

Annual Comprehensive Financial Report



FISCAL YEAR ENDED JUNE 30, 2023



This Page Left Intentionally Blank

CITY OF MANTECA, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023

Prepared by
FINANCE DEPARTMENT

This Page Left Intentionally Blank

CITY OF MANTECA
Annual Comprehensive Financial Report
For the Year Ended June 30, 2023

INTRODUCTORY SECTION:

Table of Contents..... A-1

Letter of Transmittal..... B-1

Mayor and City Council and Executive Team..... C-1

California Map..... C-2

Citywide Organization Chart..... C-3

FINANCIAL SECTION:

Independent Auditor’s Report..... 1

Management’s Discussion and Analysis 5

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Position..... 20

Statement of Activities 21

Fund Financial Statements:

Governmental Funds:

Balance Sheet..... 24

Reconciliation of the Governmental Funds Balance Sheet with the
Governmental Activities Net Position 25

Statement of Revenues, Expenditures, and Changes in Fund Balances 26

Reconciliation of the Net Change in Fund Balances Governmental
Funds with the Change in Net Position Governmental Activities 27

Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:

General Fund 28

Low and Moderate Income Housing Assets Special Revenue Fund 30

Homeless Navigation Center Special Revenue Fund..... 31

CITY OF MANTECA
Annual Comprehensive Financial Report
For the Year Ended June 30, 2023

FINANCIAL SECTION (Continued):

Proprietary Funds:

Statement of Net Position.....	34
Statement of Revenues, Expenses and Changes in Fund Net Position.....	35
Statement of Cash Flows	36

Fiduciary Fund:

Statement of Fiduciary Net Position	40
Statement of Changes in Fiduciary Net Position	41

Notes to Basic Financial Statements	43
--	-----------

Required Supplementary Information:

Pension Plans:

Miscellaneous Plans:

Schedule of Changes in the Net Pension Liability and Related Ratios	112
Schedule of Contributions	114

Safety Plan

Schedule of Proportionate Share of the Net Pension Liability	115
Schedule of Contributions	116

PARS Enhancement Excess Benefit:

Schedule of Changes in the Net Pension Liability and Related Ratios	117
Schedule of Contributions	118

Other Post-Employment Benefits Plan:

Schedule of Changes in the Total OPEB Liability and Related Ratios	119
--	-----

CITY OF MANTECA
Annual Comprehensive Financial Report
For the Year Ended June 30, 2023

FINANCIAL SECTION (Continued):

Supplementary Information:

Major Governmental Funds Other Than the General Fund and Special Revenue Funds:

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:

Special Apportionment Streets Fund	124
Public Facilities Implementation Plan Fund	125

Non-major Governmental Funds:

Combining Balance Sheet	132
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	138
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	144

Internal Service Funds:

Combining Statement of Net Position	156
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	157
Combining Statements of Cash Flows	158

STATISTICAL SECTION

Financial Trends:

Net Position by Component – Last Ten Fiscal Years	162
Changes in Net Position – Last Ten Fiscal Years	164
Fund Balance of Governmental Funds – Last Ten Fiscal Years	166
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years	168
General Revenues by Source – Last Ten Fiscal Years	170
General Expenditures by Function – Last Ten Fiscal Years	171

CITY OF MANTECA
Annual Comprehensive Financial Report
For the Year Ended June 30, 2023

STATISTICAL SECTION (Continued):

Revenue Capacity:

Assessed and Estimated Value of Taxable Property – Last Ten Fiscal Years 172

Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years..... 173

Principal Property Taxpayers – Current Year and Nine Years Ago 174

Property Tax Levies and Collections – Last Ten Fiscal Years 175

Manteca Redevelopment Project Area No. 1 Top Twenty Assessed Values 176

Manteca Redevelopment Project Area No. 2 Top Twenty Assessed Values 177

Manteca Redevelopment Merged Project Area (2005 Merged Project Amended Area)
 Top Twenty assessed Values 178

Manteca Redevelopment Amended Merged Project Area
 Top Twenty Assessed Values (2004 Amended Area) 179

Taxable Sales by Category – Last Ten Calendar Years 180

Direct and Overlapping Sales Tax Rates – Last Ten Fiscal Years 182

Principal Sales Tax Payers – Current Year and Nine Years Ago 183

Debt Capacity:

Ratio of Outstanding Debt by Type – Last Ten Fiscal Years 184

Computation of Direct and Overlapping Debt..... 185

Computation of Legal Bonded Debt Margin 186

Revenue Bond Coverage – Water Revenue Bonds – Last Ten Fiscal Years..... 187

Revenue Bond Coverage – Sewer Revenue Bonds – Last Ten Fiscal Years..... 188

Bonded Debt Pledged-Revenue Coverage – Redevelopment Agency Tax Allocation Bonds
 – Last Ten Fiscal Years..... 189

Demographic and Economic Information:

Demographic and Economic Statistics – Last Ten Calendar Years..... 190

Principal Employers – Current Year and Nine Years Ago 191

Operating Information:

Full-Time Equivalent City Government Employees by Function – Last Ten Fiscal Years 192

Operating Indicators and Capital Asset Statistics Function/Program – Last Ten Fiscal Years 194

CITY OF MANTECA
Annual Comprehensive Financial Report
For the Year Ended June 30, 2023

FINANCING AUTHORITY SECTION:

Independent Auditor's Report 199

Authority-wide Financial Statements:

Statement of Net Position..... 204

Statement of Revenues, Expenses, and Changes in Net Position 205

Statement of Cash Flows 206

Notes to Basic Component Unit Financial Statements 207

This Page Left Intentionally Blank



CITY OF MANTECA
FINANCE DEPARTMENT

1001 W. Center St.
Manteca, CA 95337
Office: 209.456.8785

October 14, 2024

Honorable Mayor, Members of the City Council, and Residents of Manteca:

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) for the City of Manteca, California, for the fiscal year (FY) ended June 30, 2023. The City of Manteca annually publishes a complete set of financial statements, presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited by an independent, certified public accounting firm.

The City's Finance Department has prepared this report. Responsibility for both the accuracy of the data and the completeness and fairness of the information, including all disclosures, rests with the City. To the best of the City staff's knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present the financial position and results of operations of various funds for the City of Manteca. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included. GAAP requires that statements include a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A, and it should be read in conjunction with the MD&A, which can be found immediately following the report of the independent auditors.

Reporting Entity

The financial statements included in this ACFR present the City (the primary government) with the City funds and the Manteca Financing Authority (MFA) as a component unit. This component unit is a separate legal entity; however, the City Council sits as the Board of Commissioners and the MFA is dependent upon the City of Manteca for record keeping and financial report preparation activities.

On June 28, 2011, the State of California adopted ABX1 26, later amended by AB1484 on June 27, 2012, which suspended all new redevelopment activities except for limited specified activities as of that date and dissolved Redevelopment Agencies as of January 31, 2012. Under the provision of ABX1 26, a city that authorized the creation of a redevelopment agency may elect to serve as the successor agency. On September 20, 2011, the City made the election to become the Successor Agency to the Manteca Redevelopment Agency and on February 1, 2012, the Redevelopment Agency's non-housing related assets were distributed to and the liabilities were assumed by the Successor Agency. The activities of the Successor Agency are subject to the review and approval of a County Oversight Board.

The activities of the Successor Agency are reported in the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund as the activities are under the control of the Oversight Board. The City provides administrative services to the Successor Agency to wind down the affairs of the former Redevelopment Agency. The activities and net position information for the Private-Purpose Trust Fund can be found in the Fiduciary Financial Statements section.

Additionally, under the provision of ABX1 26 and pursuant to Health and Safety Code Section 34176(b), the City could elect to become the Housing Successor and retain the housing assets. On February 7, 2012, the City elected to become the Housing Successor and certain housing assets were transferred to the City's Successor Agency Housing Special Revenue Fund pending State approval of the transfer, which occurred in 2012. The activities of the Housing Successor are reported in the Low and Moderate Income Housing Assets Special Revenue Fund as the City has control of the assets. These funds may be used in accordance with the low and moderate income housing provisions of the California Redevelopment Law.

Government Profile

The City of Manteca is located seventy-six (76) miles due east of San Francisco in northern San Joaquin County and is situated along Highway 99 and the Highway 120 bypass that serves as a connector to Interstate 5. The city is uniquely positioned with access not only to three major freeways, but also within proximity to the Union Pacific Intermodal Yard, the Santa Fe Railroad Intermodal Yard, the Stockton Metro Airport and the Port of Stockton. Manteca's strategic location provides easy commuting to the San Francisco Bay Area, San Jose, and Sacramento. With more than 18 million consumers within 100 miles of Manteca, the city is positioned for future residential growth as well as business expansion through the location and/or relocation of manufacturing, retailing, wholesaling, and service industries.

The City of Manteca is adjacent to extensive green areas and agricultural lands in California's Central Valley. Agriculturally oriented business activities have always been an integral component of our community and continue to be an important part of Manteca's local economy. Strong land use policies lay the foundation for economic development growth and expansion as well as continued residential development. Large-scale opportunity sites that are compatible with a wide range of uses support commercial, industrial, retail and professional growth. These employment bases along with Manteca's access to transportation routes position Manteca to attract employers migrating to the Central Valley from the San Francisco Bay Area and other regions. These new businesses will join Manteca's many large employers including packaging and distribution plants, manufacturers, electronic firms, and two local hospitals.

The City of Manteca is a full-service city providing police protection, fire protection, parks and recreation, planning, building inspection, engineering, fleet maintenance, construction and maintenance of streets, public buildings, and other infrastructure, as well as solid waste, water, and wastewater utility services. The City is a general-law city incorporated under California law on May 28, 1918. The City operates under the City Council/Manager form of government. The Mayor is directly elected by the people and serves as a member of the City Council for a four-year term. Four council members are elected into districts and serve staggered four-year terms. All elections are conducted on a non-partisan basis. The City Council is also financially accountable for the Manteca Financing Authority.

Economic Conditions and Outlook

Even through the uncertainty that the COVID-19 pandemic brought in March of 2020, the City of Manteca has continued to grow. The City's recovery from the Great Recession continued throughout 2020 and 2021 even when considering the pandemic. Positive indicators included increased consumer spending and continued growth in new and resale home values. Through strong economic development and bolstered consumer spending, general sales tax revenue was 4.3% higher than for the same period last year. The total property tax received of \$25.6 million included one-time payments of residual taxes due to the dissolution of the former Redevelopment Agencies. Property tax, net of the residual, was \$21.9 million or a 2.4% increase when compared to the prior year.

Despite the business restrictions brought on by the increase in interest rates, the pace of housing construction has continued relatively unabated, with 532 permits issued during FY 2022-23 from July 1, 2022, through June 30, 2023, and 317 permits issued during the first half of FY 2023-24 from July 1, 2023, through December 31, 2023. Building activity typically ramps up during the spring and summer of each year and the period from January 1, 2023, through December 31, 2023, averaged 48 new permits each month, and a total of 571 during the calendar year. Permit activity over the last half of FY2023-24 has seen considerable increases as well with 661 permits issued from January 1, 2024, through June 30, 2024, and a total of 978 permits issued during FY2023-24.

As of June 30, 2023, unemployment rates in California had continued to increase due to protective measures the state issued in response to the COVID-19 pandemic. The U.S. Bureau of Labor Statistics listed the June 2022 statewide unemployment rate at 4.6%, San Joaquin County at 6.2% and 4.7% for Manteca. Reflective of an economy that is continuing to recover from the global pandemic, unemployment rates continue to be down from June 2021 when the statewide unemployment rate was 7.7%, San Joaquin County was 9.6%, and the City of Manteca was 9.5%.

Budgetary Control

By June 30 of every year, the City prepares an annual budget for the subsequent fiscal year. The City maintains budgetary controls to ensure compliance with the legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the general fund, special revenue funds, and capital projects funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level for all funds. The City also applies and maintains encumbrance accounting as a technique of accomplishing budgetary control. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

Long-Term Financial Planning

The past decade has been fiscally challenging for many cities throughout California and the nation. To navigate through the diverse and rapidly changing fiscal climate, Manteca has set the foundation for future stability through annual City Council strategy and goal setting sessions. Through these sessions, the City develops long-term financial planning strategies designed to meet Council's goals and priorities. The City annually adopts a Capital Improvement Plan budget that supports the Council's goals and priorities. Projects are analyzed not only on the merits and benefits of the proposal, but also on the long-term financial impact on City resources resulting from anticipated maintenance.

Single Audit

The City is subject to an annual single audit in compliance with provisions of the Single Audit Act as amended in 1996, and the Uniform Guidance effective December 26, 2014. Information contained in this separate report related to the single audit includes the Schedule of Expenditures of Federal Awards and the auditor's report on the Schedule along with their reports on internal controls and compliance with applicable laws and regulations.

Internal Controls

City management is responsible for establishing and maintaining an internal control structure designed to ensure that assets are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP.

The internal control structure is designed to provide reasonable, but not absolute, assurance these objectives are met. The concept of reasonable assurance recognizes that 1) the cost of a control should not exceed the benefits likely to be derived from the control, and 2) the valuation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above-stated framework. We believe our internal accounting controls adequately safeguard assets and provide reasonable assurance that financial transactions are properly recorded.

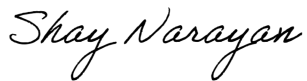
Independent Audit

State statutes require an annual audit of the City's accounts by an independent certified public accountant. The City of Manteca selected the accounting firm of Maze and Associates. The auditor's report on the basic financial statements is included in the financial section of this report.

Acknowledgments

Completion of the Annual Comprehensive Financial Report was made possible by the dedicated service of Finance Department staff, whose work has our sincere appreciation. Additional thanks are due to staff in other City Departments who spent time answering questions and providing information. Appreciation is also extended to the City's auditors Maze and Associates for their assistance.

Respectfully submitted,



Shay Narayan
Finance Director



Mayor and City Council¹

Fiscal Year 2022-2023



Gary Singh, Mayor
Mike Morowit, Vice Mayor
Jose Nuno, Councilmember
David Breitenbucher, Councilmember
Charlie Halford, Councilmember

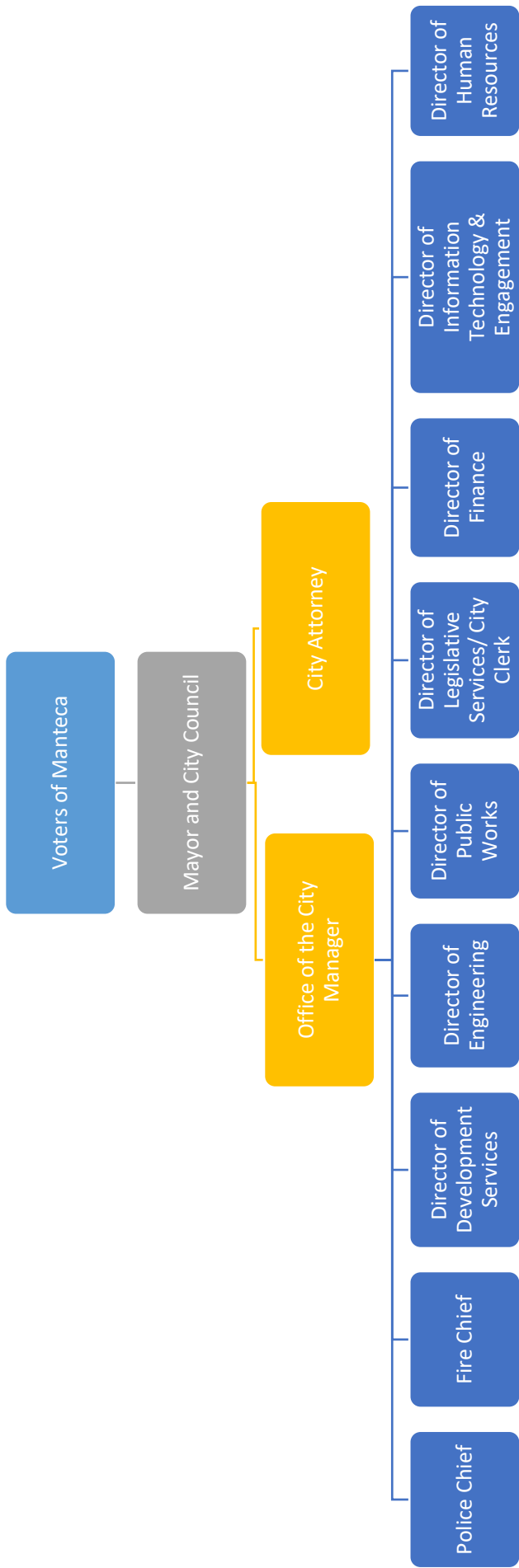
Executive Team²

Toni Lundgren, City Manager
Jose Jasso, Assistant City Manager
David Nefouse, City Attorney
Cassandra Candini-Tilton, Director of Legislative Services/ City Clerk
Stephanie Van Steyn, Director of Human Resources
Pennie Arounsack, Director of Information Technology & Innovation
Shay Narayan, Director of Finance
Carl Brown, Director of Public Works
Kevin Jorgensen, Director of Engineering
Barb Harb, Interim Director of Development Services
Stephen Schluer, Chief of Police
Dave Marques, Chief of Fire

¹ City Councilmembers were as of June 30, 2023

² Executive Team is as of March 2024





This Page Left Intentionally Blank

INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the City Council
City of Manteca, 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 Manteca, California, as of and for the year ended June 30, 2023, 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 as of June 30, 2023 and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons listed in the Table of Contents as part of the basic financial statements 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 requirement relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 the 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.

