609	(1,391)
Total Revenues	2,791,906	2,796,906	3,125,082	328,176
EXPENDITURES				
Current:				
Public safety	1,800	1,800	-	1,800
Public works and facilities	1,366,683	1,497,003	1,175,561	321,442
Capital outlay	2,325,480	1,482,036	1,486,740	(4,704)
Debt service:				
Principal	-	-	1,724	(1,724)
Interest	-	-	195	(195)
Total Expenditures	3,693,963	2,980,839	2,664,220	316,619
Excess (deficiency) of revenues over expenditures	(902,057)	(183,933)	460,862	644,795
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	18,106	18,106
Transfers out	(35,109)	(35,109)	(129,731)	(94,622)
Total Other Financing Sources (Uses)	(35,109)	(35,109)	(111,625)	(76,516)
Net change in fund balance	$ (937,166)	$ (219,042)	349,237	$ 568,279
Fund balance - July 1, 2024			4,593,675	
Fund balance - June 30, 2025			$ 4,942,912	

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, 2025

	2024 - 2025 Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 3,846,148	$ 3,846,148	$ 3,803,344	$ (42,804)
Use of money and property	-	-	226,446	226,446
Other revenues	-	10,100	24,277	14,177
Total Revenues	3,846,148	3,856,248	4,054,067	197,819
EXPENDITURES				
Current:				
General government	-	-	301	(301)
Public safety	15,025	15,025	-	15,025
Public works and facilities	3,050,590	3,287,745	2,390,355	897,390
Capital outlay	1,159,312	490,540	900,249	(409,709)
Debt service:				
Principal	125,000	53,241	40,212	13,029
Interest	-	4,879	1,446	3,433
Total Expenditures	4,349,927	3,851,430	3,332,563	518,867
Excess (deficiency) of revenues over expenditures	(503,779)	4,818	721,504	716,686
OTHER FINANCING SOURCES (USES)				
Inception of leases	-	-	132,565	132,565
Transfers out	(32,111)	(32,111)	(101,370)	(69,259)
Total Other Financing Sources (Uses)	(32,111)	(32,111)	31,195	63,306
Net change in fund balance	$ (535,890)	$ (27,293)	752,699	$ 779,992
Fund balance - July 1, 2024			5,705,473	
Fund balance - June 30, 2025			$ 6,458,172	

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, 2025

	2024 - 2025 Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	$ -	$ -	$ 28,661	$ 28,661
Charges for services	152,000	152,000	121,665	(30,335)
Total Revenues	152,000	152,000	150,326	(1,674)
EXPENDITURES				
Current:				
Public works and facilities	4,236	4,399	292	4,107
Capital outlay	-	14,190	14,190	-
Total Expenditures	4,236	18,589	14,482	4,107
Excess (deficiency) of revenues over expenditures	147,764	133,411	135,844	2,433
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(163)	(163)
Total Other Financing Sources (Uses)	-	-	(163)	(163)
Net change in fund balance	$ 147,764	$ 133,411	135,681	$ 2,270
Fund balance - July 1, 2024			540,757	
Fund balance - June 30, 2025			$ 676,438	

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, 2025

	2024 - 2025 Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ -	$ -	$ 249,653	$ 249,653
Total Revenues	-	-	249,653	249,653
EXPENDITURES				
Current:				
General government	-	718,441	254,563	463,878
Total Expenditures	-	718,441	254,563	463,878
Net change in fund balance	$ -	$ (718,441)	(4,910)	$ 713,531
Fund balance - July 1, 2024			-	
Fund balance (deficit) - June 30, 2025			$ (4,910)	

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, 2025

	2024 - 2025 Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance with Final Budget Positive (Negative)**
REVENUES				
Intergovernmental	$ 175,279	$ 175,279	$ 194,663	$ 19,384
Use of money and property	-	-	2,491	2,491
Total Revenues	175,279	175,279	197,154	21,875
EXPENDITURES				
Current:				
Public safety	187,156	187,505	195,284	(7,779)
Total Expenditures	187,156	187,505	195,284	(7,779)
Excess (deficiency) of revenues over expenditures	(11,877)	(12,226)	1,870	14,096
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(348)	(348)
Total Other Financing Sources (Uses)	-	-	(348)	(348)
Net change in fund balance	$ (11,877)	$ (12,226)	1,522	$ 13,748
Fund balance - July 1, 2024			49,953	
Fund balance - June 30, 2025			$ 51,475	

CITY OF LINCOLN
ARPA - NONMAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	2024 - 2025 Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ -	$ -	$ 1,349,681	$ 1,349,681
Total Revenues	-	-	1,349,681	1,349,681
EXPENDITURES				
Current:				
General government	-	300,000	171,260	128,740
Capital outlay	-	1,178,420	1,178,420	-
Total Expenditures	-	1,478,420	1,349,680	128,740
Net change in fund balance	$ -	$ (1,478,420)	1	$ 1,478,421
Fund balance - July 1, 2024			-	
Fund balance - June 30, 2025			$ 1	

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, 2025

	2024 - 2025 Budgeted Amounts			
	Original*	Final*	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	$ -	$ -	$ 42,833	$ 42,833
Total Revenues	-	-	42,833	42,833
EXPENDITURES				
Current:				
Public works and facilities	-	-	449	(449)
Total Expenditures	-	-	449	(449)
Net change in fund balance	$ -	$ -	42,384	$ 42,384
Fund balance - July 1, 2024			919,549	
Fund balance - June 30, 2025			$ 961,933	

*The City did not adopt a budget for the Revitalization and Rehabilitation Loans Fund for the year ended June 30, 2025.

CITY OF LINCOLN
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) - NONMAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	2024 - 2025 Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Total Revenues	$ -	$ -	$ -	$ -
EXPENDITURES				
Current:				
General government	6,192	6,192	4,798	1,394
Total Expenditures	6,192	6,192	4,798	1,394
Net change in fund balance	$ (6,192)	$ (6,192)	(4,798)	$ 1,394
Fund balance - July 1, 2024			157,458	
Fund balance - June 30, 2025			$ 152,660	

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, 2025

	2024 - 2025 Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for services	$ -	$ -	$ 14,124	$ 14,124
Total Revenues	-	-	14,124	14,124
EXPENDITURES				
Current:				
General government	6,192	6,192	4,926	1,266
Total Expenditures	6,192	6,192	4,926	1,266
Net change in fund balance	$ (6,192)	$ (6,192)	9,198	$ 15,390
Fund balance - July 1, 2024			678,342	
Fund balance - June 30, 2025			$ 687,540	

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, 2025

	2024 - 2025 Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Total Revenues	$ -	$ -	$ -	$ -
EXPENDITURES				
Current:				
Public works and facilities	3,492	3,492	2,276	1,216
Total Expenditures	3,492	3,492	2,276	1,216
Net change in fund balance	$ (3,492)	$ (3,492)	(2,276)	$ 1,216
Fund balance - July 1, 2024			1,094,001	
Fund balance - June 30, 2025			$ 1,091,725	

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, 2025

	2024 - 2025 Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	$ -	$ -	$ 20,566	$ 20,566
Charges for services	100,000	50,000	75,750	25,750
Total Revenues	100,000	50,000	96,316	46,316
EXPENDITURES				
Current:				
Public works and facilities	99,000	99,000	36,037	62,963
Total Expenditures	99,000	99,000	36,037	62,963
Net change in fund balance	$ 1,000	$ (49,000)	60,279	$ 109,279
Fund balance - July 1, 2024			421,533	
Fund balance - June 30, 2025			$ 481,812	