Change in Accounting Principles

Management adopted the provisions of Governmental Accounting Standards Board Statement No. 96 – *Subscription-Based Information Technology Arrangements (SBITAs)*, which became effective during the year ended June 30, 2023 and required the restatement of certain balances as discussed in Note 9E to the financial statements.

The emphasis of this matter does not constitute a modification to our opinions.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other Required Supplementary Information 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 Supplementary Information, as listed in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 Supplementary Information is 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 Section and Statistical Section listed in the Table of Contents, 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 October 14, 2024, 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.

A handwritten signature in cursive script that reads "Mary & Associates".

Pleasant Hill, California
October 14, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis provides an overview of the City of Manteca's financial performance for the fiscal year ended June 30, 2023. This report has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as established by the Governmental Accounting Standard Board (GASB). The City encourages readers to consider this information in conjunction with the information provided in the accompanying basic financial statements and notes thereto.

FINANCIAL HIGHLIGHTS

The City's assets and deferred outflows of resources exceeds its liabilities and deferred inflows of resources at the close of the 2022-23 fiscal year (FY) by \$899.9 million (Net Position). Of this amount \$661.9 million reflects investments in capital assets, debt service and legally segregated taxes, grants, and fees; \$217.8 million is Restricted Net Position, of which a substantial portion is associated with the City's reserve policy; and \$20.2 million is the combined Unrestricted Net Position. The combined Unrestricted Net Position reflects the inclusion of a Net Pension Liability of \$142.2 million and a total Other Post-Employment Benefits (OPEB) Liability of \$37.9 million in accordance with the GAAP.

- As of June 30, 2023, the governmental activities reported a total net position of \$603.6 million including: \$439.4 million net investment in capital assets, \$217.8 million in restricted net position, and a combined unrestricted balance of \$(53.6) million.
- Business-type activities reported a combined net position of \$296.3 million including: \$222.5 million net investment in capital assets, and \$73.8 in unrestricted net position.
- Governmental capital assets increased by \$18 million in comparison to prior year assets representing additions such as land, streets, storm drainage, equipment, and construction in progress. The increase is also reflected in the governmental activities' net investment in capital assets.
- The City's total liabilities increased by \$67.6 million over the prior year, primarily due to increases in net pension and other post-employment benefits (OPEB). While a portion of these increases can be attributed to changes in assumptions made by the actuaries, much of the increase stems from under-performing investment returns.
- As of June 30, 2023, the fund balance for the General Fund was \$40.5 million including: \$1.2 million for *Non-Spendable* items such as deposits, prepaid assets, advances from other funds, and inventory; \$0.4 million of *Restricted*; \$28.4 million *Assigned* for items such as economic revitalization and public facilities oversizing; and \$10.5 million *Unassigned*.
- In Fiscal Year 2022-23, the City determined that Transit operations were best classified as a business-type activity rather than a governmental activity as previously reported. A difference exists within the governmental and business-type reports for Transit only activities. In Fiscal Year 2021-22, Transit reported \$3.4 million in revenues and \$3.4 million in expenses. In Fiscal Year 2022-23, the operating revenue totaled \$0.1 million and the operating expense totaled \$3.4 million. The operating deficit is funded through local and federal grants reported in the nonoperating revenue category, which totaled \$3.5 million in fiscal year 2024.

OVERVIEW OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT

The Management's Discussion and Analysis is intended to serve as an introduction to the City's basic financial statements within the Annual Comprehensive Financial Report, which is comprised of the following sections:

- 1) Introductory Section, which includes the Transmittal Letter and general information,
- 2) Management's Discussion and Analysis,
- 3) The Basic Financial Statements, which include the Government-wide and the Fund Financial Statements, along with the Notes to these financial statements,
- 4) Required Supplemental Information,
- 5) Combining Statements for Non-major Governmental Funds and Internal Service Funds,
- 6) Statistical Information

The Basic Financial Statements

The Basic Financial Statements are comprised of the Government-wide Financial Statements and the Fund Financial Statements. These two sets of financial statements provide two different views of the City's financial activities and financial position.

Government-wide Financial Statements

The Government-wide Financial Statements provide a longer-term view of the City's activities as a whole and are presented in a manner similar to a private-sector business. These statements are comprised of:

Statement of Net Position – Presents information on all City assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between them 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 improving or deteriorating.

Statement of Activities – Presents information reflecting any change in the government's net position during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs (regardless of the timing of related cash flows). Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation and compensated time leaves), and conversely revenues and expenses not being reported for some items that have already affected cash flows (unearned revenues for unexpended grand funding).

Both Government-wide financial statements distinguish functions of the City that are principally supported by taxes, fees 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).

- Governmental activities – All of the City's basic services are considered to be governmental activities, including general government, community development, library, public safety, public works, parks and recreation, and streets and highways. These services are supported by general city revenues such as taxes, and by specific program revenues such as developer fees.
- Business-type activities - All of the City's enterprise activities are reported here, including golf, sewer, water, solid waste and transit. Unlike governmental services, these services are meant to be supported by charges paid by users based on the amount of the service they use.

The City's business-type activities include not only the City of Manteca but also the activities of a separate legal entity, the Manteca Financing Authority ("MFA"). The City Council serves as the governing body of this component unit and the City is financially accountable for the MFA. The activities of the MFA are reported in the business-type activities.

Pursuant to ABX1 26, approved by Governor Brown on June 28, 2011 and upheld by the California State Supreme Court on December 29, 2011, the Manteca Redevelopment Agency (“RDA”) was dissolved on January 31, 2012. The former RDA is now administered under the name of Successor Agency (SA) to the Manteca Redevelopment Agency. The activities of the SA can be found in the Fiduciary Fund Section of the Financial Statements.

Fund Financial Statements

The Fund Financial Statements report the City’s operations in more detail than the Government-wide Statements and focus primarily on the short-term activities for the City’s General Fund and other Major Governmental Funds. The Governmental Fund Financial Statements measure only current revenues and expenditures and fund balances; they exclude capital assets, long-term debt and other long-term asset and liability amounts. Enterprise and Internal Service Fund Financial Statements are prepared on the full accrual basis and include all their assets and liabilities, current and long-term. Each Major Fund is presented individually, with all non-major Funds summarized and presented only in a single column. Subsequent schedules present the detail of these non-major funds. Major Funds present the major activities of the City for the year, and may change from year to year as a result of changes in the pattern of the City’s activities.

A fund is a set of associated accounts that are used to capture and maintain control over resources that have been purposed for specific activities and objectives. All of the City’s funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- Governmental Funds – These funds are used to account for essentially the same functions reported as governmental activities in the Government-wide Financial Statements. Governmental Fund Financial Statements focus on near-term inflows and outflows of spendable resources and are therefore prepared on the modified accrual basis. Capital assets and other long-lived assets, along with long-term liabilities, are not presented in the Governmental Fund Financial Statements.

The City of Manteca has a variety of governmental funds of which several are considered major funds for presentation purposes. Each major fund is presented separately in the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances. The financial information for the remaining non-major governmental funds is combined into a single, aggregated presentation.

- Proprietary Funds – The City maintains two different types of proprietary funds: Enterprise Funds and Internal Service Funds. Enterprise Funds are used to report the same functions presented as business-type activities in the Government-wide Financial Statements. Internal Service Funds account for the financial activity of the City’s equipment/information technology pool, vehicle fleet pool, self-insurance/risk management, and payroll tax benefits. The revenues for Internal Service Funds are eliminated in the City-wide financial statements and any related profits or losses are returned to the Activities which created them. Financial statements for proprietary funds are prepared on the full accrual basis and include all their assets and deferred outflows of resources, and liabilities and deferred inflows of resources, current and long-term.

Since the City’s Internal Service Funds provide goods and services only to the City’s governmental activities, their activities are reported only in total at the fund level. Internal Service Funds may not be Major Funds because their revenues are derived from other City Funds.

- Fiduciary Funds – These funds are used to account for resources held for the benefit of parties outside the government. Fiduciary Funds are not reflected in the Government-wide Financial Statements because the resources of those funds are not available to support the City’s own programs. The accounting used for Fiduciary Funds is similar to that used for Proprietary Funds. With the dissolution of the RDA per ABX1 26 and AB 1484, the activities of the SA are reported as a Private Purpose Trust Fund in the Fiduciary Fund section.

Notes to the Financial Statements

The Notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements.

Combining Statements

This section of the report includes additional detailed information about non-major governmental and internal service funds.

Required Supplemental Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the financial activities of the City.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position – As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the City, combined net position (governmental and business-type activities) totaled \$899.9 million as of June 30, 2023. This is an increase of \$65.5 million from June 30, 2022.

The following table reflects the Summary of Net Position for the Fiscal Year Ended June 30, 2023 with comparative data for the Fiscal Year Ended June 30, 2022.

Summary of Net Position as of June 30 (in thousands of dollars)

	Governmental Activities		Business-Type Activities		Total Government	
	2023	2022*	2023	2022	2023	2022*
Cash and Other Assets	\$ 321,662	\$ 282,795	\$ 139,388	\$ 128,797	\$ 461,050	\$ 411,592
Capital Assets	440,794	422,625	279,582	273,916	720,376	696,541
Total Assets	762,456	705,420	418,970	402,713	1,181,426	1,108,133
Deferred Outflows	48,943	27,842	11,993	6,308	60,936	34,150
Current Liabilities	63,291	46,365	30,117	26,639	93,408	73,004
Non-Current Liabilities	4,007	3,118	53,565	57,379	57,572	60,497
Net Pension & OPEB Liability	131,899	94,551	48,206	35,449	180,105	130,000
Total Liabilities	199,197	144,034	131,888	119,467	331,085	263,501
Deferred Inflows	8,604	37,144	2,787	7,296	11,391	44,440
Net Investment in Capital Assets	439,386	422,120	222,480	220,696	661,866	642,816
Restricted Net Position	217,804	197,203	-	-	217,804	197,203
Unrestricted Net Position	(53,592)	(67,239)	73,808	61,562	20,217	(5,677)
Total Net Position	\$ 603,598	\$ 552,084	\$ 296,288	\$ 282,258	\$ 899,886	\$ 834,342

* Not restated for the effects of the current year implementation of GASB Statement No. 96, *Subscription Based Information Technology Arrangements (SBITAs)*

The City's Government-wide Net Position as of June 30, 2023, comprised the following:

- Cash and investments comprised \$371.6 million, an increase of \$51.2 million over the prior year. Restricted cash held by fiscal agents and investments totaled \$18.1 million, a decrease of \$10.3 million.
- Total Governmental and Business-type receivables were comprised of \$48.0 million in current receivables and \$22.7 million of long-term receivables. Long-term receivables are related to grants and loans provided by the former RDA designed to encourage the construction of or improvement to low-to-moderate-income housing, as well as leases receivable. The grants and loans have varying repayment terms and interest rates.
- Net investment in capital assets of \$661.9 million include the City's infrastructure in addition to all other City assets, net of the debt incurred to construct and/or acquire those assets. Net capital assets increased \$23.8 million primarily from the construction and acquisition of new roads and streets with the largest new assets being the completed Highway 120 and Union Interchange at over \$32.0 million.
- Restricted Net Position, totaling \$217.8 million, includes \$150.1 million restricted for capital projects, \$34.0 million restricted for redevelopment projects, and \$33.7 million restricted for other projects as specified by funding source restrictions.
- The combined Unrestricted Net Position totals \$20.2 million, which if positive, would be designated for day-to-day operations without constraints established by debt covenants or other legal requirements or restrictions. While these assets are technically unrestricted, most of these assets are committed or assigned for a specific use. The unrestricted balance reflects the inclusion of the Net Pension Liability of \$142.2 million and the Total OPEB Liability of \$37.9 million.

The Change in Net Position as expressed as the change in revenues and expenses through June 30, 2023 is further reflected in the Statement of Activities shown below.

Statement of Activities
Fiscal Year Ended June 30,
(in thousands of dollars)

	Governmental Activities		Business-Type Activities		Total Government	
	2023	2022*	2023	2022	2023	2022*
Program Revenues:						
Charges for Services	\$ 23,033	\$ 24,032	\$ 62,624	\$ 65,215	\$ 85,657	\$ 89,247
Operating Grants & Contributions	8,726	13,069	3,535	6,000	12,261	19,069
Capital Grants & Contributions	52,366	39,062	4,229	2,380	56,596	41,442
General Revenues:						
Property Taxes	25,661	21,444	-	-	25,661	21,444
Sales Taxes	29,324	28,438	-	-	29,324	28,438
Other Taxes	10,219	9,577	-	-	10,219	9,577
Interest Income	4,532	(3,237)	1,891	(1,755)	6,423	(4,992)
Development agreements	368	1,173	-	-	368	1,173
Other Revenue	1,408	908	366	1,354	1,774	2,262
Gain from Sale of Capital Assets	-	30	-	-	-	30
Total Revenues	155,637	134,496	72,645	73,194	228,282	207,690
Governmental Activities Expenses:						
General Government	\$10,151	5,494	-	-	10,151	5,494
Community Development	14,922	15,022	-	-	14,922	15,022
Public Safety	36,874	54,117	-	-	36,874	54,117
Library	146	124	-	-	146	124
Public Works	17,005	12,813	-	-	17,005	12,813
Recreation	6,081	6,821	-	-	6,081	6,821
Streets and Highways	12,874	12,042	-	-	12,874	12,042
Interest and fiscal charges	89	86	-	-	89	86
Business-Type Activities:						
Water	-	-	20,450	19,514	20,450	19,514
Wastewater	-	-	22,409	21,604	22,409	21,604
Solid Waste	-	-	16,728	15,402	16,728	15,402
Golf	-	-	1,636	1,756	1,636	1,756
Transit	-	-	3,377	-	3,377	-
Total Expenses	98,142	106,519	64,600	58,276	162,742	164,795
Increase (Decrease) in Net Position Before Transfers	57,495	27,977	8,045	14,918	65,541	42,895
Transfers	(5,985)	(472)	5,985	472	-	-
Change in Net Position	51,510	27,505	14,030	15,390	65,541	42,895
Net Position - Beginning	552,088	524,579	282,258	266,868	834,345	791,447
Net Position - Ending	\$ 603,598	\$ 552,084	\$ 296,288	\$ 282,258	\$ 899,886	\$ 834,342

* Not restated for the effects of the current year implementation of GASB Statement No. 96, *Subscription Based Information Technology Arrangements (SBITAs)*

Revenues

Total government-wide revenues increased by \$20.6 million, or 9.9% over the prior year to a total of \$228.3 million. Governmental Activities charges for services decreased by \$1.0 million compared to the prior year while operating and capital grants and contributions increased by \$9.0 million. Business-type Activities charges for services decreased by \$2.6 million and operating and capital grants and contributions decreased by \$0.6 million compared to the prior year.

General Revenues increased by \$15.8 million including: increase in property taxes of \$4.2 million, increase in sales taxes of \$0.9 million, increase in other taxes of \$0.6 million, increase in interest income of \$11.4 million, a decrease in development agreements of \$0.8 million, and a decrease in other revenue of \$0.5 million.

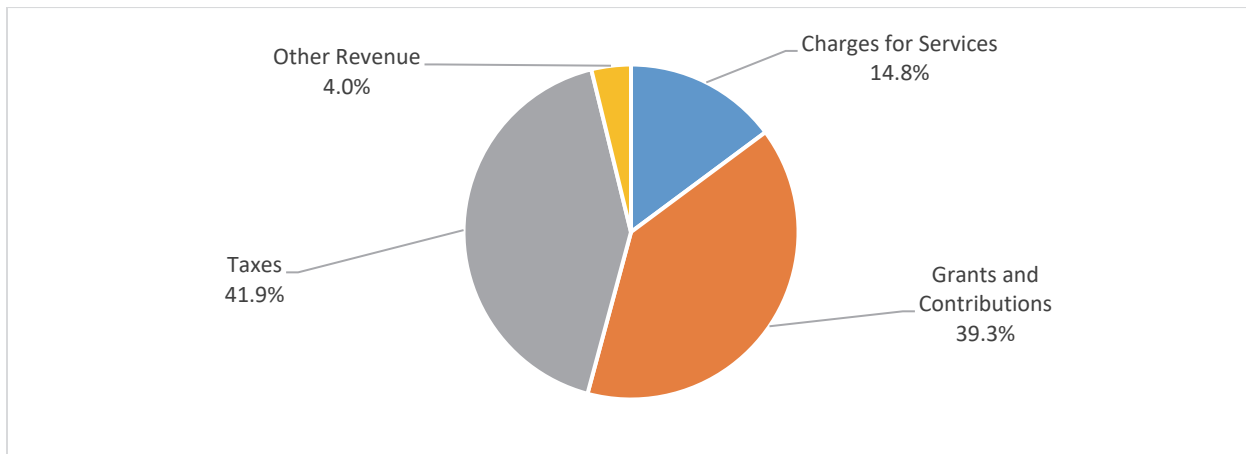
Expenses

Expenses for the City totaled \$162.7 million for the fiscal year ending June 30, 2023, a decrease of \$2.1 million, or 1.3% over the prior year. Governmental activities incurred \$98.1 million of expenses. While business-type activities incurred \$64.6 million in expenses. Of the Governmental Activities, the largest expenses by activity were in Public Safety \$36.9 million, Public Works \$17.0 million, Community Development \$14.9 million, and Streets & Highways \$12.9 million. Of the Business-type activities, the largest expenses by activity were Sewer at \$22.4 million and Water at \$20.5 million for the year.

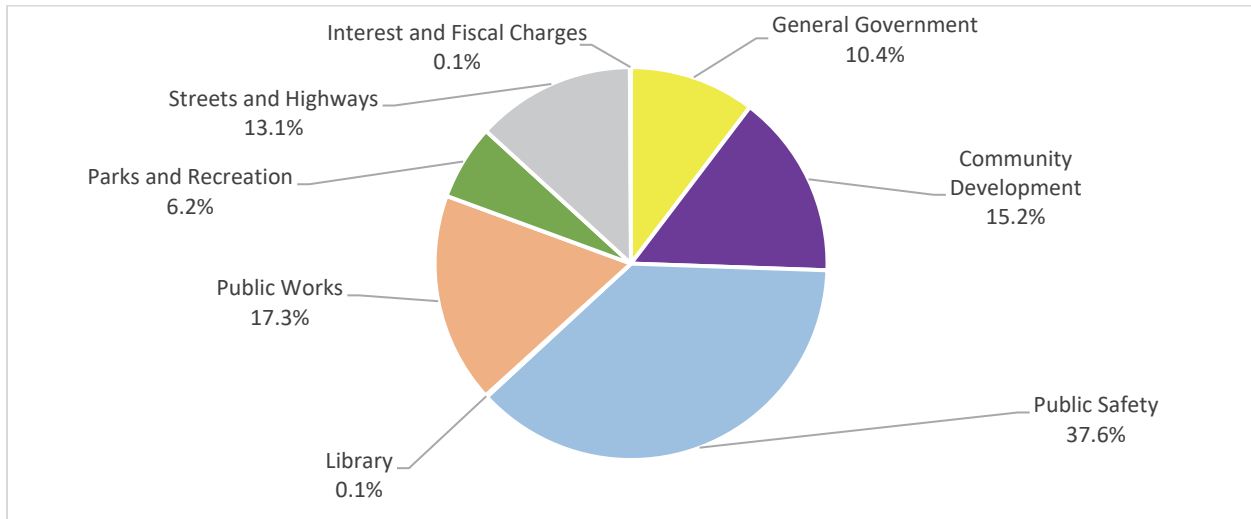
Governmental Activities

As presented in the following two graphs, the largest funding sources for governmental activities are Taxes (41.9%) and Charges for Services (14.8%). The largest uses of resources for the governmental activities are Public Safety (37.6%) and Public Works (17.3%).

Revenues by Source – Governmental Activities



Expenses by Program – Governmental Activities



Business-type Activities

In the Statement of Revenues, Expenses, and Changes in Fund Net Position for Enterprise Funds, operating income (loss) of Business-type Activities decreased by \$11.3 million. Net operating income for water decreased by \$5.3 million, wastewater decreased \$1.5 million, solid waste decreased \$1.3 million.

Net Operating Income (Loss) – Business-Type Activities



FUND FINANCIAL ANALYSIS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the City's Governmental Funds is to provide information on near-term inflows, outflows, and balances of spending resources. Such information is useful in assessing the City's financing requirements. The classification of spendable fund balances to committed, assigned, and unassigned, is intended to be helpful in measuring the resources available for spending at the end of the fiscal year. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2023, the City's governmental funds reported combined fund balances of \$217.9 million, which is an increase of \$20.2 million or 10.2% compared with the prior year. Governmental fund revenues were \$134.1 million this year, an increase of \$6.8 million, or 5.4%. The General Fund accounted for 51.8% of this revenue total. Expenditures were \$113.7 million this year. Of this total, \$64.6 million was in the General Fund, \$17.1 million was in other major funds and \$32.0 million was in non-major funds.

General Fund

General Fund revenues increased in Fiscal Year 2022-23 by \$6.9 million or 11.0% as compared to Fiscal Year 2021-22. Sales tax increased by 4.3%, property taxes increased 19.7%, and other taxes increased 2.2%. General Fund expenditures increased by \$3.2 million or 5.2% more than the prior year expenditures.

At June 30, 2023, the General Fund balance was comprised of \$1.2 million in non-spendable balances, \$0.4 million in restricted balances, \$28.4 million of assigned balances and \$10.5 million in unassigned balance. Fund balances have been classified in accordance with GAAP. While amounts have been categorized as unassigned, they may be informally earmarked by the City Council for specific purposes.

Low and Moderate Income Housing Assets Fund

On June 28, 2011 the State of California adopted ABx1 26, amended by AB 1484 on June 27, 2012, which dissolved redevelopment agencies as of January 31, 2012. All assets of the former RDA were transferred as prescribed by law to either the Housing Successor or to the Successor Agency.

The City of Manteca elected to become the Housing Successor and established the Low and Moderate Income Housing Assets Special Revenue Fund to account for the housing assets and activities previously provided by the Manteca Redevelopment Agency.

Public Facilities Implementation Plan

Development fees are collected in the areas designated by the Public Facilities Implementation Plan (PFIP) to finance the construction of future transportation and storm drainage infrastructure. The PFIP was updated in Fiscal Year 2012-13 except for the transportation element which was completed in Fiscal Year 2018-19. Total fund balance was \$46.6 million at year end an increase of 14.2% over the prior year. Revenues totaled \$9.5 million for the year and expenditures were \$3.7 million which includes \$3.3 million of capital outlay for construction projects in Fiscal Year 2022-23.

Proprietary Funds

The City's Proprietary Funds provide the same type of information found in the Government-Wide Financial Statements, but in more detail. The City's Proprietary Funds are comprised of the Water Fund, the Sewer Fund, the Solid Waste Fund, the Golf Fund and the Transit Fund. Proprietary Fund net position totaled \$296.3 million at June 30, 2023. Proprietary operating revenues were \$63.0 million and operating expenses were \$62.1 million in fiscal year 2022-23.

Water Fund

The net position of the Water Fund is \$103.3 million, consisting of \$43.9 million unrestricted funds and a net investment in capital assets of \$59.4 million at the end of the fiscal year.

Activities for the year were comprised of \$18.8 million in operating revenues for the current year and \$19.5 million in operating expenses. Charges for services showed a decrease of 13.9% as compared to the prior year. Operating expenses increased by 13.1% from fiscal year 2021-22. The most notable increases in operating expenses year over year were in Supplies by greater than \$1 million due to increased purchased water costs, and Personnel Services by greater than \$375 thousand due to increased pension costs.

Sewer Fund

The net position of the Sewer Fund is \$185.8 million for the current year. Of the \$185.8 million, \$148.1 million of the fund's net position is invested in capital assets with \$37.8 million unrestricted. Operating revenues for the year were \$26.1 million, a decrease of 2.4% from the prior year. Operating expenses increased by \$0.9 million or 4.4% over the prior year. The most notable increases in operating expenses were in Contractual Services by greater than \$550 thousand, Personnel Services by nearly \$400 thousand, and Repairs and Maintenance by greater than \$265 thousand. Supplies costs decreased by \$916.1 thousand as compared to the prior year primarily due to Chemicals and UV System Supplies.

Solid Waste Fund

Operating revenues for Fiscal Year 2022-23 totaled \$16.4 million, an increase of 0.5% over the prior year. Operating expenses were \$16.7 million an increase of 8.7% from the prior year, leaving the fund with a net operating loss of \$(0.4) million for the year. The most notable increases in operating expenses were in Contractual Services by nearly \$700 thousand and Vehicle Maintenance and Operations by nearly \$300 thousand. There was a decrease in Personnel Services costs by \$220 thousand. Net position of the Solid Waste Fund is \$0.5 million, of which \$6.4 million is invested in capital assets and \$(5.9) million is unrestricted. Long-term liabilities total \$15.0 million, with \$10.5 million for net pension liability and \$4.5 million for total OPEB liability. These long-term liabilities result in the fund having a negative unrestricted net position.

Golf Fund

The operating revenue for this fund totaled \$1.6 million as of June 30, 2023, a decrease of 6.3%. Operating expenses totaled \$1.6 million, a decrease of 6.8% from the prior year. Net position of the Golf Fund is \$0.7 million, of which \$1.9 million is invested in capital assets and \$(1.1) million is unrestricted. Long-term liabilities total \$2 million, with \$1.2 million for net pension liability and \$.7 million for total OPEB liability. These long-term liabilities result in the fund having a negative unrestricted net position. The General Fund has subsidized this fund when necessary.

Transit Fund

The operating revenue for this fund totaled \$0.1 million as of June 30, 2023. Operating expenses totaled \$3.4 million. Net position of the Transit Fund is \$6.0 million, of which \$6.8 million is invested in capital assets and \$(0.8) million is unrestricted. Long-term liabilities total \$2.1 million, with \$0.6 million for net pension liability and \$1.5 million for total OPEB liability. These long-term liabilities result in the fund having a negative unrestricted net position.

GENERAL FUND BUDGETARY HIGHLIGHTS

The final amended budget for the General Fund totaled \$65.0 million in revenues, \$65.8 million in expenditures, with expenditures exceeding revenues by \$0.8 million. The difference between the original budget and the final amended budget was a decrease in revenues of \$1.4 million and an increase in expenditures of \$0.7 million. Charges for current services and other taxes accounted for the decrease in revenues, while a variety of departmental charges accounted for the increase in expenditures.

General Fund revenues in total exceed their final budgeted forecasts by \$4.5 million. Property taxes, sales taxes and other taxes exceeded their final budgeted forecasts by a combined total of \$2.7 million, while Fines and forfeitures were under budget forecasts by \$0.07 million. Use of money and property, charges for current services and other revenue account for the majority of the remaining variance. At the end of the fiscal year, the total actual expenditures of the General Fund were \$64.6 million which was \$1.2 million less than the total final amended budget.

CAPITAL ASSETS

At the end of Fiscal Year 2022-23, the City had \$720.4 million, net of depreciation, invested in a broad range of capital assets used in governmental and business type activities as outlined in Note 7.

Capital Assets
Fiscal Year Ended June 30,
(in thousands of dollars)

	Governmental Activities		Business-Type Activities		Total Government	
	2023	2022*	2023	2022	2023	2022*
Land	\$ 63,067	\$ 61,306	\$ 4,394	\$ 4,394	\$ 67,461	\$ 65,700
Subscription assets in progress	109	-	-	-	109	-
Construction in Progress	32,217	50,121	27,093	26,881	59,310	77,002
Buildings & Improvements	36,759	43,510	18,564	9,411	55,323	52,921
Intangible right-to-use equipment	635	635	22	22	657	657
Machinery & Equipment	28,716	29,905	31,261	26,674	59,977	56,578
Intangible right-to-use building	29	29	23	24	52	53
Storm Drain	68,924	64,027	-	-	68,924	64,027
Streets	331,865	287,206	-	-	331,865	287,206
Parks	79,998	76,441	-	-	79,998	76,441
Subscription assets	1,400	-	-	-	1,400	-
Sewer lines and improvements	-	-	76,585	74,287	76,585	74,287
Sewer plant expansion	-	-	128,915	134,388	128,915	134,388
Water wells and pipelines	-	-	152,733	149,849	152,733	149,849
Other Infrastructure	-	-	165	165	165	165
Less accumulated depreciation	(202,925)	(190,555)	(160,173)	(152,179)	(363,098)	(342,734)
Total	\$ 440,794	\$ 422,625	\$ 279,582	\$ 273,916	\$ 720,376	\$ 696,541

* Not restated for the effects of the current year implementation of GASB Statement No. 96, *Subscription Based Information Technology Arrangements (SBITAs)*

DEBT SERVICE ADMINISTRATION

Each of the City’s debt issuances is discussed in detail in Note 8. At the end of the year, the City had zero long-term outstanding debt associated with Governmental Activities and \$57.1 million in debt associated with Business-type Activities. Debt in the Business-type Activities is related to the Sewer and Water Revenue bonds.

**Outstanding Debt
Fiscal Year Ended June 30,
(in thousands of dollars)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Government</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenue Bonds	-	-	57,079	60,666	57,079	60,666
Total	\$ -	\$ -	\$ 57,079	\$ 60,666	\$ 57,079	\$ 60,666

CONTACTING THE CITY’S FINANCIAL MANAGEMENT

This Annual Comprehensive Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the City’s finances. Questions about this report should be directed to the Finance Department, at 1001 W Center, Manteca, CA 95337 or mantecafinance@manteca.gov.

This Page Left Intentionally Blank

CITY OF MANTECA

**STATEMENT OF NET POSITION
AND STATEMENT OF ACTIVITIES**

The Statement of Net Position and the Statement of Activities summarize the entire City's financial activities and financial position.

The Statement of Net Position reports the difference between the City's total assets and deferred outflows of resources and the City's total liabilities and deferred inflows of resources, including all the City's capital assets and all its long-term debt. The Statement of Net Position summarizes the financial position of all of the City's Governmental Activities in a single column, and the financial position of all of the City's Business-type Activities in a single column; these columns are followed by a Total column that presents the financial position of the entire City.

The City's Governmental Activities include the activities of its General Fund, along with all its Special Revenue, Capital Projects and Debt Service Funds. Since the City's Internal Service Funds service these Funds, their activities are consolidated with Governmental Activities, after eliminating inter-fund transactions and balances. The City's Business-type Activities include all its Enterprise Fund activities.

The Statement of Activities reports increases and decreases in the City's net position. It is also prepared on the full accrual basis, which means it includes all the City's revenues and all its expenses, regardless of when cash changes hands. This differs from the "modified accrual" basis used in the Fund financial statements, which reflect only current assets, current liabilities, deferred outflows/inflows of resources, available revenues and measurable expenditures.

The Statement of Activities presents the City's expenses first, listed by program, followed by the expenses of its business-type activities. Program revenues—that is, revenues which are generated directly by these programs—are then deducted from program expenses to arrive at the net expense of each governmental and business-type program. The City's general revenues are then listed in the Governmental Activities or Business-type Activities column, as appropriate, and the Change in Net Position is computed and reconciled with the Statement of Net Position.

Both of these Statements include the financial activities of the City and the Manteca Financing Authority, which is legally separate but is a component unit of the City because it is controlled by the City, which is financially accountable for the activities of this entity.

CITY OF MANTECA
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments (Note 3)	\$245,067,955	\$126,511,789	\$371,579,744
Restricted cash and investments (Note 3)	9,521,223	8,595,190	18,116,413
Accounts receivable, net	20,379,987	16,793,054	37,173,041
Taxes receivable	10,304,866		10,304,866
Interest receivable	526,652	2	526,654
Prepays and deposits	80,000		80,000
Internal balances (Note 4D)	12,511,405	(12,511,405)	
Long-term notes receivable (Notes 5 and 16D)	22,580,115		22,580,115
Employee notes receivable (Note 6)	41,054		41,054
Capital assets, not being depreciated (Note 7)	95,392,678	31,487,143	126,879,821
Capital assets, being depreciated (net) (Note 7)	345,401,520	248,094,517	593,496,037
Leases receivable (Note 14)	648,470		648,470
Total Assets	<u>762,455,925</u>	<u>418,970,290</u>	<u>1,181,426,215</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions (Note 10)	43,760,686	9,416,824	53,177,510
Deferred outflows related to OPEB (Note 11)	5,181,762	2,576,076	7,757,838
Total Deferred Outflows of Resources	<u>48,942,448</u>	<u>11,992,900</u>	<u>60,935,348</u>
LIABILITIES			
Accounts payable	7,567,760	3,897,454	11,465,214
Contracts payable (Note 16C)	10,940,972	17,593,801	28,534,773
Refundable deposits	2,872,539	1,834,571	4,707,110
Accrued liabilities	4,967,082	698,891	5,665,973
Unearned revenue	30,419,390	2,555,394	32,974,784
Compensated absences (Note 1G):			
Due within one year	4,503,471		4,503,471
Due in more than one year	3,002,315		3,002,315
Estimated claims liability (Note 13):			
Due within one year	1,566,296		1,566,296
Due in more than one year	49,346		49,346
Long-term debt (Notes 8, 14 and 15):			
Due within one year	453,603	3,537,016	3,990,619
Due in more than one year	955,119	53,564,770	54,519,889
Net pension liability (Note 10):			
Due in more than one year	108,905,556	33,341,890	142,247,446
Total OPEB liability (Note 11):			
Due in more than one year	22,993,456	14,863,808	37,857,264
Total Liabilities	<u>199,196,905</u>	<u>131,887,595</u>	<u>331,084,500</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions (Note 10)	3,306,435		3,306,435
Deferred inflows related to OPEB (Note 11)	4,668,665	2,787,269	7,455,934
Deferred inflows related to leases (Note 14)	628,544		628,544
Total Deferred Inflows of Resources	<u>8,603,644</u>	<u>2,787,269</u>	<u>11,390,913</u>
NET POSITION (Note 9):			
Net investment in capital assets	439,385,476	222,479,874	661,865,350
Restricted for:			
Capital projects	150,068,362		150,068,362
Redevelopment projects	34,030,869		34,030,869
Special revenue projects:			
Development mitigation	11,177,039		11,177,039
Landscaping and lighting	1,476,977		1,476,977
Public safety	6,411,547		6,411,547
Other special revenue projects	14,639,271		14,639,271
Total Restricted Net Position	<u>217,804,065</u>		<u>217,804,065</u>
Unrestricted	(53,591,717)	73,808,452	20,216,735
Total Net Position	<u>\$603,597,824</u>	<u>\$296,288,326</u>	<u>\$899,886,150</u>

See accompanying notes to basic financial statements

CITY OF MANTECA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental Activities:							
General government	\$10,150,611	\$6,749,391	\$2,310,410		(\$1,090,810)		(\$1,090,810)
Community development	14,921,624	6,254,666	482,142		(8,184,816)		(8,184,816)
Public safety	36,874,290	2,513,921	1,581,883	\$1,072,949	(31,705,537)		(31,705,537)
Library	146,067				(146,067)		(146,067)
Public works	17,004,659	2,542,957	29,623	10,267,088	(4,164,991)		(4,164,991)
Parks and recreation	6,080,603	4,971,913	15,642	8,440,734	7,347,686		7,347,686
Streets and highways	12,874,297		4,306,200	32,585,532	24,017,435		24,017,435
Interest and fiscal charges	89,385				(89,385)		(89,385)
Total Governmental Activities	98,141,536	23,032,848	8,725,900	52,366,303	(14,016,485)		(14,016,485)
Business-type Activities:							
Water	20,449,549	18,786,751	90	2,600,735		\$938,027	938,027
Sewer	22,408,854	25,917,480		1,594,396		5,103,022	5,103,022
Solid waste	16,728,245	16,288,404		2,904		(436,937)	(436,937)
Golf	1,636,173	1,525,393				(110,780)	(110,780)
Transit	3,377,255	105,822	3,534,920	31,426		294,913	294,913
Total Business-type Activities	64,600,076	62,623,850	3,535,010	4,229,461		5,788,245	5,788,245
Total	\$162,741,612	\$85,656,698	\$12,260,910	\$56,595,764	(14,016,485)	5,788,245	(8,228,240)
General revenues:							
Taxes:							
Property taxes					25,660,666		25,660,666
Sales taxes					29,324,167		29,324,167
Other taxes					10,218,719		10,218,719
Interest income					4,531,826	1,890,954	6,422,780
Development agreements, unrestricted					368,332		368,332
Other revenue					1,408,087	366,174	1,774,261
Transfers, net (Note 4A)					(5,984,989)	5,984,989	
Total general revenues and transfers					65,526,808	8,242,117	73,768,925
Change in Net Position					51,510,323	14,030,362	65,540,685
Net Position-Beginning, as Restated (Note 9E)					552,087,501	282,257,964	834,345,465
Net Position-Ending					\$603,597,824	\$296,288,326	\$899,886,150

See accompanying notes to basic financial statements

This Page Left Intentionally Blank

FUND FINANCIAL STATEMENTS

MAJOR GOVERNMENTAL FUNDS

The funds described below were determined to be Major Funds by the City in fiscal 2023. Individual non-major funds may be found in the Supplemental Section.