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, 2025

	2024 - 2025 Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ -	$ 1,321,994	$ -	$ (1,321,994)
Total Revenues	-	1,321,994	-	(1,321,994)
EXPENDITURES				
Current:				
Capital outlay	-	(17,250)	-	(17,250)
Total Expenditures	-	(17,250)	-	(17,250)
Net change in fund balance	$ -	$ 1,339,244	-	$ (1,339,244)
Fund balance (deficit) - July 1, 2024			(272,561)	
Fund balance (deficit) - June 30, 2025			$ (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, 2025

	Governmental Activities - Internal Service Funds			
	Internal Services	**Facility Maintenance**	**Technology Fund**	**Total Internal Service Funds**
ASSETS				
Current Assets				
Cash and investments	$ 4,070,716	$ 403,200	$ 1,463,906	$ 5,937,822
Accounts receivable	(4,666)	36,824	-	32,158
Interest receivable	4,155	638	1,470	6,263
Prepaid items	4,898	-	-	4,898
Total Current Assets	4,075,103	440,662	1,465,376	5,981,141
Non Current Assets				
Non-depreciable capital assets	-	201,801	825,059	1,026,860
Depreciable capital assets, net	794,445	654,166	-	1,448,611
Total Non-Current Assets	794,445	855,967	825,059	2,475,471
Total Assets	4,869,548	1,296,629	2,290,435	8,456,612
LIABILITIES				
Current Liabilities				
Accounts payable	305,871	20,316	18,810	344,997
Accrued salaries and benefits	210,201	-	-	210,201
Compensated absences	446,151	-	-	446,151
Lease payable	7,789	-	-	7,789
SBITA payable	171,517	-	-	171,517
Total Current Liabilities	1,141,529	20,316	18,810	1,180,655
Non-Current Liabilities				
Compensated absences - noncurrent	111,538	-	-	111,538
Lease payable - noncurrent	30,216	-	-	30,216
SBITA payable - noncurrent	279,920	-	-	279,920
Total Non-Current Liabilities	421,674	-	-	421,674
Total Liabilities	1,563,203	20,316	18,810	1,602,329
NET POSITION:				
Net investment in capital assets	305,003	855,967	825,059	1,986,029
Unrestricted	3,001,342	420,346	1,446,566	4,868,254
Total Net Position	$ 3,306,345	$ 1,276,313	$ 2,271,625	$ 6,854,283

CITY OF LINCOLN
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Governmental Activities - Internal Service Funds			
	Internal Services	**Facility Maintenance**	**Technology Fund**	**Total Internal Service Funds**
OPERATING REVENUES				
Charges for services	$ 8,930,481	$ -	$ -	$ 8,930,481
Other revenue	13,666	-	110,377	124,043
Total Operating Revenue	8,944,147	-	110,377	9,054,524
OPERATING EXPENSES				
Salaries and benefits	4,924,767	-	-	4,924,767
Services and supplies	2,594,910	340	727	2,595,977
Depreciation	206,211	36,374	12,061	254,646
Total Operating Expenses	7,725,888	36,714	12,788	7,775,390
Operating Income (Loss)	1,218,259	(36,714)	97,589	1,279,134
NON-OPERATING REVENUES (EXPENSES)				
Intergovernmental	-	36,824	-	36,824
Interest income	152,832	31,428	68,989	253,249
Interest expense	(19,482)	-	-	(19,482)
Total Non-Operating Revenues (Expenses)	133,350	68,252	68,989	270,591
Change in net position	1,351,609	31,538	166,578	1,549,725
Net Position - July 1, 2024	1,978,083	1,244,775	2,105,047	5,327,905
Change in accounting principle (Note 19)	(23,347)	-	-	(23,347)
Net Position - July 1, 2024, restated	1,954,736	1,244,775	2,105,047	5,304,558
Net Position - June 30, 2025	$ 3,306,345	$ 1,276,313	$ 2,271,625	$ 6,854,283

CITY OF LINCOLN
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Governmental Activities - Internal Service Funds			
	Internal Services	Facility Maintenance	Technology Fund	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	$ 9,094,793	$ -	$ 110,377	$ 9,205,170
Cash paid to suppliers	(2,473,350)	(340)	(11,767)	(2,485,457)
Cash paid to employees	(4,999,228)	-	-	(4,999,228)
Net Cash Provided by (Used for) Operating Activities	1,622,215	(340)	98,610	1,720,485
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Intergovernmental revenues received	-	86,270	-	86,270
Net Cash Provided by Non-Capital Financing Activities	-	86,270	-	86,270
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	-	(190,715)	(242,834)	(433,549)
Principal paid on long-term debt	(186,892)	-	-	(186,892)
Interest paid on long-term debt	(19,482)	-	-	(19,482)
Net Cash Used for Capital and Related Financing Activities	(206,374)	(190,715)	(242,834)	(639,923)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	151,635	31,365	69,377	252,377
Net Cash Provided by Investing Activities	151,635	31,365	69,377	252,377
Net Increase (Decrease) in Cash and Cash Equivalents	1,567,476	(73,420)	(74,847)	1,419,209
Cash and Cash Equivalents - July 1, 2024	2,503,240	476,620	1,538,753	4,518,613
Cash and Cash Equivalents - June 30, 2025	$ 4,070,716	$ 403,200	$ 1,463,906	$ 5,937,822
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:				
Operating Income (Loss)	1,218,259	(36,714)	97,589	1,279,134
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation expense	206,211	36,374	12,061	254,646
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	150,646	-	-	150,646
Prepaid expenses	(4,898)	-	-	(4,898)
Increase (decrease) in:				
Accounts payable	126,458	-	(11,040)	115,418
Accrued wages	30,444	-	-	30,444
Compensated absences	(104,905)	-	-	(104,905)
Net Cash Provided by (Used for) Operating Activities	$ 1,622,215	$ (340)	$ 98,610	$ 1,720,485
NON CASH SUPPLEMENTAL DISCLOSURE:				
Assets acquired under leases	$ 42,101	$ -	$ -	$ 42,101
Assets acquired under SBITAs	217,299	-	-	217,299

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.