GENERAL FUND

The General Fund is used for all the general revenues of the City not specifically levied or collected for other City funds and the related expenditures. The General Fund accounts for all financial resources of a governmental unit which are not accounted for in another fund.

LOW AND MODERATE INCOME HOUSING ASSETS FUND

Established to account for revenues and expenditures as a result of the activities related to the housing assets assumed by the City as Housing Successor to the former Redevelopment Agency. The activities are governed by California redevelopment law and must be used to provide housing for people with low and moderate incomes.

HOMELESS NAVIGATION CENTER FUND

Established to account for the financing and construction activities associated with the regional low barrier emergency homeless shelter. Financing is provided by local, State and Federal Grants.

SPECIAL APPORTIONMENT STREETS FUND

Established to account for the construction and maintenance of the street system in Manteca. Financing is provided through local transportation funds and State and Federal grants.

PUBLIC FACILITIES IMPLEMENTATION PLAN FUND

This fund was initially established to account for the costs incurred for the development of a Public Facilities Implementation Plan. This fund accounts for the developer impact fees collected and expended in the construction of the drainage and transportation elements of the Plan. The sewer and water developer impact fees collected and expended in connection with the Plan are accounted for in their respective Enterprise Funds.

CITY OF MANTECA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2023

	General	Low and Moderate Income Housing Assets	Homeless Navigation Center	Special Apportionment Streets	Public Facilities Implementation Plan	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and investments (Note 3)	\$25,915,351		\$15,916,180		\$39,938,772	\$137,131,528	\$218,901,831
Restricted cash and investments (Note 3)	448,821	\$720,122			557,663	7,794,617	9,521,223
Accounts receivables (net of allowance for estimated uncollectible accounts)	851,745			\$13,521,432	2,868,502	3,130,219	20,371,898
Taxes receivable	7,541,932					2,762,934	10,304,866
Interest receivable	526,001					651	526,652
Due from other funds (Note 4B)	9,203,477						9,203,477
Prepays and deposits	80,000						80,000
Advances to other funds (Note 4C)	1,081,780				10,662,296		11,744,076
Long-term notes receivable (Notes 5 and 16D)	540,000	22,927,939					23,467,939
Leases receivable (Note 14)						648,470	648,470
Total Assets	\$46,189,107	\$23,648,061	\$15,916,180	\$13,521,432	\$54,027,233	\$151,468,419	\$304,770,432
LIABILITIES							
Accounts payable	\$4,031,599			\$1,047,174	\$669,396	\$1,253,290	\$7,001,459
Contracts payable	5			26,192	721,140	2,214	749,551
Refundable deposits	880,186			562	1,675,907	315,076	2,871,731
Accrued liabilities	22,060						22,060
Due to other funds (Note 4B)				6,256,856		657,626	6,914,482
Advances from other funds (Note 4C)					1,521,666		1,521,666
Unearned revenue			\$16,000,000			9,371,151	25,371,151
Total Liabilities	4,933,850		16,000,000	7,330,784	4,588,109	11,599,357	44,452,100
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - accounts receivable	207,127			12,790,385	2,796,037	2,543,471	18,337,020
Unavailable revenue - notes receivable (Notes 5 and 16D)	540,000	\$22,927,939					23,467,939
Deferred inflows related to leases (Note 14)						628,544	628,544
Total Deferred Inflows of Resources	747,127	22,927,939		12,790,385	2,796,037	3,172,015	42,433,503
FUND BALANCES							
Fund balance (Note 9):							
Nonspendable	1,161,780						1,161,780
Restricted	448,821	720,122			46,643,087	136,954,596	184,766,626
Committed						292,905	292,905
Assigned	28,411,565						28,411,565
Unassigned	10,485,964		(83,820)	(6,599,737)		(550,454)	3,251,953
Total Fund Balances	40,508,130	720,122	(83,820)	(6,599,737)	46,643,087	136,697,047	217,884,829
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$46,189,107	\$23,648,061	\$15,916,180	\$13,521,432	\$54,027,233	\$151,468,419	\$304,770,432

See accompanying notes to basic financial statements

CITY OF MANTECA
Reconciliation of the
GOVERNMENTAL FUNDS-BALANCE SHEET
with the
GOVERNMENTAL ACTIVITIES NET POSITION
JUNE 30, 2023

Total fund balances reported on the Governmental Funds Balance Sheet \$217,884,829

Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds above because of the following:

CAPITAL ASSETS

Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds. 439,024,598

ALLOCATION OF INTERNAL SERVICE FUND NET POSITION

Internal service funds are not governmental funds. However, they are used by management to charge the costs of certain activities, such as insurance and central services and maintenance to individual governmental funds. The net current assets of the Internal Service Funds are therefore included in Governmental Activities in the following line items in the Statement of Net Position.

Cash and investments	26,166,124
Accounts receivable	8,089
Employee notes receivable	41,054
Capital assets, not being depreciated	63,739
Capital assets (net of accumulated depreciation)	1,465,829
Contracts and accounts payable	(566,301)
Accrued liabilities	(4,943,230)
Refundable deposits	(808)
Unearned revenue	(5,048,239)
Compensated absences	(7,505,786)
Estimated claims liability	(1,615,642)
Net pension liability and deferred outflows/inflows related to pensions	(2,579,326)
Total OPEB liability and deferred outflows/inflows related to OPEB	(1,169,588)
Long-term debt	(973,119)

ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES

Revenues which are unavailable on the Fund Balance Sheets because they are not available currently are taken into revenue in the Statement of Activities. 41,804,959

LONG-TERM ASSETS AND LIABILITIES

The assets and liabilities below are not due and payable in the current period and therefore are not reported in the Funds:

Long-term debt	(197,051)
Net pension liability and deferred outflows/inflows related to pensions	(65,871,979)
Total OPEB liability and deferred outflows/inflows related to OPEB	(21,310,771)
Interest payable (accrued liabilities)	(312)
Contracts payable	(10,191,421)
Allowance for conditional grants	(887,824)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$603,597,824

See accompanying notes to basic financial statements

CITY OF MANTECA
 GOVERNMENTAL FUNDS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2023

	General	Low and Moderate Income Housing Assets	Homeless Navigation Center	Special Apportionment Streets	Public Facilities Implementation Plan	Other Governmental Funds	Total Governmental Funds
REVENUES							
Property taxes	\$25,660,666						\$25,660,666
Sales taxes	19,091,153					\$10,233,014	29,324,167
Other taxes	11,323,915						11,323,915
Licenses and permits	1,049,436					11,089,650	12,139,086
Fines and forfeitures	442,332						442,332
Use of money and property	1,018,498	\$122,764	(\$179,785)	\$56,837	\$626,211	2,735,457	4,379,982
Revenue from other agencies	605,140			5,933,198		9,388,831	15,927,169
Charges for current services	9,094,572				8,904,138	15,375,067	33,373,777
Other revenue	1,216,013	15,197	95,965			217,449	1,544,624
Total Revenues	69,501,725	137,961	(83,820)	5,990,035	9,530,349	49,039,468	134,115,718
EXPENDITURES							
Current:							
General government	9,347,022					577,429	9,924,451
Community development						4,378,840	4,378,840
Public safety	34,539,334					11,351,881	45,891,215
Library	153,898						153,898
Public works	7,743,314				409,403	3,965,858	12,118,575
Parks and recreation	736,556					3,006,103	3,742,659
Streets and highways				1,417,712		2,535,745	3,953,457
Nondepartmental	9,351,502						9,351,502
Capital outlay	2,637,117			11,898,994	3,253,840	6,004,218	23,794,169
Debt service:							
Principal	79,898					175,328	255,226
Interest and fiscal charges	1,201				84,685	1,894	87,780
Total Expenditures	64,589,842			13,316,706	3,747,928	31,997,296	113,651,772
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,911,883	137,961	(83,820)	(7,326,671)	5,782,421	17,042,172	20,463,946
OTHER FINANCING SOURCES (USES)							
Transfers in (Note 4A)	53,386					10,927,858	10,981,244
Transfers (out) (Note 4A)	(1,581,870)					(9,829,174)	(11,411,044)
Issuance of SBITA						58,974	58,974
Proceeds from sale of property	67,500						67,500
Total Other Financing Sources (Uses)	(1,460,984)					1,157,658	(303,326)
NET CHANGE IN FUND BALANCES	3,450,899	137,961	(83,820)	(7,326,671)	5,782,421	18,199,830	20,160,620
BEGINNING FUND BALANCES	37,057,231	582,161		726,934	40,860,666	118,497,217	197,724,209
ENDING FUND BALANCES (DEFICIT)	\$40,508,130	\$720,122	(\$83,820)	(\$6,599,737)	\$46,643,087	\$136,697,047	\$217,884,829

See accompanying notes to basic financial statements

CITY OF MANTECA
 Reconciliation of the
 NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS
 with the
 CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2023

The schedule below reconciles the Net Change in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$20,160,620

Amounts reported for governmental activities in the Statement of Activities are different because of the following:

CAPITAL ASSETS TRANSACTIONS

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.

Capitalized expenditures are therefore added back to fund balance	23,205,073
Depreciation expense is deducted from the fund balance (Depreciation expense is net of internal service fund depreciation of \$536,214 which has already been allocated to serviced funds)	(16,531,722)
Contributions of infrastructure and improvements by developers are capitalized in the Statement of Activities, but are not recorded in the Fund Statements because no cash changed hands.	17,857,131
Assets transferred to enterprise funds are deducted from fund balance	(7,335,788)

LONG-TERM DEBT ISSUANCE AND PAYMENTS

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities.

Issuance of debt (subscription liabilities) is deducted from fund balance	(58,974)
Repayment of debt principal is added back to fund balance	255,226

ACCRUAL OF NON-CURRENT ITEMS

The amounts below included in the Statement of Activities do not provide (or require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):

Unavailable revenue	3,952,533
Contracts and accounts payable	(2,540,085)
Interest payable	(1,605)
Allowance for conditional grants	(23,494)
Net pension liability and deferred outflows/inflows related to pensions	11,626,028
Total OPEB liability and deferred outflows/inflows related to OPEB	885,747

ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY

Internal Service Funds are used by management to charge the costs of certain activities, such as equipment acquisition, maintenance, and insurance to individual funds. The portion of the net revenue (expense) of these Internal Service Funds arising out of their transactions with governmental funds is reported with governmental activities, because they service those activities.

Change in Net Position - All Internal Service Funds	<u>59,633</u>
---	---------------

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$51,510,323</u></u>
---	----------------------------

See accompanying notes to basic financial statements

CITY OF MANTECA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$24,368,223	\$24,218,223	\$25,660,666	\$1,442,443
Sales taxes	18,880,000	18,880,000	19,091,153	211,153
Other taxes	10,823,000	10,323,000	11,323,915	1,000,915
Licenses and permits	896,000	896,000	1,049,436	153,436
Fines and forfeitures	516,000	516,000	442,332	(73,668)
Use of money and property	725,000	725,000	1,018,498	293,498
Revenue from other agencies	409,000	474,000	605,140	131,140
Charges for current services	9,361,625	8,501,625	9,094,572	592,947
Other revenue	422,000	467,000	1,216,013	749,013
Total Revenues	66,400,848	65,000,848	69,501,725	4,500,877
EXPENDITURES:				
Current:				
General government:				
Legislative	1,532,943	1,773,789	1,207,947	565,842
City Attorney	1,684,295	1,670,409	1,162,723	507,686
Administration	5,447,257	5,121,607	3,785,679	1,335,928
Human resources	1,125,422	1,039,631	863,830	175,801
Financial services	2,856,495	2,543,492	2,326,843	216,649
Total general government	12,646,412	12,148,928	9,347,022	2,801,906
Public safety:				
Police	21,176,519	21,530,552	21,885,841	(355,289)
Fire	11,992,677	11,806,824	12,147,950	(341,126)
Animal control	501,776	527,968	505,543	22,425
Total public safety	33,670,972	33,865,344	34,539,334	(673,990)
Library	145,300	145,300	153,898	(8,598)
Public works:				
Engineering	891,445	911,119	745,956	165,163
Street maintenance	87,900	81,300	72,367	8,933
Storm drain maintenance and operation	895,964	889,060	794,071	94,989
Vehicle maintenance	954,985	691,633	727,768	(36,135)
Building maintenance	5,840,222	6,225,570	5,403,152	822,418
Total public works	8,670,516	8,798,682	7,743,314	1,055,368

(Continued)

CITY OF MANTECA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Parks and recreation:				
Senior center	790,996	803,510	736,556	66,954
Total parks and recreation	<u>790,996</u>	<u>803,510</u>	<u>736,556</u>	<u>66,954</u>
Nondepartmental charges	<u>8,283,000</u>	<u>8,308,706</u>	<u>9,351,502</u>	<u>(1,042,796)</u>
Capital outlay	<u>935,000</u>	<u>1,725,459</u>	<u>2,637,117</u>	<u>(911,658)</u>
Debt service:				
Principal			79,898	(79,898)
Interest and fiscal charges			<u>1,201</u>	<u>(1,201)</u>
Total debt service			<u>81,099</u>	<u>(81,099)</u>
Total Expenditures	<u>65,142,196</u>	<u>65,795,929</u>	<u>64,589,842</u>	<u>1,206,087</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,258,652</u>	<u>(795,081)</u>	<u>4,911,883</u>	<u>5,706,964</u>
OTHER FINANCING SOURCES (USES)				
Transfers in			53,386	53,386
Transfers (out)	(1,497,500)	(1,497,500)	(1,581,870)	(84,370)
Proceeds from sale of property			<u>67,500</u>	<u>67,500</u>
Total Other Financing Sources (Uses)	<u>(1,497,500)</u>	<u>(1,497,500)</u>	<u>(1,460,984)</u>	<u>36,516</u>
NET CHANGE IN FUND BALANCE	<u><u>(\$238,848)</u></u>	<u><u>(\$2,292,581)</u></u>	<u>3,450,899</u>	<u><u>\$5,743,480</u></u>
BEGINNING FUND BALANCE			<u>37,057,231</u>	
ENDING FUND BALANCE			<u><u>\$40,508,130</u></u>	

See accompanying notes to basic financial statements

CITY OF MANTECA
 LOW AND MODERATE INCOME HOUSING ASSETS FUND
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Use of money and property			\$122,764	\$122,764
Other revenue	\$25,000	\$25,000	15,197	(9,803)
Total Revenues	<u>25,000</u>	<u>25,000</u>	<u>137,961</u>	<u>112,961</u>
NET CHANGE IN FUND BALANCE	<u>\$25,000</u>	<u>\$25,000</u>	137,961	<u>\$112,961</u>
BEGINNING FUND BALANCE			<u>582,161</u>	
ENDING FUND BALANCE			<u>\$720,122</u>	

See accompanying notes to basic financial statements

CITY OF MANTECA
HOMELESS NAVIGATION CENTER FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Use of money and property			(\$179,785)	(\$179,785)
Revenue from other agencies		\$16,000,000		(16,000,000)
Other revenue			95,965	95,965
			<u>95,965</u>	<u>95,965</u>
Total Revenues		<u>16,000,000</u>	<u>(83,820)</u>	<u>(16,083,820)</u>
NET CHANGE IN FUND BALANCE		<u>\$16,000,000</u>	<u>(83,820)</u>	<u>(\$16,083,820)</u>
BEGINNING FUND BALANCE				
ENDING FUND BALANCE (DEFICIT)			<u>(\$83,820)</u>	

See accompanying notes to basic financial statements

This Page Left Intentionally Blank

MAJOR PROPRIETARY FUNDS

Proprietary funds account for City operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges. The City has determined all of its enterprise funds to be major funds in fiscal 2023, as identified below.

WATER FUND

Accounts for the provision of water services to residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, capital improvements, maintenance and billing and collection.

SEWER FUND

Accounts for the provision of sewer services to residents of the City and some residents of the County. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, capital improvements, maintenance, financing and related debt service, and billing and collection.

SOLID WASTE FUND

Accounts for the provision of solid waste collection services to residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, capital improvements, maintenance, financing and related debt service, and billing and collection.

GOLF FUND

Accounts for the operations of the City's municipal golf course. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, capital improvements, maintenance, financing and related debt service, and billing and collection.

TRANSIT FUND

Established to account for all funding received (federal, state, and local transportation) associated with the formation and operation of a city managed public transit system.

CITY OF MANTECA
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2023

	Business-type Activities-Enterprise Funds						Governmental Activities- Internal Service Funds
	Water	Sewer	Solid Waste	Golf	Transit	Total	
ASSETS							
Current assets							
Cash and investments (Note 3)	\$54,826,649	\$66,120,190	\$5,055,279	\$509,671		\$126,511,789	\$26,166,124
Accounts receivables (net of allowance for estimated uncollectible accounts)	3,987,852	4,699,891	1,903,950	23,117	\$6,178,244	16,793,054	8,089
Interest receivable				2		2	
Employee notes receivable (Note 6)							41,054
Total current assets	58,814,501	70,820,081	6,959,229	532,790	6,178,244	143,304,845	26,215,267
Non-current assets							
Restricted cash and investments (Note 3)	5,210,101	3,385,089				8,595,190	
Advances to other funds (Note 4C)	453,082	346,567				799,649	
Capital assets not being depreciated (Note 7)	610,880	28,993,347	831,857	1,051,059		31,487,143	63,739
Capital assets (net of accumulated depreciation) (Note 7)	85,703,016	149,235,188	5,546,359	832,145	6,777,809	248,094,517	1,465,829
Total non-current assets	91,977,079	181,960,191	6,378,216	1,883,204	6,777,809	288,976,499	1,529,568
Total Assets	150,791,580	252,780,272	13,337,445	2,415,994	12,956,053	432,281,344	27,744,835
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows related to pensions (Note 10)	2,594,250	3,279,076	2,982,458	372,782	188,258	9,416,824	1,194,230
Deferred outflows related to OPEB (Note 11)	622,971	729,067	706,934	212,222	304,882	2,576,076	71,409
Total deferred outflows of resources	3,217,221	4,008,143	3,689,392	585,004	493,140	11,992,900	1,265,639
LIABILITIES							
Current liabilities							
Accounts payable	1,157,821	1,861,444	540,124	54,458	283,607	3,897,454	566,301
Accrued liabilities							4,932,360
Due to other funds (Note 4B)					2,288,995	2,288,995	
Refundable deposits	1,686,761	108,261	28,559		10,990	1,834,571	808
Unearned revenue					2,555,394	2,555,394	5,048,239
Interest payable	579,006	119,879	6			698,891	10,870
Compensated absences (Note 1G)							4,503,471
Estimated claims liability (Note 13)							1,566,296
Revenue bonds (Note 8)	1,630,000	1,895,000				3,525,000	
Lease liability (Note 14)	1,564	8,888	1,564			12,016	1,564
Subscription liability (Note 15)							229,149
Total current liabilities	5,055,152	3,993,472	570,253	54,458	5,138,986	14,812,321	16,859,058
Long-term liabilities							
Contracts payable	3,458,207	14,135,594				17,593,801	
Advances from other funds (Note 4C)	3,287,687	7,734,372				11,022,059	
Compensated absences (Note 1G)							3,002,315
Estimated claims liability (Note 13)							49,346
Revenue bonds (Note 8)	25,299,255	28,254,830				53,554,085	
Net pension liability (Note 10)	9,286,000	11,720,225	10,526,348	1,230,291	579,026	33,341,890	3,773,556
Total OPEB liability (Note 11)	3,677,092	4,478,227	4,494,553	726,170	1,487,766	14,863,808	1,113,458
Lease liability (Note 14)	3,154	4,377	3,154			10,685	3,154
Subscription liability (Note 15)							739,252
Total long-term liabilities	45,011,395	66,327,625	15,024,055	1,956,461	2,066,792	130,386,328	8,681,081
Total Liabilities	50,066,547	70,321,097	15,594,308	2,010,919	7,205,778	145,198,649	25,540,139
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows related to OPEB (Note 11)	650,082	640,293	959,005	244,844	293,045	2,787,269	127,539
Total deferred inflows of resources	650,082	640,293	959,005	244,844	293,045	2,787,269	127,539
NET POSITION (Note 9):							
Net investment in capital assets	59,379,923	148,065,440	6,373,498	1,883,204	6,777,809	222,479,874	556,449
Unrestricted	43,912,249	37,761,585	(5,899,974)	(1,137,969)	(827,439)	73,808,452	2,786,347
Total Net Position	\$103,292,172	\$185,827,025	\$473,524	\$745,235	\$5,950,370	\$296,288,326	\$3,342,796

See accompanying notes to basic financial statements

CITY OF MANTECA
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2023

	Business-type Activities-Enterprise Funds						Governmental Activities- Internal Service Funds
	Water	Sewer	Solid Waste	Golf	Transit	Total	
OPERATING REVENUES							
Charges for services	\$18,786,751	\$25,917,480	\$16,288,404	\$1,525,393	\$105,822	\$62,623,850	\$6,013,000
Insurance premium contribution from other funds							5,024,137
Miscellaneous	41,633	197,560	86,518	40,463		366,174	536,746
Total Operating Revenues	18,828,384	26,115,040	16,374,922	1,565,856	105,822	62,990,024	11,573,883
OPERATING EXPENSES							
Personnel services	5,058,505	6,206,738	6,048,245	1,087,593	407,199	18,808,280	3,465,589
Contractual services	785,489	1,856,551	5,273,205	1,763	1,423,502	9,340,510	74,265
Supplies	5,887,028	1,880,921	909,087	160,776	143,883	8,981,695	463,086
Utilities	933,607	2,563,353	15,789	154,902	18,332	3,685,983	280,320
Repairs and maintenance	288,908	1,092,920	116,121	100,101	79,956	1,678,006	970,761
Vehicle maintenance and operations	27,013	47,331	444,629			518,973	
Interdepartmental	1,902,000	1,950,000	1,986,000	14,000	512,000	6,364,000	433,000
Insurance	281,500	519,700	318,100	43,000		1,162,300	5,164,828
Claims							297,965
Depreciation (Note 7)	4,186,823	4,588,985	1,588,022	72,556	749,976	11,186,362	536,214
Miscellaneous	104,715	200,798	29,012	1,482	42,407	378,414	67,744
Total Operating Expenses	19,455,588	20,907,297	16,728,210	1,636,173	3,377,255	62,104,523	11,753,772
Operating Income (Loss)	(627,204)	5,207,743	(353,288)	(70,317)	(3,271,433)	885,501	(179,889)
NONOPERATING REVENUES (EXPENSES)							
Interest income	718,366	964,431	95,010	12,879	100,268	1,890,954	151,844
Gain on sale of capital assets							115,469
Interest (expense) and fiscal charges	(993,961)	(1,501,557)	(35)			(2,495,553)	(27,791)
Intergovernmental grants			2,904		3,534,920	3,537,824	
Settlement revenue	90					90	
Net Nonoperating Revenues (Expenses)	(275,505)	(537,126)	97,879	12,879	3,635,188	2,933,315	239,522
Income (Loss) Before Contributions and Transfers	(902,709)	4,670,617	(255,409)	(57,438)	363,755	3,818,816	59,633
Capital grants		300,400			31,426	331,826	
Contributions	2,600,735	1,293,996				3,894,731	
Transfers in (Note 4A)		279,800		150,000	5,555,189	5,984,989	
Net Contributions and Transfers	2,600,735	1,874,196		150,000	5,586,615	10,211,546	
Change in net position	1,698,026	6,544,813	(255,409)	92,562	5,950,370	14,030,362	59,633
BEGINNING NET POSITION (DEFICIT)	101,594,146	179,282,212	728,933	652,673		282,257,964	3,283,163
ENDING NET POSITION	\$103,292,172	\$185,827,025	\$473,524	\$745,235	\$5,950,370	\$296,288,326	\$3,342,796

See accompanying notes to basic financial statements

CITY OF MANTECA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2023

	Business-type Activities-Enterprise Funds						Governmental
	Water	Sewer	Solid Waste	Golf	Transit	Totals	Activities- Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers	\$18,702,164	\$25,717,280	\$16,284,819	\$1,563,386	\$114,562	\$62,382,211	\$92,048,519
Payments to suppliers	(7,892,450)	(7,624,433)	(7,342,924)	(431,285)	(1,444,393)	(24,735,485)	(7,348,631)
Payments to or on behalf of employees	(4,838,741)	(6,004,765)	(5,737,973)	(1,111,983)	(321,101)	(18,014,563)	(81,843,280)
Internal activity - payments to other funds	(1,902,000)	(1,950,000)	(1,986,000)	(14,000)	(512,000)	(6,364,000)	
Employee notes receivable issued							(42,329)
Receipts from employee notes receivable							30,408
Claims paid							(191,425)
Cash Flows from Operating Activities	4,068,973	10,138,082	1,217,922	6,118	(2,162,932)	13,268,163	2,653,262
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Intergovernmental grants			2,904		929,600	932,504	
Interfund receipts	25,085	107,657			1,191,539	1,324,281	
Settlement receipts	2,500,090					2,500,090	
Transfers in from other funds		279,800		150,000	102,096	531,896	
Cash Flows from Noncapital Financing Activities	2,525,175	387,457	2,904	150,000	2,223,235	5,288,771	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Acquisition of capital assets, net	(410,636)	(3,218,248)	(1,711,526)	(89,103)	(191,997)	(5,621,510)	(170,078)
Proceeds from sale of capital assets							115,469
Capital grants		300,400			31,426	331,826	
Long-term debt payment - principal	(1,556,554)	(1,763,857)	(1,554)			(3,321,965)	(236,818)
Long-term debt payment - interest and fiscal charges	(1,226,150)	(1,592,958)	(33)			(2,819,141)	(16,921)
Cash Flows from Capital and Related Financing Activities	(3,193,340)	(6,274,663)	(1,713,113)	(89,103)	(160,571)	(11,430,790)	(308,348)
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest	718,366	964,431	95,010	12,879	100,268	1,890,954	151,844
Cash Flows from Investing Activities	718,366	964,431	95,010	12,879	100,268	1,890,954	151,844
Net Cash Flows	4,119,174	5,215,307	(397,277)	79,894		9,017,098	2,496,758
Cash and investments at beginning of period	55,917,576	64,289,972	5,452,556	429,777		126,089,881	23,669,366
Cash and investments at end of period	<u>\$60,036,750</u>	<u>\$69,505,279</u>	<u>\$5,055,279</u>	<u>\$509,671</u>		<u>\$135,106,979</u>	<u>\$26,166,124</u>

(Continued)

CITY OF MANTECA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2023

	Business-type Activities-Enterprise Funds						Governmental Activities- Internal Service Funds
	Water	Sewer	Solid Waste	Golf	Transit	Totals	
Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:							
Operating income (loss)	(\$627,204)	\$5,207,743	(\$353,288)	(\$70,317)	(\$3,271,433)	\$885,501	(\$179,889)
Adjustments to reconcile operating income (loss) to cash flows from operating activities:							
Depreciation	4,186,823	4,588,985	1,588,022	72,556	749,976	11,186,362	536,214
Change in assets and liabilities:							
Accounts receivables (net of allowance for estimated uncollectible accounts)	(149,539)	(89,204)	(87,554)	(2,510)		(328,807)	(2,878)
Related party notes receivable							(11,921)
Leases receivable and related deferred inflows				40		40	
Accounts payable and other accrued expenses	242,793	(631,175)	(239,530)	30,739	272,427	(324,746)	107,061
Contracts payable	196,336	859,760				1,056,096	
Accrued liabilities							876,134
Unearned revenue							266,811
Compensated absences							654,865
Claims liability							106,540
Net pension liability, deferred outflows and inflows	163,567	152,315	214,129	(47,397)	53,488	536,102	285,833
Total OPEB liability, deferred outflows and inflows	56,197	49,658	96,143	23,007	32,610	257,615	14,492
Cash Flows from Operating Activities	<u>\$4,068,973</u>	<u>\$10,138,082</u>	<u>\$1,217,922</u>	<u>\$6,118</u>	<u>(\$2,162,932)</u>	<u>\$13,268,163</u>	<u>\$2,653,262</u>
NONCASH TRANSACTIONS:							
Contributions of capital assets, net	<u>\$2,600,735</u>	<u>\$1,293,996</u>				<u>\$3,894,731</u>	
Transfer of capital assets from governmental activities					<u>\$7,335,788</u>	<u>\$7,335,788</u>	
Amortization of bond premium	<u>\$193,315</u>	<u>\$84,094</u>				<u>\$277,409</u>	
Transfer noncash assets/liabilities to/from governmental activities					<u>(\$1,882,695)</u>	<u>(\$1,882,695)</u>	

See accompanying notes to basic financial statements

This Page Left Intentionally Blank

FIDUCIARY FUNDS

FIDUCIARY FUNDS

These funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the City-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY

The Fund is used to account for the activities of the Successor Agency to the former Manteca Redevelopment Agency.

CITY OF MANTECA
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2023

	Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund
ASSETS	
Cash and investments (Note 3)	\$8,565,355
Restricted cash and investments (Note 3)	2,175,613
Capital assets, not being depreciated (Note 17C)	726,026
Capital assets, being depreciated (net) (Note 17C)	1,614,709
Total Assets	13,081,703
LIABILITIES	
Accounts payable	3,614
Due to the County Auditor-Controller (Note 17E)	1,760,625
Interest payable	649,185
Long-term obligations (Note 17D):	
Due in one year	4,315,000
Due in more than one year	87,771,619
Total Liabilities	94,500,043
NET POSITION (DEFICIT)	
Held in trust for other purposes	(\$81,418,340)

See accompanying notes to basic financial statements

CITY OF MANTECA
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2023

	Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund
ADDITIONS	
Property taxes	\$1,427,520
Net investment income	<u>140,987</u>
Total additions	<u>1,568,507</u>
DEDUCTIONS	
Community development	258,052
Loss on sale of capital assets	847,346
Pass through to San Joaquin County (Note 17E)	1,760,625
Depreciation (Note 17C)	125,618
Interest and fiscal charges	<u>2,384,804</u>
Total deductions	<u>5,376,445</u>
CHANGE IN NET POSITION	(3,807,938)
NET POSITION HELD IN TRUST FOR OTHER PURPOSES	
Beginning of year	<u>(77,610,402)</u>
End of year	<u><u>(\$81,418,340)</u></u>

See accompanying notes to basic financial statements

This Page Left Intentionally Blank

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Manteca was incorporated as a general law city on May 28, 1918. The City operates under the Council-Manager form of government and provides the following services: public safety (police and fire), highways and streets, sanitation, water, solid waste, culture-recreation, public improvements, planning and zoning, general administration services, and redevelopment.

A. Reporting Entity

The accompanying basic financial statements of the City of Manteca include the financial activities of the City as well as the Manteca Financing Authority, which is controlled by and dependent on the City. While this is a separate legal entity, City Council serves in separate session as its governing body and its financial activities are integral to those of the City. The financial activities have been aggregated and merged (termed “blended”) with those of the City in the accompanying financial statements.

The **Manteca Financing Authority** is a separate government entity whose purpose is to assist with the financing or refinancing of certain public capital facilities within the City. The Authority has the power to purchase bonds issued by any local agency at public, or negotiated sale, and may sell such bonds to public or private purchasers at public, or negotiated sale. The Authority is controlled by the City and has the same governing body as the City, which also performs all accounting and administrative functions for the Authority. The financial activities of the Authority are included in the Sewer Enterprise Fund. Financial statements for the Manteca Financing Authority component unit may be obtained from the City of Manteca at 1001 West Center Street, Manteca, California, 95337.

The **City of Manteca Housing Authority**, formed in February 2011, is a separate government entity whose purpose is to assist with the housing for the City’s low and moderate income residents. The Housing Authority is controlled by the City and has the same governing body as the City, which also performs all accounting and administrative functions for the Housing Authority. The Housing Authority did not undertake any transactions during fiscal year 2023. Separate financial statements are not issued for the City of Manteca Housing Authority.

The financial statements of the City of Manteca Recreational Facilities, Inc. are excluded from the City’s basic financial statements because the City does not control the Corporation’s daily operations or operating budgets and because the Corporation has provided its own capital.

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 Government 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.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government (the City and its blended component units). These statements include the financial activities of the overall City government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities, except for interfund services provided and used. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City 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 (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Separate statements for each fund category—*governmental, proprietary, and fiduciary*—are presented. The emphasis of fund financial statements is on major individual governmental and enterprise (proprietary) funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

C. Major Funds

Major funds are defined as funds that have either assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. Major governmental and business-type funds are identified and presented separately in the fund financial statements. All other funds, called non-major funds, are combined and reported in a single column, regardless of their fund-type. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

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

GENERAL FUND - The General Fund is used for all the general revenues of the City not specifically levied or collected for other City funds and the related expenditures. The General Fund accounts for all financial resources of a governmental unit which are not accounted for in another fund.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

LOW AND MODERATE INCOME HOUSING ASSETS FUND - Established to account for revenues and expenditures as a result of the activities related to the housing assets assumed by the City as Housing Successor to the former Redevelopment Agency and the revenues and expenditures related to the low and moderate income housing program. The activities are governed by California redevelopment law and must be used to provide housing for people with low and moderate incomes.