Joiner Ranch East CFD

Accounts for the monies held from the developer for the formation of the 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
CUSTODIAL FUNDS
JUNE 30, 2025

	Little League	Lincoln Airpark 98-1	Twelve Bridges Series 2011	Foskett Ranch CFD	Lakeside CFD
ASSETS					
Cash and investments	$ 35,199	$ 46,905	$ -	$ 272,850	$ 673,977
Assessments receivable	-	-	6,365	-	7,319
Interest receivable	36	47	-	504	1,376
Restricted cash and investments	-	-	7,503,797	123,202	524,939
Total Assets	35,235	46,952	7,510,162	396,556	1,207,611
LIABILITIES					
Accounts payable	-	-	-	2,250	218,250
Developer deposits payable	-	-	-	-	-
Total Liabilities	-	-	-	2,250	218,250
NET POSITION					
Net position restricted for individuals, organizations, and other governments	35,235	46,952	7,510,162	394,306	989,361
Total Net Position	$ 35,235	$ 46,952	$ 7,510,162	$ 394,306	$ 989,361

CITY OF LINCOLN
COMBINING STATEMENT OF FIDUCIARY NET POSITION (continued)
CUSTODIAL FUNDS
JUNE 30, 2025

	Lincoln Crossing CFD	Sorrento CFD	Independence Development CFD	Joiner Ranch East CFD	Total
ASSETS					
Cash and investments	$ 6,101,850	$ 726,703	$ 1,997,552	$ 68,048	$ 9,923,084
Assessments receivable	44,568	2,152	5,981	-	66,385
Interest receivable	7,337	1,074	2,732	62	13,168
Restricted cash and investments	6,447,010	1,470,819	1,031,392	-	17,101,159
Total Assets	12,600,765	2,200,748	3,037,657	68,110	27,103,796
LIABILITIES					
Accounts payable	-	1,550	-	6,390	228,440
Developer deposits payable	-	-	-	61,341	61,341
Total Liabilities	-	1,550	-	67,731	289,781
NET POSITION					
Net position restricted for individuals, organizations, and other governments	12,600,765	2,199,198	3,037,657	379	26,814,015
Total Net Position	$ 12,600,765	$ 2,199,198	$ 3,037,657	$ 379	$ 26,814,015

CITY OF LINCOLN
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Little League	Lincoln Airpark 98-1	Twelve Bridges Series 2011	Foskett Ranch CFD	Lakeside CFD
ADDITIONS					
Property taxes and assessments	$ -	$ -	$ 965,201	$ 256,689	$ 910,375
Investment income:					
Interest income	1,569	1,162	383,162	13,293	24,570
Net increase in fair value	-	928	11,672	6,448	15,971
Net investment income	1,569	2,090	394,834	19,741	40,541
Total Additions	1,569	2,090	1,360,035	276,430	950,916
DEDUCTIONS					
Professional services	17	21	88,486	25,794	264,508
Debt service:					
Principal	-	-	3,215,000	160,000	365,000
Interest	-	-	322,923	63,226	320,720
Total Deductions	17	21	3,626,409	249,020	950,228
Net increase (decrease) in fiduciary net position	1,552	2,069	(2,266,374)	27,410	688
Fiduciary Net Position - Beginning	33,683	44,883	14,463,470	366,896	988,673
Prior period restatement	-	-	(4,686,934)	-	-
Fiduciary Net Position - Beginning, Restated	33,683	44,883	9,776,536	366,896	988,673
Fiduciary Net Position - Ending	$ 35,235	$ 46,952	$ 7,510,162	$ 394,306	$ 989,361

CITY OF LINCOLN
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Lincoln Crossing CFD	Sorrento CFD	Independence Development CFD	Joiner Ranch East CFD	Total
ADDITIONS					
Property taxes and assessments	$ 6,707,628	$ 1,009,042	$ 1,338,467	$ -	$ 11,187,402
Investment income:					
Interest income	83,745	72,883	88,299	147	668,830
Net increase in fair value	90,486	12,825	34,249	232	172,811
Net investment income	174,231	85,708	122,548	379	841,641
Total Additions	6,881,859	1,094,750	1,461,015	379	12,029,043
DEDUCTIONS					
Professional services	131,688	43,635	195,611	-	749,760
Debt service:					
Principal	3,170,000	270,000	55,000	-	7,235,000
Interest	2,379,750	680,391	651,063	-	4,418,073
Total Deductions	5,681,438	994,026	901,674	-	12,402,833
Net increase (decrease) in fiduciary net position	1,200,421	100,724	559,341	379	(373,790)
Fiduciary Net Position - Beginning	23,331,178	2,098,474	2,478,316	-	43,805,573
Prior period restatement	(11,930,834)	-	-	-	(16,617,768)
Fiduciary Net Position - Beginning, Restated	11,400,344	2,098,474	2,478,316	-	27,187,805
Fiduciary Net Position - Ending	$ 12,600,765	$ 2,199,198	$ 3,037,657	$ 379	$ 26,814,015

STATISTICAL SECTION

STATISTICAL SECTION

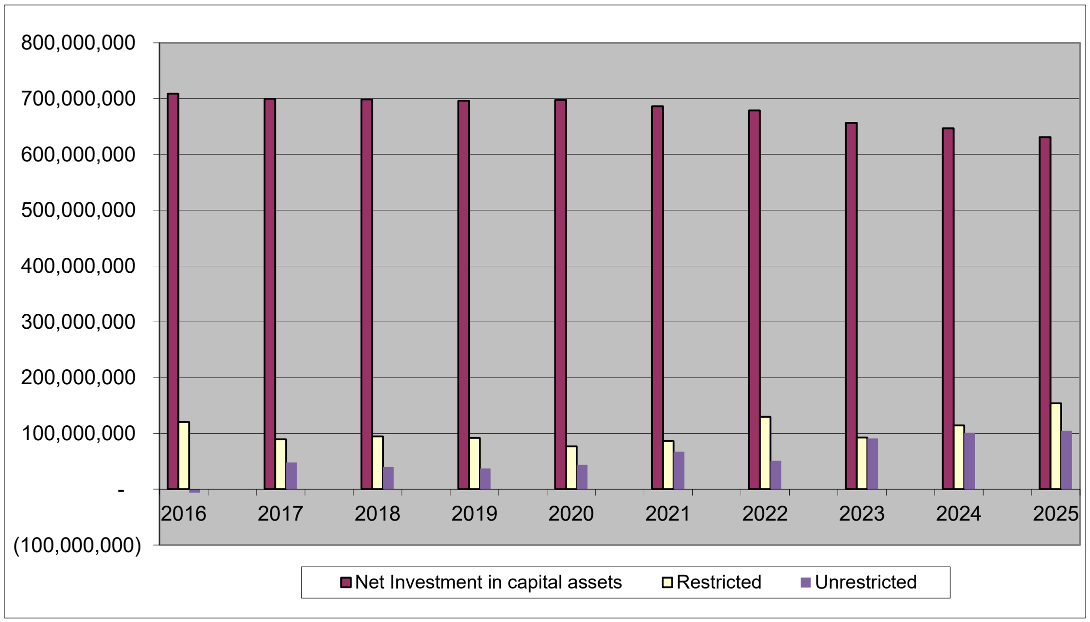
This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	**Page**