HOMELESS NAVIGATION CENTER FUND - Established to account for the financing and construction activities associated with the regional low barrier emergency homeless shelter. Financing is provided by local, State and Federal Grants.

SPECIAL APPORTIONMENT STREETS FUND - Established to account for the construction and maintenance of the street system in Manteca. Financing is provided through local transportation funds and State and Federal grants.

PUBLIC FACILITIES IMPLEMENTATION PLAN FUND - Established to account for the costs incurred for the development of a Public Facilities Implementation Plan. This fund accounts for the developer impact fees collected and expended in the construction of the drainage and transportation elements of the Plan. The sewer and water developer impact fees collected and expended in connection with the Plan are accounted for in their respective Enterprise Funds.

The City reported all its enterprise funds as major funds in the accompanying financial statements:

WATER FUND - Accounts for the provision of water services to residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, capital improvements, maintenance, billing and collection. The water developer impact fees collected and expended in connection with the Public Facilities Implementation Plan are also accounted for in this fund.

SEWER FUND - Accounts for the provision of sewer services to residents of the City and some residents of the County. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, capital improvements, maintenance, financing and related debt service, billing and collection. The sewer developer impact fees collected and expended in connection with the Public Facilities Implementation Plan are also accounted for in this fund.

SOLID WASTE FUND - Accounts for the provision of solid waste collection services to residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, capital improvements, maintenance, financing and related debt service, billing and collection.

GOLF FUND - Accounts for the operations of the City's municipal golf course. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, capital improvements, maintenance, financing and related debt service, billing and collection.

TRANSIT FUND - Established to account for all funding received (federal, state, and local transportation) associated with the formation and operation of a city managed public transit system.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City also reports the following fund types:

Internal Service Funds. The funds account for vehicle, equipment, payroll tax benefits and insurance; all of which are provided to other departments on a cost-reimbursement basis.

Fiduciary Funds. Fiduciary Funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The Successor Agency to the Manteca Redevelopment Agency Private-Purpose Trust Fund accounts for the accumulation of resources to be used for payments at appropriate amounts and times in the future. The financial activities of the funds are excluded from the government-wide financial statements, but are presented in the separate Fiduciary Fund financial statements.

D. Basis of Accounting

The government-wide, proprietary fund and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable* and *available*. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, including lease liabilities and subscription liabilities, as well as claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Governmental capital asset acquisitions, including entering into contracts giving the City the right to use leased assets and right-to-use subscription assets, are reported as *expenditures* in governmental funds. Proceeds of governmental long-term debt and acquisitions under financing through leases are reported as *other financing sources*.

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. In addition, contributions from state and federal agencies, developers and others are recorded as revenue.

The City may fund programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. The City's policy is to first apply restricted resources to such programs, followed by general revenues if necessary.

Certain indirect costs are included in program expenses reported for individual functions and activities.

Those revenues susceptible to accrual are intergovernmental revenues, use of money and property revenue, charges for services and fines and penalties. Sales taxes collected and held by the State at year-end on behalf of the City also are recognized as revenue.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expenditures are also generally recognized under the modified accrual basis of accounting. An exception to this rule is principal and interest on long-term debt, which is not recognized by debt service funds until it is due. Financial resources usually are appropriated in funds responsible for repaying debt for transfer to a debt service fund in the period in which maturing debt principal and interest must be paid. Thus, the liability is recognized by the fund responsible for paying the debt, not the debt service fund.

E. Revenue Recognition for Water, Sewer and Solid Waste

Revenues are recognized based on cycle billings rendered to customers. Revenues for services provided but not billed at the end of a fiscal period are not material and are not accrued.

F. Property Tax

San Joaquin County assesses properties, and it bills, collects, and distributes property taxes to the City. The County remits the entire amount levied and handles all delinquencies, retaining interest and penalties. Secured and unsecured property taxes are levied on January 1 of the preceding fiscal year.

Secured property tax is due in two installments, on November 1 and March 1, and becomes a lien on those dates. It becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1, and becomes delinquent on August 31. Collection of delinquent accounts is the responsibility of the county, which retains all penalties collected.

The term “unsecured” refers to taxes on personal property other than real estate, land and buildings. These taxes are secured by liens on the property being taxed. Property tax revenues are recognized by the City in the fiscal year they are assessed, provided they become available as defined above.

G. Compensated Absences

The liability for compensated absences includes the vested portions of vacation, sick leave and compensated time off, administrative leave and furlough for Safety. For governmental funds, a liability for these amounts is recorded only if they have matured, for example, as a result of employee resignations and retirements. The remaining amounts are reported as a liability in the Statement of Net Position. Proprietary funds’ liability for compensated absences is recorded in each proprietary fund. The liability for compensated absences is determined annually.

Changes in compensated absences were as follows:

Beginning Balance	\$6,850,921
Additions	4,854,589
Payments	<u>(4,199,724)</u>
Ending Balance	<u>\$7,505,786</u>
Current Portion	<u>\$4,503,471</u>

Compensated absences are liquidated by the fund that has recorded the liability. The long-term portion of the governmental activities compensated absences is liquidated primarily by the General Fund.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of net position or balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets 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. The City has deferred outflows of resources related to pensions and Other Post-Employment Benefits (OPEB) as discussed in Notes 10 and 11.

In addition to liabilities, the statement of net position or balance sheet reports 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 one item, which arises under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is only reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: accounts receivable, notes receivable and leases. The City also has deferred inflows of resources which arise under the full accrual basis of accounting related to pensions and OPEB as discussed in Notes 10 and 11. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

I. *Fair Value Measurements*

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

J. *Prepays and Deposits*

Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Prepays and deposits in governmental funds are equally offset by nonspendable fund balance which indicates that they do not constitute available spendable resources even though they are a component of net current assets.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. *Estimates and Assumptions*

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

L. *New and Recategorized Funds*

The Homeless Navigation Center Special Revenue Fund was established to account for the financing and construction activities associated with the regional low barrier emergency homeless shelter. Financing is provided by local, State and Federal Grants.

The Federal Transit Management Fund was recategorized from a Special Revenue Fund to the Transit Enterprise Fund as of July 1, 2022.

The Engineering Services Special Revenue Fund was established to account for developer fees used to oversee planning, design, and construction for new capital projects. The activity was previously recorded in the Development Services Special Revenue Fund.

The Fire Facilities Fee Capital Improvement Fund was established to account for financing and construction activities related to Fire Facilities. Financing is provided by fees imposed on developments. The activity was previously recorded in the Government Building Facilities Capital Improvement Fund.

The Neighborhood Parks In Lieu Fee Capital Improvement Fund was established to account for fees paid by developers in-lieu of building and dedicating a park when a development is determined to be too small to develop their own neighborhood park. The activity was previously recorded in the Parks Capital Improvement Fund.

The Gas Tax SB1 Capital Improvement Fund was established to account for the Road Maintenance and Rehabilitation Account that addresses deferred maintenance of the local street and road systems and is funded by the State of California. The activity was previously recorded in the State Gasoline Tax Capital Improvement Fund.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING

A. *Budgeting Procedures*

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through the adoption of a resolution.
4. All budget adjustments are approved by the City Council. Expenditures may not legally exceed budgeted appropriations at the Fund level for all funds.
5. Budgets are adopted for all funds other than some Fiduciary Funds.
6. Formal budgetary integration is employed as a management control device during the year in all funds.
7. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

B. *Encumbrances*

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrance accounting is employed as an extension of formal budgetary integration in all budgeted funds. Encumbrances outstanding at year end are reported as a restriction, commitment or assignment of fund balances since they do not constitute expenditures or liabilities and are reappropriated in the following year. Unexpended appropriations lapse at year end and must be reappropriated in the following year.

C. *Expenditures in Excess of Appropriations*

The following funds incurred expenditures in excess of appropriations. Sufficient resources were available within each fund to finance these excesses:

Fund	Excess of Expenditures Over Appropriations
Special Revenue Funds:	
Landscape and Lighting Maintenance District	\$129,705
Public Safety Sales Tax	46,536
Capital Improvement Fund:	
Neighborhood Parks In Lieu Fee	23,054

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 3 - CASH AND INVESTMENTS

The City's dependence on property tax receipts, which are received semi-annually, requires it to maintain significant cash reserves to finance operations during the remainder of the year. The City pools cash from all sources and all funds except Cash with Fiscal Agents so that it can be invested at the maximum yield, consistent with safety and liquidity, while individual funds can make expenditures at any time. Investments are carried at fair value.

A. Policies

The City invests in individual investments and in investment pools. Individual investments are evidenced by specific identifiable pieces of paper called *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system. In order to maximize security, the City employs the Trust Department of a bank as the custodian of all City managed investments, regardless of their form.

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the City's cash on deposit or first trust deed mortgage notes with a value of 150% of the City's cash on deposit as collateral for these deposits. Under California Law this collateral is held in an investment pool by an independent financial institution in the City's name and places the City ahead of general creditors of the institution pledging the collateral.

The City's investments are carried at fair value, as required by generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

B. Classification

Cash and investments as of June 30, 2023 are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of City debt instruments or Agency agreements.

Cash and investments available for City operations	\$371,579,744
Restricted cash and investments	18,116,413
Total City cash and investments of primary government	389,696,157
Cash and investments in Fiduciary Funds	8,565,355
Restricted cash and investments in Fiduciary Funds	2,175,613
Total cash and investments	\$400,437,125

Cash and investments as of June 30, 2023 consist of the following:

Cash on hand	\$2,250
Deposits with financial institutions	92,805,362
Investments	307,629,513
Total cash and investments	\$400,437,125

Cash and investments are used in preparing Proprietary Fund statements of cash flows because these assets are highly liquid and are expended to liquidate liabilities arising during the year.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 3 - CASH AND INVESTMENTS (Continued)

C. Investments Authorized by the California Government Code and the City's Investment Policy

The City's Investment Policy and the California Government Code allow the City to invest in the following, provided the credit ratings of the issuers are acceptable to the City, and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code or the City's Investment Policy where it is more restrictive:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
United States Treasury Bills, Bonds and Notes Federal Agency or United States Government- Sponsored Enterprise Obligations	5 years	None	100%	No Limit
Mortgage Pass Through Federal Agency Securities	5 years	None	20%	No Limit
California State and Local Agency Obligations	5 years	A	(1)	No Limit
Other State Obligations	5 years	A	(1)	No Limit
Bankers' Acceptances	180 days	Highest Category	40%	5% (2)
Commercial Paper	270 days	Highest Category	40%	5% (3)
Negotiable Certificates of Deposit	5 years	A	30%	5% (2)
Repurchase Agreements	90 days	None	100%	5% (2)
Local Agency Investment Fund	n/a	None	\$75 million/account	\$75 million/account
Time Certificates of Deposit	5 years	None	25%	5% (2)
Medium-Term Corporation Notes	5 years	A	30%	5% (3)
Money Market Funds	n/a	Highest Category	100%	5% (2)
Local Government Investment Pools	n/a	None	50%	5% (2)
Supranationals	5 years	AA	30%	No Limit
Asset-Backed Securities	5 years	AA	20%	No Limit

- (1)** Total investments in California State and Local Agency Obligations and Other State Obligations may not exceed 30% of the City's total portfolio.
- (2)** Total value invested in any one issuer may not exceed 5% of the issuer's net worth.
- (3)** Total value invested in any one issuer may not exceed 5% of the outstanding commercial paper and the medium term notes of any single issuer.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 3 - CASH AND INVESTMENTS (Continued)

D. Investments Authorized by Debt Agreements

The City and Successor Agency must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged reserves to be used if the City or Successor Agency fails to meet the obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with City resolutions, bond indentures or State statutes. The table below identifies the investment types and their minimum credit ratings that are authorized for investments held by fiscal agents. The bond indentures contain no limitations for the maximum investment in any one issuer or the maximum percentage of the portfolio that may be invested in any one investment- type.

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality
United States Treasury Bill, Bonds, Notes	5 years	N/A
United States Government Agency Obligations	5 years	N/A
Bankers' Acceptances	30 days to 1 year	A-1
Commercial Paper	270 days to 1 year	A-1
Certificates of Deposit	30 days to 5 years	None to A
Repurchase Agreements	None to 30 days	A-1
Local Agency Investment Fund	n/a	Not rated
Money Market Funds	n/a	AA-m
Investment Agreements	None	None to AA
State and Municipal Bonds, Notes	None	Two Highest Categories

E. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City generally manages its interest rate risk by holding investments to maturity.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 3 - CASH AND INVESTMENTS (Continued)

Information about the sensitivity of the fair values of the City’s investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City’s investments by maturity or earliest call date:

Investment Type	12 Months or less	13 to 24 Months	25 to 36 Months	36 to 60 Months	Total
<i>Held by City:</i>					
U.S. Treasury Notes		\$29,137,179	\$27,242,971		\$56,380,150
Mortgage Pass Through Federal Agency Securities	\$41,646	6,272,744	4,678,417	\$2,393,291	13,386,098
Medium Term Corporate Notes					
Callable	6,494,849	10,042,406	4,544,172		21,081,427
Non-Callable	2,323,120	9,019,297	7,814,409		19,156,826
Negotiable Certificates of Deposit		1,050,243	2,858,721		3,908,964
California Local Agency Investment Fund	65,978,139				65,978,139
Money Market Mutual Funds (U.S. Securities)	14,108				14,108
Supranationals		1,370,828			1,370,828
Asset-Backed Securities	116,247	693,155	3,935,708	22,733,260	27,478,370
Municipal Bonds	1,434,219	1,028,491	364,688		2,827,398
California Asset Management Program	49,313,116				49,313,116
<i>Held by Trustees:</i>					
Money Market Mutual Funds (U.S. Securities)	46,734,089				46,734,089
Total Investments	<u>\$172,449,533</u>	<u>\$58,614,343</u>	<u>\$51,439,086</u>	<u>\$25,126,551</u>	<u>\$307,629,513</u>

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Each regular LAIF account is permitted to have up to 15 transactions per month, with a minimum transaction amount of \$5,000, a maximum transaction amount of \$75 million and at least 24 hours advance notice for withdrawals of \$10 million or more. Bond proceeds accounts are subject to a one-time deposit with no cap and are set up with a monthly draw down schedule. Included in LAIF’s investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2023, these investments have an average maturity of 260 days.

The City is a participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Sections 6500 et seq., or the “Act”) for the purpose of exercising the common power of CAMP participants to invest certain proceeds of debt issues and surplus funds. CAMP investments are limited to investments permitted by subdivisions (a) to (n), inclusive, of Section 53601 of the California Government Code. The City reports its investments in CAMP at the fair value amounts provided by CAMP, which is the same as the value of the pool share in accordance with GASB 79 requirements. At June 30, 2023, the fair value was approximate to the City’s cost. At June 30, 2023 these investments had an average maturity of 26 days.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 3 - CASH AND INVESTMENTS (Continued)

The City, as a CAMP shareholder, may withdraw all or any portion of the funds in its CAMP account at any time by redeeming shares. The CAMP Declaration of Trust permits the CAMP trustee to suspend the right of withdrawal from CAMP or to postpone the date of payment of redemption proceeds if the New York Stock Exchange is closed other than for customary weekend and holiday closings, if trading on the New York Stock Exchange is restricted, or if, in the opinion of the CAMP trustees, an emergency exists such that disposal of the CAMP pool securities or determination of its net asset value is not reasonably practicable. If the right of withdrawal is suspended, the City may either withdraw its request for that withdrawal or receive payment based on the net asset value of the CAMP pool next determined after termination of the suspension of the right of withdrawal.

Money market funds are available for withdrawal on demand and at June 30, 2023 and have a weighted average maturity of 13 days.

F. 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. Presented below is the actual rating as of June 30, 2023 for each investment type as provided by Standard and Poor's investment rating system, except as noted.

Investment Type	AAAm/AAA	AA+/AA/AA-	A+/A/A-	Moody's Aaa	Moody's Aa1	Moody's A1/A2/A3	Total
Held by City:							
Mortgage Pass Through Federal Agency Securities		\$13,386,098					\$13,386,098
Medium Term Corporate Notes							
Callable		4,040,490	\$14,715,927			\$2,325,010	21,081,427
Non-Callable		7,795,462	10,750,169			611,195	19,156,826
Money Market Mutual Funds (U.S. Securities)	\$14,108						14,108
Supranationals	1,370,828						1,370,828
Asset-Backed Securities	21,788,076			\$5,690,294			27,478,370
Municipal Bonds	97,932	1,043,155			\$743,496		1,884,583
California Asset Management Program	49,313,116						49,313,116
Held by Trustees:							
Money Market Mutual Funds (U.S. Securities)	46,734,089						46,734,089
Totals	<u>\$119,318,149</u>	<u>\$26,265,205</u>	<u>\$25,466,096</u>	<u>\$5,690,294</u>	<u>\$743,496</u>	<u>\$2,936,205</u>	180,419,445
Not rated:							
Negotiable Certificates of Deposit							3,908,964
California Local Agency Investment Fund							65,978,139
Municipal Bonds							942,815 *
Exempt from credit rating disclosure:							
U.S. Treasury Notes							56,380,150
Total Investments							<u>\$307,629,513</u>

* Investment is rated AA by Fitch

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 3 - CASH AND INVESTMENTS (Continued)

G. Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Investments by Fair Value Level:			
U.S. Treasury Notes	\$56,380,150		\$56,380,150
Mortgage Pass Through Federal Agency Securities		\$13,386,098	13,386,098
Medium Term Corporate Notes		40,238,253	40,238,253
Negotiable Certificates of Deposit		3,908,964	3,908,964
Supranationals		1,370,828	1,370,828
Asset-Backed Securities		27,478,370	27,478,370
Municipal Bonds		2,827,398	2,827,398
	<u>\$56,380,150</u>	<u>\$89,209,911</u>	145,590,061
Investments Measured at Net Asset Value Per Share:			
Held by City:			
California Asset Management Program			49,313,116
Investments Measured at Amortized Cost:			
Money Market Mutual Funds (U.S. Securities)			14,108
Held by Trustees:			
Money Market Mutual Funds (U.S. Securities)			46,734,089
Investments Exempt from Fair Value Hierarchy:			
California Local Agency Investment Fund			<u>65,978,139</u>
Total Investments			<u>\$307,629,513</u>

Investments classified in Level 1 of the fair value hierarchy were valued using quoted prices in active markets. All investments classified in Level 2 of the fair value hierarchy were valued using matrix pricing techniques maintained by various pricing vendors. These prices were obtained from various pricing sources from our custodian bank. The California Local Agency Investment Fund is exempt from classification in the fair value hierarchy. Fair value is defined as the quoted market value on the last trading day of the period.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 4 - INTERFUND TRANSACTIONS

A. Transfers Between Funds

With Council approval, resources may be transferred from one City fund to another. During the fiscal year ended June 30, 2023 the transfers were as follows:

Fund Receiving Transfers	Fund Making Transfers	Amount Transferred	Purpose
General Fund	Non-Major Governmental Funds	\$53,386	A
Non-Major Governmental Funds	General Fund	1,152,070	B
Non-Major Governmental Funds	Non-Major Governmental Funds	9,775,788	C
Sewer Enterprise Fund	General Fund	279,800	D
Golf Enterprise Fund	General Fund	150,000	B
		<u>\$11,411,044</u>	

- A To close fund
- B To fund operations
- C To reclassify fund activity
- D Transfer 50% of the business license tax collections to lower the PFIP Sewer Fee, in accordance with the 2013 Public Facilities Implementation Plan Update

In addition to the transfers above, governmental activities transferred accounts receivable of \$3,637,850, net capital assets of \$7,335,788, unearned revenue of \$2,620,320, pension-related balances of (\$337,280), OPEB-related balances of (\$1,443,319), and other asset and liability balances netting to (\$1,017,530), for a net transfer of \$5,555,189 associated with the transition of the Federal Transit Management Special Revenue Fund to the Transit Enterprise Fund on July 1, 2022.

B. Current Interfund Balances

Current interfund balances arise mainly due to the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These balances are expected to be repaid shortly after the end of the fiscal year. At June 30, 2023, interfund balances were as follows:

Due From Funds	Due To Funds	Amount
General Fund	Special Apportionment Streets Special Revenue Fund	\$6,256,856
	Transit Enterprise Fund	2,288,995
	Non-Major Governmental Funds	657,626
	Total	<u>\$9,203,477</u>

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 4 - INTERFUND TRANSACTIONS (Continued)

C. Long-Term Interfund Advances

At June 30, 2023, the funds below had made advances that are not expected to be repaid within the next year. These long-term interfund advances are expected to be repaid out of future developer fees.

(Asset)	(Liability)	Amount of
Fund Making Advance	Fund Receiving Advance	Advance
General Fund	Public Facilities Implementation Plan Fund	\$1,081,780
Public Facilities Implementation Plan Fund	Water Enterprise Fund	3,200,726
	Sewer Enterprise Fund	7,461,570
Water Enterprise Fund	Public Facilities Implementation Plan Fund	180,280
	Sewer Enterprise Fund	272,802
Sewer Enterprise Fund	Public Facilities Implementation Plan Fund	259,606
	Water Enterprise Fund	86,961
	Total Advances	<u>\$12,543,725</u>

Public Facilities Implementation Plan

Advances above in the amount of \$12,543,725 have been made between the Public Facilities Improvement Plan, General Fund, Water, and Sewer Funds in coordination with the City’s adopted Public Facilities Implementation Plan. The long-term interfund advances to and from these funds were made in accordance with this Plan and are expected to be repaid out of future developer fees over the next fifteen years.

During the fiscal year 2011 the Public Facilities Implementation Plan Fund made an additional advance to the Sewer Enterprise Fund in the amount of \$5,000,000 which is included in the balance above. The advance bears interest at an annual rate of 2%.

D. Internal Balances

Internal balances are presented in the Entity-wide financial statements only. They represent the net interfund receivables and payables remaining after the elimination of all such balances within governmental and business-type activities.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 5 - REDEVELOPMENT AGREEMENTS AND NOTES RECEIVABLE

The former Redevelopment Agency engaged in programs designed to encourage construction of or improvement to low-to-moderate income housing. Under these programs, grants or loans are provided under favorable terms to homeowners or developers who agree to expend these funds in accordance with the Agency's terms. With the dissolution of the Redevelopment Agency as discussed in Note 17, the City agreed to become the successor to the Redevelopment Agency's housing activities and as a result the Low and Moderate Income Housing Asset Fund assumed the loans receivable of the Redevelopment Agency's Low and Moderate Income Housing Fund. The balances of the notes receivable in the Low and Moderate Income Housing Asset Fund at June 30, 2023 are set forth below:

A. Summary of Notes Receivable and Unavailable Revenue

The City has deferred the recognition of revenues from the proceeds of the Notes. At June 30, 2023, these Notes totaled:

HOPE Shelter	\$1,206,037
Habitat for Humanity	10,000
Down Payment Assistance Program	1,286,700
Residential Rehabilitation	73,458
First-Time Homebuyer Program	60,000
Mid-Peninsula Housing Coalition	2,500,000
Eden Housing Inc. - Union Court Apartments	2,593,742
Eden Housing Inc. - Senior Housing	1,680,932
Manteca Senior Housing, LLC - Affirmed Housing	750,000
Senior Rehabilitation Loans	17,070
Manteca Atherton Associates - Juniper Apartments	12,750,000
Total notes receivable	22,927,939
Less: Allowance for conditional grants	(887,824)
Net long-term notes receivable	\$22,040,115

In addition, the General Fund has recorded a loan receivable in the amount of \$540,000 as discussed in Note 16D.

Unavailable revenue at June 30, 2023 consisted of the outstanding balances of the above notes.

B. HOPE Shelter

On November 16, 2010, the Agency entered into an Owner Participation and Loan Agreement with HOPE to loan \$1,243,440 to fund the construction phase of the rehabilitation of the Shelter. This loan is secured by a deed of trust and bears simple interest of one percent from the date of each disbursement of loan funds, if the new rental units are used for affordable housing for low and moderate income households for fifty-five years after completion of construction. The Agency agreed to forgive the loan after fifty-five years if the facility is used for the stated purpose.

As of June 30, 2023, HOPE had drawn down \$1,206,037 of the available loan and no further drawdowns are expected.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 5 - REDEVELOPMENT AGREEMENTS AND NOTES RECEIVABLE (Continued)

C. *Habitat for Humanity*

In March 1998 the Agency loaned \$10,000 to the Habitat for Humanity, to be used toward the purchase of property to construct an affordable housing unit. Habitat has signed a promissory note secured by a deed of trust. The loan only becomes due if the property is not maintained as affordable housing. If the property is used for the stated purpose for thirty years, the City will forgive the loan.

D. *Down Payment Assistance Program*

The Moderate Income Housing Down Payment Assistance Program was established in 2004 to provide financing for homebuyers with moderate income who are unable to qualify for a home purchase without down payment assistance. At June 30, 2023, loans related to this Program in the amount of \$1,286,700 had been extended. These loans are secured by second deeds of trust and bear no interest. These promissory notes are due if the home is sold, equity is removed, home is non-owner occupied, or after 40 years.

E. *Residential Rehabilitation Loans*

During fiscal year 2003 the Redevelopment Agency began the Residential Rehabilitation Matching Grant Program under which it made loans to real property owners in the Redevelopment Area for the purpose of making property improvements. The Agency agreed to forgive the loans after ten years based on program provisions; the loans bear eight percent interest due from date of closing applicable only in case of default. At June 30, 2023, loans receivable under this program totaled \$73,458.

F. *First-Time Homebuyer Loan Program*

In January 2002 the Agency engaged in a First-Time Homebuyer Down Payment Assistance Program designed to encourage home ownership among low-and-moderate-income households. Under this program, an interest free loan up to \$60,000 is provided to eligible households to be used as part of the down payment for the purchase of home in the City of Manteca. These promissory notes are secured by second deeds of trust and due forty years from the date the property was purchased. The balance of the notes receivable arising from this program at June 30, 2023 was \$60,000.

G. *Mid-Peninsula Housing Coalition*

In March 2006, the Manteca Redevelopment Agency entered into a loan agreement with the Mid-Peninsula Housing Coalition for affordable housing. Under the terms of the agreement, the Agency loaned \$2,500,000 to partially fund the acquisition of the property to be used for the construction of affordable rental housing. The note bears interest of 3% interest. Repayment of the loan will commence on April 30 of the year after the completion of construction of the project. Principal and interest payments will be due annually and equal to 50% of residual receipts, if any, as defined in the loan agreement. The loan is due in full no later than December 31, 2065. The agreement is secured by a deed of trust. Mid-Peninsula Housing Coalition is in default on the loan. The City is in negotiations to resolve the issue.

H. *Eden Housing Inc. – Union Court Apartments*

On September 1, 2000, the Agency agreed to loan \$2,593,742 to Eden Housing Inc., for the acquisition and rehabilitation of the Union Court Apartments. The loan is secured by a second deed of trust, bears interest at one percent and is due in 2055.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 5 - REDEVELOPMENT AGREEMENTS AND NOTES RECEIVABLE (Continued)

I. Eden Housing Inc. – Senior Housing (Almond Terrace)

On June 5, 2000, the Agency agreed to loan Eden Housing Inc. up to \$900,000 at three percent interest to assist with the acquisition of two parcels and construction of fifty units of affordable rental housing for very-low-income seniors. On April 17, 2002, the Agency loaned an additional \$781,000 to increase the total amount of loan to \$1,681,000 in order to help Eden Housing Inc. complete the construction. The loan is secured by a deed of trust. If Eden Housing sells or transfers any of the parcels prior to the June 5, 2030 due date, the unpaid principal and interest on those parcels become due. As of June 30, 2023, Eden Housing had drawn down the loan in the amount of \$1,680,932.

J. Manteca Senior Housing Inc. – Affirmed Housing

On March 22, 2007, the Agency agreed to loan Manteca Senior Housing Inc. \$750,000 along with a grant of \$2,000,000 to be used for the acquisition and development costs for the fifty-two-unit apartment complex available for low income households. The Agency agreed to forgive the loan after fifty-five years based on program provisions; the loan bears a three percent interest due from date of closing applicable only in case of default. If there are residual receipts, the developer must pay to the City fifty percent of the receipts. At June 30, 2023, \$750,000 has been drawn down from the loan, and all \$2,000,000 of the grant has been drawn down.

K. Senior Rehabilitation Loans

During fiscal year 2010, the Agency began the Senior Rehabilitation Loan Program under which it made loans up to \$7,500 to senior citizens in the Redevelopment Area for the purpose of making property improvements. The terms and conditions of the loans are dependent upon the income of the applicants. At June 30, 2023, loans receivable under this program totaled \$17,070.

L. Manteca Atherton Associates – Juniper Apartments

On December 21, 2010, the Agency entered into an Owner Participation and Loan Agreement under which it agreed to loan \$12,250,000 to Manteca Atherton Associates to finance the construction of the Juniper Apartments, a 153-unit affordable housing complex. The Agreement was amended in March 2011 to increase the loan to \$12,750,000, payable as follows: \$4,530,644 of the loan is to pay the cost of the City development fees, \$4,301,069 is to pay for the cost of acquiring the land and construction costs, and \$3,918,287 is to be disbursed upon completion of the project to repay other sources of construction financing. The loan is secured by a deed of trust and bears simple interest of one percent from the date of each disbursement of loan funds. The loan is repayable from residual receipts, as defined in the agreement, beginning twelve months after the issuance of the certificate of occupancy, which was issued on October 10, 2012, and all unpaid principal and interest on the loan is due fifty-five years after the issuance of the certificate of occupancy.

The Agency disbursed the loan to an escrow account from which the developer drew the funds as eligible costs were incurred. The balance of the loan receivable as of June 30, 2023 is \$12,750,000.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 5 – REDEVELOPMENT AGREEMENTS AND NOTES RECEIVABLE (Continued)

M. Conditional Grants

The City has several programs under which it extends loans to qualifying individuals or groups for the purpose of improving the City’s housing stock and/or its supply of low-and-moderate income housing. Certain of these loans provide for the eventual forgiveness of the loan balance if the borrower complies with all the terms of the loan over its full term. The City accounts for these loans as conditional grants in the Government-wide financial statements and provides a reserve against their eventual forgiveness using the straight-line method over the life of the respective loan. The balance of the allowance for conditional grants as of June 30, 2023 is \$887,824.

NOTE 6 – EMPLOYEE NOTES RECEIVABLE

All full-time City employees who have completed their probationary period are eligible to obtain an interest free loan of up to \$3,000 to purchase a computer. All requests for loans are subject to review by the employee’s department manager and the Information Technology Department, and ultimately must be approved by the Finance Director. Repayment of these loans is handled through payroll deductions which are spread out equally over a three-year period or less. Employees must repay the outstanding balance of their loans upon ending their employment with the City. As of June 30, 2023, 30 employees had notes totaling \$41,054 due to the City.

NOTE 7 – CAPITAL ASSETS

Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at estimated acquisition value on the date contributed. All other capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for intangible right to-use lease assets, the measurement of which is discussed in Note 14 below, and intangible right to use subscription assets, the measurement of which is described in Note 15 below. The City’s practice is to capitalize all assets with costs exceeding the \$5,000 threshold.

Depreciation is provided using the straight-line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The City has assigned the useful lives listed below to capital assets:

Buildings and Improvements	30 years
Right-to-Use Buildings	3 years
Machinery and Equipment	5-15 years
Right-to-Use Equipment	3-5 years
Right-to-Use Software	2-7 years
Storm Drain	50 years
Streets	30 years
Parks	15-30 years
Subscription Assets	2-6 years
Sewer Lines and Improvements	50 years
Water Wells and Lines	50 years
Sewer Plant Expansion	10-20 years
Water Rights	25 years

Major outlays for capital assets and improvements are capitalized as projects are constructed.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 7 – CAPITAL ASSETS (Continued)

A. Capital Asset Additions and Retirements

Capital assets activities for the year ended June 30, 2023 were as follows:

<i>Governmental activities</i>	Balance at June 30, 2022 (as Restated)	Additions	Retirements	Transfers	Balance at June 30, 2023
Capital assets not being depreciated:					
Land and improvements	\$61,306,179	\$1,760,625			\$63,066,804
Subscription assets in progress		109,305			109,305
Construction in progress	50,121,301	18,054,483		(\$35,959,215)	32,216,569
Total capital assets not being depreciated	<u>111,427,480</u>	<u>19,924,413</u>		<u>(35,959,215)</u>	<u>95,392,678</u>
Capital assets being depreciated:					
Buildings and improvements	43,510,407	661,028		(7,412,358)	36,759,077
Intangible right-to-use building	634,944				634,944
Machinery and equipment	29,904,686	1,708,347	(\$370,501)	(2,526,517)	28,716,015
Intangible right-to-use equipment	28,661				28,661
Storm drain	64,026,542	4,897,180			68,923,722
Streets	287,206,322	10,424,547		34,234,476	331,865,345
Parks	76,440,690	3,557,793			79,998,483
Subscription assets	1,340,920	58,974			1,399,894
Total capital assets being depreciated	<u>503,093,172</u>	<u>21,307,869</u>	<u>(370,501)</u>	<u>24,295,601</u>	<u>548,326,141</u>
Less accumulated depreciation for:					
Buildings and improvements	(16,621,100)	(996,774)		2,725,561	(14,892,313)
Intangible right-to-use building	(162,114)	(162,114)			(324,228)
Machinery and equipment	(21,307,930)	(1,835,883)	370,501	1,602,265	(21,171,047)
Intangible right-to-use equipment	(4,019)	(8,507)			(12,526)
Storm drain	(17,592,367)	(1,703,747)			(19,296,114)
Streets	(102,049,472)	(9,524,405)			(111,573,877)
Parks	(32,818,010)	(2,556,346)			(35,374,356)
Subscription assets		(280,160)			(280,160)
Total accumulated depreciation	<u>(190,555,012)</u>	<u>(17,067,936)</u>	<u>370,501</u>	<u>4,327,826</u>	<u>(202,924,621)</u>
Net capital assets being depreciated	<u>312,538,160</u>	<u>4,239,933</u>		<u>28,623,427</u>	<u>345,401,520</u>
Governmental activity capital assets, net	<u>\$423,965,640</u>	<u>\$24,164,346</u>		<u>(\$7,335,788)</u>	<u>\$440,794,198</u>

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 7 – CAPITAL ASSETS (Continued)