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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Net Investment in capital assets	359,758,260	354,718,311	350,361,056	348,742,386	344,847,105	336,402,231	332,378,568	325,142,234	320,885,146	306,435,245
Restricted	106,251,051	76,398,564	86,266,260	82,496,431	69,876,345	71,650,008	110,940,416	74,322,328	93,487,145	132,490,434
Unrestricted	(21,706,971)	19,409,294	5,020,121	8,392,145	14,138,806	34,834,119	20,184,955	65,261,933	67,570,772	67,019,642
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	505,945,321
Business-type activities										
Net Investment in capital assets	349,180,869	345,150,139	348,208,139	347,503,553	353,011,194	349,818,023	346,447,473	331,622,431	325,680,312	324,521,171
Restricted	14,312,412	12,990,446	8,639,096	9,304,148	7,205,080	14,644,566	18,842,976	18,541,435	20,811,511	21,558,514
Unrestricted	15,639,418	28,760,478	34,614,888	29,053,080	29,512,061	32,396,407	31,049,519	25,937,677	33,754,195	38,092,917
Total business-type activities net position	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	384,172,602
Primary government										
Net Investment in capital assets	708,939,129	699,868,450	698,569,195	696,245,939	697,858,299	686,220,254	678,826,041	656,764,665	646,565,458	630,956,416
Restricted	120,563,463	89,389,010	94,905,356	91,800,579	77,081,425	86,294,574	129,783,392	92,863,763	114,298,656	154,048,948
Unrestricted	(6,067,553)	48,169,772	39,635,009	37,445,225	43,650,867	67,230,526	51,234,474	91,199,610	101,324,967	105,112,559
Total primary government net position	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	890,117,923
% change from prior year	*68.3%*	*1.7%*	*-0.5%*	*-0.9%*	*-0.8%*	*2.5%*	*2.3%*	*-2.3%*	*2.5%*	*3.1%*



***Source**: City of Lincoln Audited Financial Reports*

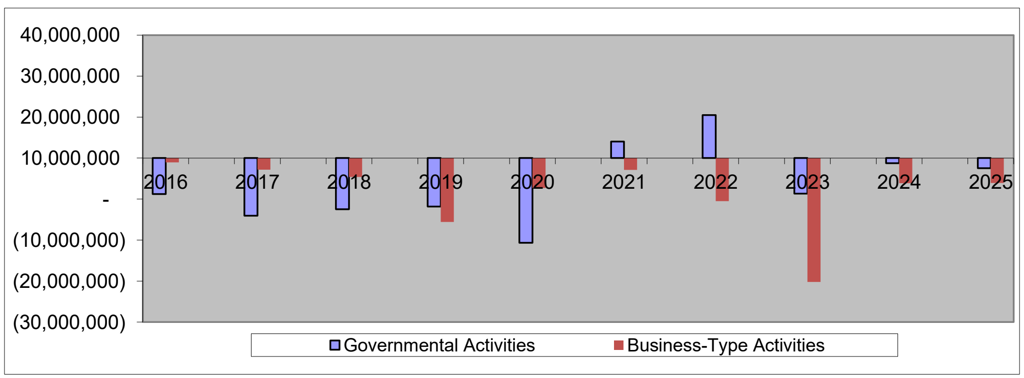
City of Lincoln
Change in Net Position
Last Ten Fiscal Years
(Full Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental Activities										
General government	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	9,472,027
Public safety	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	21,693,685
Public works and facilities	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	32,726,000
Culture and recreation	839,156	735,780	939,858	1,043,517	1,017,823	642,096	1,071,344	1,105,148	1,409,450	1,676,854
Education	786,381	1,139,387	1,006,407	810,164	768,182	1,172,252	1,326,178	1,376,724	1,384,998	1,724,863
Urban redevelopment and housing	545,475	522,402	646,213	489,557	1,164,293	683,418	605,557	326,200	334,744	326,385
Interest on long-term debt	988,938	1,143,290	576,397	587,288	586,324	556,611	514,762	645,549	430,101	889,696
Total Governmental Activities	39,621,547	36,963,751	42,540,335	45,458,195	47,113,898	48,549,990	49,348,171	57,616,993	64,700,824	68,509,510
Business-Type Activities										
Water	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	21,906,341
Sewer	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	22,899,722
Solid Waste	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	10,710,546
Airport	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	1,855,664
Transit	796,960	1,208,851	1,019,402	831,545	763,389	445,062	577,606	680,646	562,700	643,806
Total Business-Type Activities	35,147,896	36,619,142	36,762,463	43,088,191	39,017,882	39,452,801	45,428,450	46,024,363	48,759,013	58,016,079
Total Expenses	74,769,443	73,582,893	79,302,798	88,546,386	86,131,780	88,002,791	94,776,621	103,641,356	113,459,837	126,525,589
Program Revenues										
Governmental Activities										
Charges for Services										
General government	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	2,887,138
Public Safety	746,075	836,963	511,568	698,400	1,053,814	1,797,174	2,333,797	1,126,325	1,288,633	1,769,744
Culture and recreation	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	2,313,254
Education	32,185	14,933	18,506	17,420	12,715	-	15,495	53,772	108,015	102,891
Urban redevelopment and housing	-	-	-	-	-	1,372	-	-	-	27,393
Public works and facilities	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	21,306,466
Operating Grants and Contributions	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	13,068,873
Capital Grants and Contributions	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	16,501,780	21,372,957	21,399,735	19,216,414	25,649,616	36,509,365	55,544,622	39,241,956	41,738,783	41,475,759
Business-Type Activities										
Charges for Services										
Water	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	25,731,822
Wastewater	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	18,822,587
Solid Waste	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	11,329,387
Airport	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	1,918,531
Transit	2,589	1,926	2,842	1,344	553	63	-	-	-	-
Operating Grants and Contributions	2,058,693	478,160	4,901,085	398,364	458,708	233,448	518,658	325,791	636,300	825,571
Capital Grants and Contributions	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	1,510,020
Total Business-Type Activities	32,751,901	44,531,071	43,854,214	37,072,315	36,572,368	43,326,740	42,383,136	36,796,269	49,515,528	60,137,918
Total Program Revenues	49,253,681	65,904,028	65,253,949	56,288,729	62,221,984	79,836,105	97,927,758	76,038,225	91,254,311	101,613,677

**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)

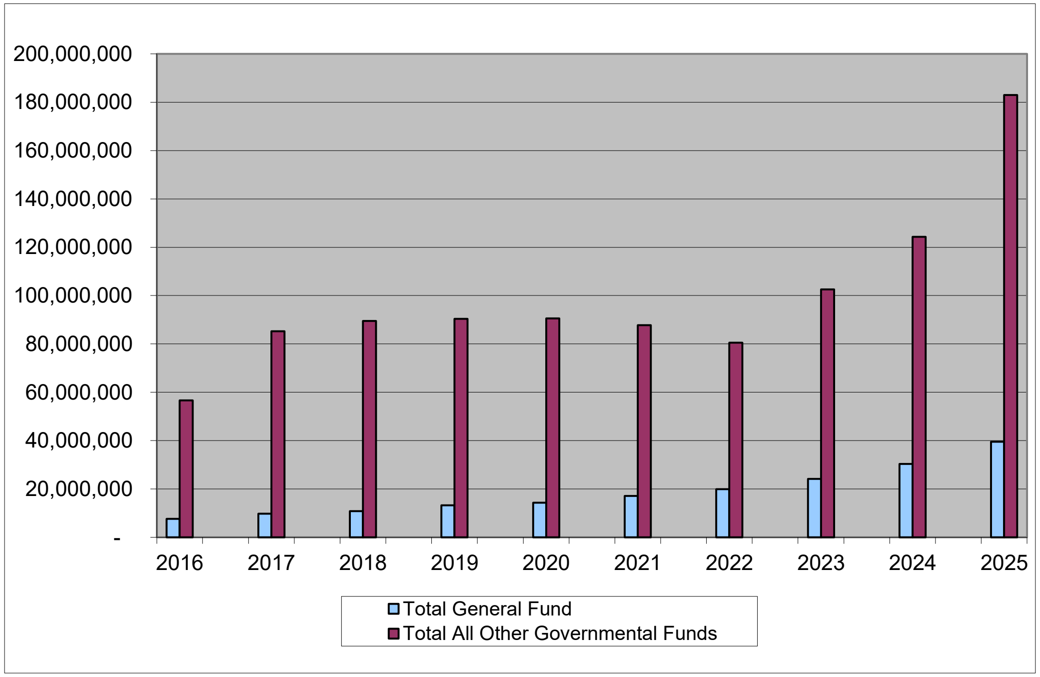
	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net (Expense)/Revenue										
Governmental Activities	(15,590,794)	(21,140,600)	(21,140,600)	(26,241,781)	(21,464,282)	(12,040,625)	6,196,451	(18,375,037)	(22,962,041)	(27,033,751)
Business-Type Activities	7,911,929	7,091,751	7,091,751	(6,015,876)	(2,445,514)	3,873,939	(3,045,314)	(9,228,094)	756,515	2,121,839
Total Net Expense	(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)	(24,911,912)
General Revenues										
Governmental Activities										
Taxes:										
Property taxes	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	16,815,190
Sales and use taxes	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	5,451,537
Franchise taxes	852,458	807,201	802,573	906,237	923,555	941,096	928,079	973,152	960,330	1,033,136
Other local taxes	222,229	283,663	303,022	346,865	260,495	202,521	407,621	297,541	298,080	411,529
Interest income	1,661,188	584,516	338,114	3,987,398	4,910,140	569,054	(4,624,516)	1,711,995	5,593,158	7,928,774
Miscellaneous	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	987,454
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	-	1,375,484	2,868,785	2,022,620	840,575	(1,098,682)	(3,364,704)	(3,473,020)	716,585	1,916,566
Extraordinary gain	523,060	-	-	-	-	-	-	-	-	-
Total Governmental Activities	16,802,429	17,064,616	18,642,805	24,434,216	10,822,525	26,064,727	14,309,518	19,707,050	31,731,431	34,544,186
Business-Type Activities										
Taxes:										
Sales and use taxes	492,068	417,342	997,032	127,713	1,296,925	306,900	381,307	71,209	61,266	58,285
Interest income	735,107	75,455	(19,206)	2,191,471	2,329,372	129,650	(2,379,793)	346,329	2,780,424	3,338,465
Miscellaneous	239,418	984,836	200,260	99,153	2,322,591	1,704,393	1,142,019	3,594,886	1,068,597	312,593
Special Item - disposal of operations	-	-	-	-	-	-	-	(18,326,446)	4,937	-
Gain on sale of capital assets	83,688	(40,665)	1,100	18,817	34,133	17,097	18,049	-	-	19,169
Loss on disposal of capital assets	-	-	-	-	-	-	-	(161,092)	(105,734)	-
Transfers	(523,060)	(1,375,484)	(2,868,785)	(2,022,620)	(840,575)	1,098,682	3,364,704	3,473,020	(716,585)	(1,916,566)
Total Business-Type Activities	1,027,221	61,484	(1,689,599)	414,534	5,142,446	3,256,722	2,526,286	(11,002,094)	3,092,905	1,811,946
Change in Net Position										
Governmental Activities	1,211,635	(4,075,984)	(2,497,795)	(1,807,565)	(10,641,757)	14,024,102	20,505,969	1,332,013	8,769,390	7,510,435
Business-Type Activities	8,939,150	7,153,235	5,402,152	(5,601,342)	2,696,932	7,130,661	(519,028)	(20,230,188)	3,849,420	3,933,785
Total Change in Net Position	**10,150,785**	**3,077,251**	**2,904,357**	**(7,408,907)**	**(7,944,825)**	**21,154,763**	**19,986,941**	**(18,898,175)**	**12,618,810**	**11,444,220**



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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	387,438	492,748	330,040	5,371,094	5,306,135	5,059,976	5,045,194	5,260,992	5,418,622	6,400,919
Restricted	96	-	-	-	-	-	-	-	-	11,620,714
Committed	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	7,770,504
Assigned	-	-	678,711	678,711	678,711	678,711	678,711	-	-	-
Unassigned	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	13,714,390
Total General Fund	7,659,144	9,745,551	10,848,002	13,241,999	14,270,772	17,115,378	19,917,680	24,166,803	30,362,671	39,506,527
All Other Governmental Funds										
Nonspendable	437,032	12,667,904	424,560	441,577	436,791	10,884,663	455,716	40,402,869	40,455,157	41,013,394
Restricted	99,829,860	76,041,673	86,304,574	84,105,879	75,718,003	82,956,757	110,583,757	73,965,669	93,130,486	120,513,061
Assigned	5,984,063	5,878,548	5,076,709	4,757,518	4,834,251	8,945,789	13,548,584	15,899,481	19,444,908	21,704,885
Unassigned	(16,713,886)	(4,251,315)	(1,196,249)	(1,572,478)	(441,536)	(252,394)	(288,181)	(392,561)	(272,561)	(277,471)
Total All Other Governmental Funds	56,624,038	85,267,232	89,537,069	90,336,810	90,609,594	87,732,496	80,547,509	102,534,815	124,299,876	182,953,869



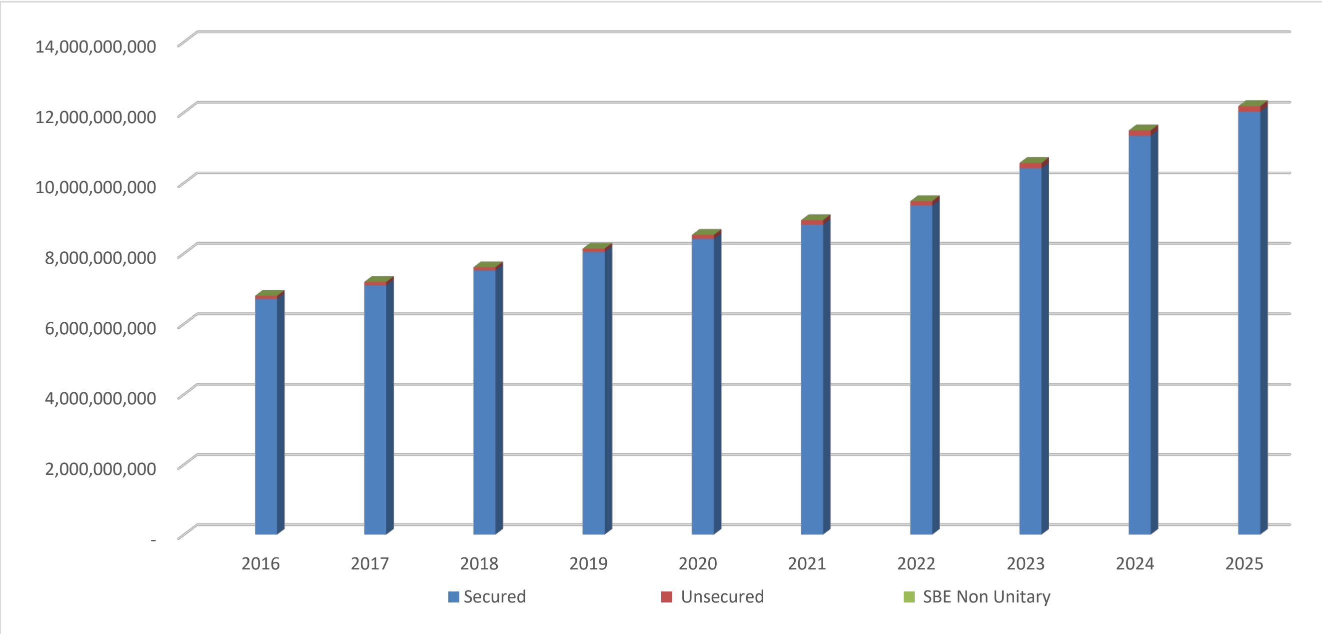
Source *: City of Lincoln Audited Financial Reports*

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

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Taxes and assessments	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	32,044,825
Licenses and permits	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	5,621,303
Fines and penalties	94,962	68,350	64,909	68,102	56,661	52,932	50,196	97,291	86,422	117,130
Interest and investment income	1,620,941	350,746	334,845	3,778,750	4,556,485	424,125	(4,675,930)	1,561,575	5,282,464	7,549,327
Intergovernmental revenue	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	13,040,493
Charges for services	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	14,349,144
Other revenue	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	863,411
Total Revenues	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	73,585,633
Expenditures										
Current										
General government	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	9,297,888
Public safety	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	19,424,106
Public works and facilities	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	17,222,098
Culture and recreation	712,594	762,026	891,065	971,921	954,402	560,143	922,837	1,120,594	1,326,179	1,569,842
Education	710,838	542,818	610,054	674,174	700,966	651,526	820,449	926,889	899,093	1,232,244
Urban redevelopment and housing	510,589	933,166	840,001	646,904	725,067	666,323	582,316	329,074	282,572	341,584
Debt Service										
Principal retirement	911,116	19,386,939	1,008,510	918,697	952,261	1,138,810	1,217,867	1,252,165	1,277,875	1,496,703
Interest and bond issuance costs	1,003,612	(51,400)	632,227	621,105	599,557	619,843	582,144	714,295	500,671	722,599
Capital Outlay	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	13,853,229
Total Expenditures	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	65,160,293
Excess(Deficiency) of Revenue over Expenditures	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	8,425,340
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	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	4,028,843
Operating transfers out	(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)	(2,112,277)
Proceeds from sale of capital assets	-	-	-	152,699	-	-	-	-	-	-
Proceeds from capital leases	-	-	-	-	-	-	220,000	-	-	-
Inception of financed purchases and leases	-	(213,523)	-	-	-	-	-	-	-	12,422,108
Total Other Financing Sources (Uses)	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	14,338,674
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	62,361	62,361	(4,325,185)	26,236,429	26,236,429	10,603,054	7,915,664	14,540,558	22,764,014
Prior period adjustment	-	(6,544,385)	1,239,196	-	(57,500)	-	-	(109,457)	8,447,178	16,575,721
Net Change in fund balances	5,372,288	(6,482,024)	1,301,557	(4,325,185)	26,178,929	26,236,429	10,603,054	7,806,207	22,987,736	39,339,735
Debt service as a percentage of noncapital expenditures	8.1%	45.7%	6.1%	5.7%	5.0%	5.9%	5.2%	4.6%	3.7%	4.3%

***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
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%
2025	12,011,379,821	161,489,222	-	12,172,869,043	6.002%	1.051%

Notes:
In 1978, the votes of the State of California passed Proposition 13 which limited property taxes to a maximum rate of 1% based upon the assessed value of the property being taxes. Each year, the assessed value of property tax may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the acutal 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, 2025									
	2016	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
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%	0.04%	0.04%	0.06%	0.05%	0.05%	0.05%	0.04%	0.04%	0.04%
Sierra Joint Community College District	0.00%	0.00%	0.00%	0.00%	0.02%	0.01%	0.01%	0.02%	0.02%	0.01%
	1.03%	1.04%	1.04%	1.06%	1.06%	1.07%	1.06%	1.06%	1.06%	1.05%

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

Property Owner	Primary Land Use	Rank	2024-2025 Taxable Assessed Value	2024-2025 % of Total City Taxable Assessed Value
Sierra Pacific Industries	Heavy Industrial	1	$ 108,767,125	0.91%
PW Fund B LP	Warehouse	2	93,112,331	0.78%
Villas at Twelve Bridges Property LLC	Residential- Development	3	41,896,481	0.35%
Cyrene at Meadowlands LLC	Residential- Development	4	41,443,120	0.35%
Tri Pointe Homes Holdings Inc	Residential- Development	5	33,265,703	0.28%
J B R Inc	Commercial	6	29,689,510	0.25%
Taylor Morrison of California LLC	Residential Development	7	29,068,396	0.24%
Kaiser Foundation Health Plan Inc	Medical Buildings	8	27,543,237	0.23%
JPS Development LLC	Commercial	9	27,293,107	0.23%
Lincoln Summerset ALMC LLC	Assisted Living Facility	10	26,486,827	0.22%
			458,565,837	3.82%
2024-2025 Local Secured Assessed Valuation			$ 12,011,379,821	

Property Owner	Primary Land Use	Rank	2015-16 Taxable Assessed Value	2015-16 % of Total City Taxable Assessed Value
Sierra Pacific Industires	Industrial	1	$ 54,465,208	0.81%
OK&B	Warehouse	2	35,389,719	0.53%
Buzz Oates Enterprises II	Warehouse	3	23,202,601	0.35%
JPS Development LLC	Shopping Center	4	19,044,372	0.28%
Target Corporation	Commercial	5	17,663,480	0.26%
Lowes HIW Inc	Commercial	6	17,239,897	0.26%
Auburn Creek Investors	Apartments	7	16,915,433	0.25%
J B R Inc	Commercial	8	16,423,900	0.25%
Shadowbriar Investments Inc	Undeveloped	9	16,207,176	0.24%
Sterling Point Station LLC	Commercial	10	14,871,703	0.22%
			231,423,489	3.45%
2015-2016 Local Secured Assessed Valuation:			$ 6,700,545,921	

Source: *California Municipal Statistics*

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

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy: Amount	Collected within the Fiscal Year of the Levy: Percent of Levy
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%
2024 / 2025	8,930,315	8,852,621	99.13%

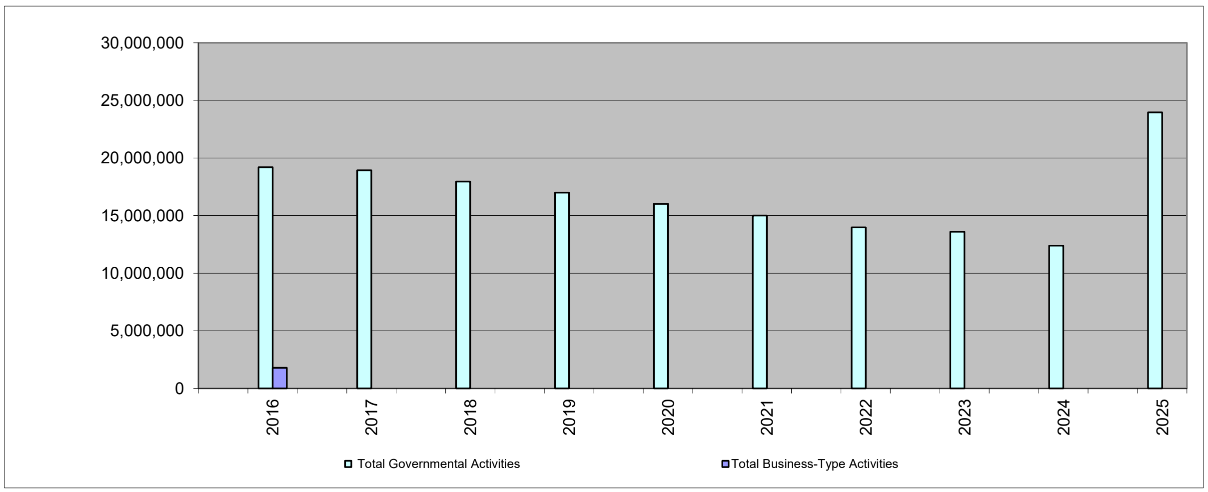
Notes:

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

	Governmental Activities					Business-Type Activities				Legal Bonded Debt Margin			
Fiscal Year Ending June 30	Bonds	Subscription SBITA	Financed Purchases	Lease Liability	Total Governmental Activities	Loans	Subscription SBITA	Capital Lease	Total Business-Type Activities	Total Primary Government	Percentage of Personal Income (1)	Percentage of Assessed Value (2)	Per Capita (1)
2016	19,201,120	-	235,448	-	19,201,120	13,410	-	1,534,122	1,790,894	20,992,014	6501.46%	0.31%	464
2017	18,935,573	-	88,510	-	18,935,573	-	-	-	-	18,935,573	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	-	16,993,319	-	-	-	-	16,993,319	7965.99%	0.23%	383
2020	16,012,191	-	1,386,471	-	16,012,191	-	-	-	-	16,012,191	9041.75%	0.20%	358
2021	15,008,802	-	1,192,660	-	15,008,802	-	-	-	-	15,008,802	10416.23%	0.18%	336
2022	13,978,796	-	1,164,794	-	13,978,796	-	-	-	-	13,978,796	11683.07%	0.16%	307
2023	12,918,790	679,352	912,629	-	13,598,142	-	-	-	-	13,598,142	14201.57%	0.13%	279
2024	11,813,785	574,864	670,001	-	12,388,649	-	-	-	-	12,388,649	15726.70%	0.11%	255
2025	10,668,780	504,831	12,170,621	611,598	23,955,830	-	218,079	-	218,079	24,173,909	9062.51%	0.21%	462



(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, 2025

2024-25 Assessed Valuation:		$12,173,613,361		
		Total Debt 6/30/2025	% Applicable (1)	City's Share of Debt 6/30/25
OVERLAPPING TAX AND ASSESSMENT DEBT:				
Sierra Joint Community College District School Facilities Improvement District No. 4	$	190,940,000	12.659%	$ 24,171,095
Western Placer Unified School District		100,115,000	86.096%	$ 86,195,010
Western Placer Unified School District Community Facilities District No. 1		6,895,941	100.00%	$ 6,895,941
City of Lincoln Community Facilities Districts		84,680,000	100.00%	$ 84,680,000
California Municipal Finance Authority Community Facilities Districts		66,315,000	100.00%	$ 66,315,000
City of Lincoln 1915 Act Bonds		6,957,000	100.00%	$ 6,957,000
California Statewide Communities Development Authority				
Community Facilities Districts		8,730,000	100.00%	$ 8,730,000
California Statewide Communities Development Authority Assessment Districts		10,050,841	100.00%	$ 10,050,841
Total Overlapping Tax and Assessment Debt				$ 293,994,887
DIRECT AND OVERLAPPING GENERAL FUND DEBT:				
Placer County General Fund Obligations	$	73,660,000	10.953%	$ 8,067,980
Western Placer Unified School District Certificates of Participation		114,220,000	86.096%	98,338,851
City of Lincoln General Fund Obligations		**21,662,638**	**100.000%**	**21,662,638**
add Premium (discount) on bonds, net		688,780	100.000%	688,780
add Financed purchases		487,983	100.000%	487,983
add Subscription (SBITA) liability		504,831	100.000%	504,831
Placer Mosquito and Vector Control District Certificates of Participation		1,273,000	10.953%	139,432
Total Direct and Overlapping General Fund Debt				$ 129,890,495
OVERLAPPING TAX INCREMENT DEBT (Successor Agency)	$	2,455,000	100.00%	$ 2,455,000
TOTAL DIRECT DEBT				**$ 23,344,232**
TOTAL OVERLAPPING DEBT				402,996,150
COMBINED TOTAL DEBT				$ 426,340,382 (2)

Ratios to 2024-25 Assessed Valuation:	
Total Overlapping Tax and Assessment Debt	2.42%
Total Direct Debt ($21,662,638)	**0.18%**
Combined Total Debt	3.49%
Ratios to Redevelopment Successor Agency Incremental Valuation ($646,948,584):	
Total Overlapping Tax Increment Debt	0.33%

KD:($600)

(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, 2025

Secured Property Assessed Value, Net of Exempt Real Property	$ 12,011,379,821	
Bonded debt limit (3.75% of assessed value) (a)		$ 450,426,743
Amount of Debt Subject to Limit:		
Total Bonded Debt	24,173,909	
Less Total Bonds not subject to limit (b)	-	
Amount of debt not subject to limit		24,173,909
Legal debt margin		$ 426,252,834

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
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%
2025	450,426,743	24,173,909	426,252,834	5.37%

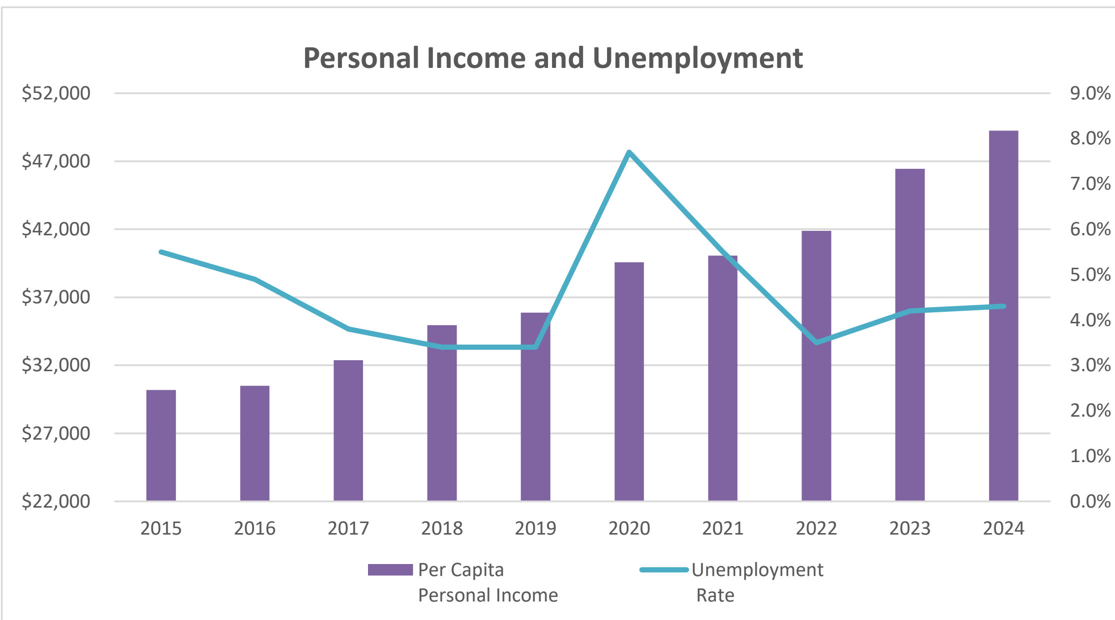
(a) California Government Code Section 43605 sets the debt limit at 15%. The Code section was enacted to the change in basing assessed value at full market value when it was previously 25% of market valu Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assesse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

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

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

CITY OF LINCOLN
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate	Median Age	% of Pop25+ with High Scholl Degree	% of Pop25+ with Bachelor's Degree
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	53,231	2,472,143,000	$ 46,441	4.2%	44.5	95.0%	37.1%
2024	54,520	2,685,043,000	$ 49,248	4.3%	43.7	94.0%	38.4%



CITY OF LINCOLN
Principal Employers
2025

Company	Business Description	Size (employees)
HORIZON CHARTER SCHOOLS	SCHOOLS	200
SIERRA PACIFIC LINCOLN	LUMBER-MANUFACTURERS	300
LOWE'S HOME IMPROVEMENT	HOME CENTERS	164
LINCOLN HIGH SCHOOL	SCHOOLS	130
THUNDER VALLEY CASINO	CASINOS (EXCEPT CASINO HOTELS)	2500
CITY OF LINCOLN	GOVERNMENT OFFICES-CITY	140
SUPERIOR EQUIPMENT REPAIR	COMMERCIAL AND INDUSTRIAL MACHINERY AND EQUIPMENT	300
LINCOLN MEADOWS CARE CENTER	REHABILITATION SERVICES	140
SAFEWAY	GROCERS-RETAIL	120
PACIFIC COAST CO	OFFICES OF REAL ESTATE AGENTS AND BROKERS	150

Source: EDD, Labor Market Information Division

CITY OF LINCOLN
Sales Tax Producers - Top 25
FY 2024-2025

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
GDAS Lincoln	Heavy Industrial
Home Depot	Building Materials
In n Out Burger	Quick-Service Restaurants
Lowes	Building Materials
McDonald's	Quick-Service Restaurants
National Building Systems	Building Materials
Old Town Pizza	Casual Dining
Petsmart	Specialty Stores
Plunge	Electronics/Appliance Stores
Raley's	Grocery Stores
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									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
City Manager										
Administration	2.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.8	2.0
Human Resources	2.0	2.0	5.0	3.8	2.5	2.8	3.5	3.0	3.0	4.0
Information Technology / GIS	-	-	-	-	2.0	4.5	5.0	7.0	8.0	10.0
Economic Development	1.0	1.0	1.0	1.0	1.0	1.5	1.0	1.0	1.0	1.0
Records Management	2.0	2.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0
City Attorney										
City Attorney	-	-	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0
Code Enforcement	-	-	-	2.0	1.0	1.0	1.0	2.0	2.0	2.0
Finance										
Administration	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0
Finance	9.0	9.0	9.0	9.3	11.0	11.0	11.0	11.0	13.0	13.0
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	5.0	5.0	5.0	4.0	4.0	4.0	4.0	5.0	6.0	6.0
Planning	3.5	4.0	4.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0
Building	2.0	2.0	2.0	2.0	2.0	2.0	3.0	5.0	5.0	5.0
Development & Engineering	1.0	1.0	1.0	2.0	2.0	3.0	3.0	4.0	4.0	4.0
Public Works										
Administration	1.0	1.0	1.0	7.0	6.5	6.5	6.5	8.0	9.0	9.0
Engineering	-	-	7.0	8.5	5.0	5.0	7.0	7.0	8.0	8.0
Water	10.9	10.9	10.9	8.4	9.1	9.1	8.0	9.0	9.0	9.0
Wastewater	7.8	7.8	7.8	6.5	7.0	7.0	7.0	8.0	7.0	8.0
Solid Waste	13.5	13.5	13.5	15.0	15.0	15.0	16.0	18.0	18.0	19.0
Streets	6.3	6.3	6.3	7.9	7.9	8.9	10.0	10.0	10.0	11.0
Transit	2.0	2.0	2.0	1.0	-	-	-	-	-	-
Airport	2.0	2.0	2.0	2.0	1.0	1.5	1.5	1.5	1.5	1.5
Parks & Facilities	5.0	5.0	5.0	7.0	7.0	7.0	7.0	8.0	7.5	7.5
Fleet Maintenance	5.0	5.0	5.0	5.5	5.5	5.5	6.0	5.5	5.0	5.0
Police										
Administration	2.5	3.5	3.5	4.0	4.0	2.5	3.5	3.5	3.5	3.5
Communications	6.0	6.0	6.0	6.0	6.0	6.0	8.0	10.0	10.0	10.0
Operations	19.5	22.5	22.5	22.5	22.5	25.5	28.0	29.0	29.0	30.0
Fire										
Administration	2.0	2.0	2.0	2.0	2.0	2.5	3.5	3.5	4.5	4.5
Operations	18.0	18.0	18.0	18.0	18.0	18.0	18.0	27.0	27.0	27.0
Library	3.9	5.6	3.4	5.7	5.9	5.9	6.6	6.6	6.6	7.8
Recreation (a)	4.0	4.0	5.0	5.0	5.0	5.0	5.0	5.0	6.0	6.0
Total Full-Time Equivalents	**142.0**	**149.2**	**157.0**	**168.0**	**164.9**	**172.7**	**185.1**	**210.6**	**217.4**	**227.8**

(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									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Business Licenses										
Annual business license	1,988	1,979	2,330	2,442	2,239	2,251	2,309	2,229	2,587	3,284
Environment and Utilities										
Gallons of wastewater treated per year (in millions)	1,178	1,935	1,709	1,880	1,669	1,602	1,850	2,046	1,952	2,077
Gallons of wastewater discharged per year (in millions	969	1,748	1,572	1,765	1,626	1,536	1,730	1,949	1,860	1,969
Fire										
Fires per year	149	152	158	145	154	153	152	135	140	150
Emergency medical calls per year	2,637	3,153	3,280	3,306	3,529	3,791	4,105	4,356	4,489	4,282
Hazardous materials incidents per year	41	58	52	49	65	52	57	65	76	37
Non-emergency service calls per year	1,250	1,442	1,261	1,176	1,428	1,571	1,813	1,777	1,847	2,107
Police										
911 calls per year	10,577	11,082	13,095	13,442	14,027	16,341	15,100	13,919	12,985	13,186
Cases investigated per year	1,872	2,288	2,226	2,310	2,209	2,693	2,627	2,428	2,350	2,194
Arrests per year	403	517	786	812	755	1,118	882	1,038	1,068	966
Building Permits										
New Single Family Dwellings	188	252	70	115	404	757	1,624	1,289	613	421
Commercial (New and Tenant Improvements)	146	132	26	119	94	84	104	91	106	108
All Other	2,820	2,314	1,100	1,847	1,945	2,606	3,390	3,594	2,443	2,011

n/a = information not available

** new licenses applied for

Source *: City of Lincoln*