<i>Business-type activities</i>	Balance at June 30, 2022	Additions	Retirements	Transfers	Balance at June 30, 2023
Capital assets not being depreciated:					
Land and improvements	\$4,394,232				\$4,394,232
Construction in progress	26,880,720	\$212,191			27,092,911
Total capital assets not being depreciated	<u>31,274,952</u>	<u>212,191</u>			<u>31,487,143</u>
Capital assets being depreciated:					
Sewer lines and improvements	74,287,007	2,297,507			76,584,514
Water wells, pipelines and water rights	149,849,429	2,883,622			152,733,051
Buildings and improvements	9,410,820	30,447	(\$14,167)	\$9,137,097	18,564,197
Intangible right-to-use building	21,922				21,922
Machinery and equipment	26,673,788	3,578,438	(1,518,122)	2,526,517	31,260,621
Intangible right-to-use equipment	23,487				23,487
Infrastructure	165,424				165,424
Sewer plant expansion	134,387,930	514,036	(5,987,218)		128,914,748
	<u>394,819,807</u>	<u>9,304,050</u>	<u>(7,519,507)</u>	<u>11,663,614</u>	<u>408,267,964</u>
Less accumulated depreciation for:					
Sewer lines and improvements	(25,282,118)	(1,388,374)			(26,670,492)
Water wells, pipelines and water rights	(63,817,980)	(3,880,053)			(67,698,033)
Buildings and improvements	(5,897,936)	(551,975)	14,167	(2,725,561)	(9,161,305)
Intangible right-to-use building	(6,089)	(7,307)			(13,396)
Machinery and equipment	(19,127,519)	(2,770,914)	1,518,122	(1,602,265)	(21,982,576)
Intangible right-to-use equipment	(3,980)	(4,697)			(8,677)
Infrastructure	(74,363)	(6,568)			(80,931)
Sewer plant expansion	(37,968,781)	(2,576,474)	5,987,218		(34,558,037)
	<u>(152,178,766)</u>	<u>(11,186,362)</u>	<u>7,519,507</u>	<u>(4,327,826)</u>	<u>(160,173,447)</u>
Net capital assets being depreciated	<u>242,641,041</u>	<u>(1,882,312)</u>		<u>7,335,788</u>	<u>248,094,517</u>
Total Business-type activity capital assets, net	<u>\$273,915,993</u>	<u>(\$1,670,121)</u>		<u>\$7,335,788</u>	<u>\$279,581,660</u>

B. Capital Asset Contributions

Some capital assets may be acquired using Federal and State grant funds, or they may be contributed by developers or other governments. These contributions are accounted for as revenues at the time the capital assets are contributed.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 7 – CAPITAL ASSETS (Continued)

C. Depreciation Allocation

Depreciation expense is charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or program was as follows:

Governmental Activities	
General government	\$121,226
Community development	285,746
Public safety	2,116,241
Public works	1,795,007
Parks and recreation	2,798,874
Streets and highways	9,414,628
Internal Service Funds	536,214
Total Governmental Activities	\$17,067,936
Business-Type Activities	
Water	\$4,186,823
Sewer	4,588,985
Solid waste	1,588,022
Golf	72,556
Transit	749,976
Total Business-Type Activities	\$11,186,362

NOTE 8 – LONG TERM DEBT

The City generally incurs long-term debt to finance projects or purchase assets which will have useful lives equal to or greater than the related debt. The City's debt issues and transactions are summarized below and discussed in detail thereafter.

A. Current Year Transactions and Balances

	Original Issue Amount	Balance June 30, 2022	Retirements	Balance June 30, 2023	Current Portion
Business-type Activity Debt:					
Sewer Revenue Bonds					
Series 2009 Bonds, 4.875-5.75%	\$19,000,000	\$19,000,000		\$19,000,000	
Series 2012 Refunding Bonds, 2.00 - 4.00%	22,690,000	11,265,000	\$1,755,000	9,510,000	\$1,895,000
Net premium		1,723,924	84,094	1,639,830	
Water Revenue Bonds					
Series 2012 Refunding Bonds, 2.00 - 5.00%	35,840,000	24,715,000	1,555,000	23,160,000	1,630,000
Net premium		3,962,570	193,315	3,769,255	
Total Business - Type Activity Debt	\$77,530,000	\$60,666,494	\$3,587,409	\$57,079,085	\$3,525,000

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 8 – LONG TERM DEBT (Continued)

B. Sewer Revenue Bonds

On May 27, 2009 the Manteca Financing Authority issued the Sewer Revenue Bonds Series 2009 in the amount of \$19,000,000 to finance the City's expansion and upgrade of its Wastewater Quality Control Facility. The 2009 Revenue Bonds are secured on parity with the 2003 Sewer Revenue Bonds Series 2003A and 2003B, by installment payments payable by the City of Manteca under the Installment Sales Agreement dated December 1, 2003 as amended by Amendment 1 dated June 1, 2009. The installment payments are special limited obligations of the City and are secured by a pledge of and lien on the net revenues of the City's sewer system.

On December 11, 2012, the City issued Sewer Revenue Refunding Bonds, Series 2012 in the original principal amount of \$22,690,000 at interest rates that range from 2.00-5.00% to provide for a refunding of the Manteca Financing Authority's outstanding 2003A and 2003B Sewer Revenue Bonds. During fiscal year 2014, the 2003A and 2003B bonds were called and fully retired. Principal payments are due annually on December 1, with interest payments payable semi-annually on December 1 and June 1 through December 1, 2033. Repayment of these bonds is from a pledge of revenue from the Sewer Enterprise Fund.

The City has pledged future sewer revenues, net of specified operating expenses, to repay the 2009 and 2012 Sewer Revenue Bonds through 2036. Projected net customer revenues are expected to provide coverage over debt service of at least 125% over the life of the bonds. The Sewer Enterprise Fund's total principal and interest remaining to be paid on the bonds is \$40,891,957. The Sewer Enterprise Fund's principal and interest paid for the current year and total customer net revenues were \$3,237,266 and \$10,761,159 respectively.

The 2009 and 2012 Bonds contain a provision that in an event of default, the Trustee may declare the principal of the bonds, together with all accrued interest at the date of default, immediately due and payable, or exercise any and all rights and remedies available to it under applicable law, including the right to enforce from the City all payments due on the 2009 and 2012 Bonds, and the City will pay all reasonable fees and expenses incurred by the Trustee and those of its attorneys.

On March 8, 2021, Moody's Investors Service downgraded its underlying rating of the 2012 Bonds from "Aa3" to "A1". On July 5, 2023, Moody's withdrew the City's issuer rating and also withdrew its ratings of the 2009 and 2012 Bonds, due to the City's delay in issuing the audited financial statements. In addition, on April 20, 2023, Fitch Ratings withdrew its AA- rating for the 2009 Bonds for the same reason.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 8 – LONG TERM DEBT (Continued)

C. Water Revenue Bonds

On December 11, 2012, the City issued Water Revenue Refunding Bonds, Series 2012 in the original principal amount of \$35,840,000 at interest rates that range from 2.00-5.00% to provide for a refunding of the Manteca Financing Authority’s outstanding 2003A Water Revenue Bonds. During fiscal year 2014, the 2003 Water Revenue Bonds were called and fully retired. Principal payments are due annually on July 1, with interest payments payable semi-annually on July 1 and January 1 through July 1, 2033. Repayment of these bonds is from a pledge of revenue from the Water Enterprise Fund.

The City has pledged future water customer revenues, net of specified operating expenses, to repay the Water Revenue Bonds through 2033. Annual principal and interest payments on the bonds are expected to require less than 125% of net water revenues. The Water Enterprise Fund’s total principal and interest remaining to be paid on the bonds is \$30,092,000. The Water Enterprise Fund’s principal and interest paid for the current year and total customer net revenues were \$2,751,875 and \$4,277,985, respectively.

The 2012 Bonds contain a provision that in an event of default, the Trustee may declare the principal of the bonds, together with all accrued interest at the date of default, immediately due and payable, or exercise any and all rights and remedies available to it under applicable law, including the right to enforce from the City all payments due on the 2012 Bonds, and the City will pay all reasonable fees and expenses incurred by the Trustee and those of its attorneys.

As noted in Note 8B above, on July 5, 2023, Moody’s withdrew the City’s issuer rating and also withdrew it’s rating of the 2012 Bonds, due to the City’s delay in issuing the audited financial statements.

D. Debt Service Requirements

Annual debt service requirements are shown below for all long-term debt:

For the Year Ending June 30	Business-type Activities	
	Principal	Interest
2024	\$3,525,000	\$2,508,266
2025	2,910,000	2,347,740
2026	3,110,000	2,205,546
2027	3,300,000	2,061,071
2028	3,505,000	1,905,945
2029-2033	20,540,000	6,703,495
2034-2037	14,780,000	1,581,894
Total	51,670,000	\$19,313,957
Plus: Bond Premiums	5,409,085	
Gross Long Term Debt	\$57,079,085	

E. Bond Issuance Costs, Original Issue Discounts and Premiums and Deferred Charge on Refunding

For proprietary fund types, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Any differences between proprietary refunded debt and the debt issued to refund it is amortized over the remaining life of either the refunded debt or the refunding debt, whichever is shorter.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 9 – NET POSITION AND FUND BALANCES

A. Net Position

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

Net Investment in Capital Assets describes the portion of Net Position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of Net Position which is restricted to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, and redevelopment funds restricted to low-and-moderate-income purposes.

Unrestricted describes the portion of Net Position which is not restricted to use.

B. Fund Balance

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities.

The City's fund balances are classified based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

Nonspendable represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for redevelopment are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then Nonspendable amounts are required to be presented as a component of the applicable category.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Encumbrances and nonspendable amounts subject to restrictions are included along with spendable resources.

Committed fund balances have constraints imposed by formal action of the City Council which may be altered only by formal action of the City Council. The highest level of formal action of the City Council is an Ordinance. Encumbrances and nonspendable amounts subject to council commitments are included along with spendable resources.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 9 – NET POSITION AND FUND BALANCES (Continued)

Assigned fund balances are amounts constrained by the City’s intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the City Council or its designee, the Finance Director, and may be changed at the discretion of the City Council or its designee. This category includes encumbrances; nonspendables, when it is the City’s intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds which have not been restricted or committed.

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

Detailed classifications of the City’s Fund Balances, as of June 30, 2023, are below:

Fund Balance Classifications	General Fund	Special Revenue		Capital Improvement		Other Governmental Funds	Total
		Low and Moderate Income Housing Assets	Homeless Navigation Center	Special Apportionment Streets	Public Facilities Implementation Plan		
Nonspendable:							
Items not in spendable form:							
Advance to other funds	\$1,081,780						\$1,081,780
Prepays and deposits	80,000						80,000
Total Nonspendable Fund Balances	1,161,780						1,161,780
Restricted for:							
Health Reimbursement Arrangement	448,821						448,821
Low and Moderate Income Housing Projects		\$720,122					720,122
Transportation Projects						\$37,069,721	37,069,721
Development Services Projects						23,529,133	23,529,133
Engineering Services						286,440	286,440
Public Safety Projects						6,402,253	6,402,253
Parks Projects						18,891,462	18,891,462
Major Equipment Purchases						1,271,149	1,271,149
Landscaping and Lighting Projects						1,476,977	1,476,977
City and Public Facilities Projects					\$46,643,087	47,682,041	94,325,128
Flood Protection Projects						6,594	6,594
Recreation						338,826	338,826
Total Restricted Fund Balances	448,821	720,122			46,643,087	136,954,596	184,766,626
Committed to:							
Innovation and Technology Projects						292,905	292,905
Assigned to:							
Fiscal Stability	16,823,705						16,823,705
Pension	3,364,741						3,364,741
Economic Development	2,500,000						2,500,000
Public Facilities Oversizing	2,723,119						2,723,119
Capital Facilities	1,500,000						1,500,000
Technology	1,500,000						1,500,000
Total Assigned Fund Balances	28,411,565						28,411,565
Unassigned:							
General Fund	10,485,964						10,485,964
Fund balance deficits			(\$83,820)	(\$6,599,737)		(550,454)	(7,234,011)
Total Unassigned Fund Balances	10,485,964		(83,820)	(6,599,737)		(550,454)	3,251,953
Total Fund Balances	\$40,508,130	\$720,122	(\$83,820)	(\$6,599,737)	\$46,643,087	\$136,697,047	\$217,884,829

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 9 – NET POSITION AND FUND BALANCES (Continued)

C. *Minimum Fund Balance Policies and Stabilization and Contingency Arrangements*

The objective of the City’s Fund Balance Reserve Policy (Resolution 2020-111, adopted by Council action on June 16, 2020) is to establish adequate levels of fund balance reserve that will provide the City the resources necessary for financial stabilization, particularly during times of unforeseen emergencies and economic downturns. Industry best practices were used in establishing fund balance reserve levels including a target range for General Fund Operating Reserves and Emergency Reserves (Unassigned Fund Balance) of a combined total of no less than 17% of expenditures and up to 25%, depending upon identified risk factors. The fund balance reserve level should be set such that the fund balance reserve can withstand at least two negative budgetary events. The goal of the Policy is to maintain reserves at or near the 25% reserve. A planned draw down of the unassigned fund balance should not exceed 3% of the budgeted revenues unless determined necessary by the City Manager and approved by a vote of the Council. Fund balance reserves should be funded at 100% at June 30th each year if sufficient funds are available. If sufficient funds are not available, a plan to replenish the reserves back to the minimum required amount within five years, shall be presented to the City Council, by the following year’s budget adoption.

For Enterprise Funds, the target for working capital was established at baseline of 90 days working capital or 25% of operating expenses.

The Reserve Policy created six types of General Fund reserves in order of priority as follows:

Fiscal Stability Reserve: The City will strive to maintain an unrestricted fund balance of at least 25% of operating expenditures in the General Fund based upon the annual adopted budget.

This fund balance reserve is set up to provide for adequately addressing:

- Revenue source stability, local disasters and other financial hardships or downturns in the local or national economy.
- Contingencies for unseen operating or capital needs.
- Dependency of other funds on the General Fund.
- Cash flow requirements.

The target of at least 25% of operating expenses will be determined in conjunction with the City’s budget process and will be established based on the annual adopted budget.

This committed fund balance reserve is limited for use under currently budgeted operations and should not be used to fund new programs or new positions added outside of the current fiscal year budget.

Circumstances where taking reserves below policy levels would be appropriate include responding to the risks that reserves are intended to mitigate, such as:

- One-time uses in meeting cash-flow needs; closing a projected *short-term* revenue-expenditure gap; responding to unexpected expenditure requirements or revenue shortfalls; natural disasters and liability reductions, revenue base improvements, productivity improvements and other strategies that will strengthen City revenues or reduce future costs.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 9 – NET POSITION AND FUND BALANCES (Continued)

However, reserves should not be used to fund ongoing costs or projected systemic “gaps.” Stated simply, reserves should only be used once, so the use should be restricted to one-time (or short-term) uses.

In accordance with generally accepted accounting principles, when the unrestricted balance at fiscal year-end meets or is less than this target, the amount will be shown as “assigned” in the City’s audited financial statements.

Pension Stabilization Reserve: The purpose of this reserve is to mitigate the operational impact of employer contribution rate volatility, as well as to set aside funding for strategic opportunities to reduce the City’s pension liability. The City will strive to maintain an assigned fund balance of at least 5% of operating expenditures in the General Fund. This assigned fund balance shall serve as a source of funding for situations included but not limited to:

- Mitigating the impact of a significant year-over-year increase in employer contribution rates due to actions outside of the City’s control, such as low investment returns in the CalPERS portfolio and or changes to actuarial assumptions.
- Take advantage of opportunities to make non-recurring payments to CalPERS that will reduce the City’s Pension liabilities, such as paying down or paying off unfunded liabilities earlier than scheduled.

In addition to the Pension Stabilization Reserve, any un-used pension benefits, as a result of vacant positions, budgeted for each fiscal year, will be used to make a one-time payment to pay down the City’s unfunded liability.

Economic Development Reserve: Due to the dissolution of redevelopment agencies, enterprise zones and other incentives in the state, locally designated funds for economic development purposes are needed to promote the development job creation, downtown revitalization, city-wide marketing and other strategies to stimulate the local economy.

The funds for this reserve assignment will come from a pro-rata portion of residual property tax generated from the former redevelopment project areas in excess of State-approved Enforceable Obligations.

At June 30th each year any Economic Development Reserve balance in excess of \$2,500,000 will be transferred to the General Fund Unassigned Reserve.

Public Facilities Oversizing Reserve: In June 1994, the City Council adopted Ordinance No. 998, imposing a Business License Tax on the Business of Constructing Residential Dwelling Units in the City. While the revenues generated from this tax are general in nature, the tax was adopted in conjunction with the City’s Public Facilities Implementation Plan (PFIP) to fund required public facilities oversizing in the central and “core” areas of the City.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 9 – NET POSITION AND FUND BALANCES (Continued)

In February 2013, Council approved the updated PFIP. Per Section 2 (H)(3) of the adopted plan, 50% of the revenue received from this tax is to be transferred to the PFIP Sewer Fund to help lower the PFIP Sewer Fee. The remaining 50% of the revenue received will be assigned to Public Facilities Oversizing Reserve. The use of these funds shall be restricted to projects identified in the City’s adopted Capital Improvement Plan.

Capital Facilities Reserve: The City will pre-fund anticipated capital needs for General Fund Departments by establishing a dedicated assigned fund balance for major capital improvements for City-owned or operated buildings such as roofs, HVAC, parks, irrigation wells and improvements needed to comply with the Americans with Disabilities Act (ADA). This policy is primarily intended for facility capital repairs. Planning for new City facilities shall be governed by the policies set forth in the City's Government Building Facilities Fee study.

The City will establish an amount of 3% of General Fund operating expenditures based on the subsequent year’s budget to be used exclusively for capital items described within the Reserve Policy, with a maximum reserve of \$1,500,000.

Technology Reserve: The City will pre-fund major anticipated capital needs for Technology replacement and upgrade needs by establishing a dedicated assigned fund balance reserve to be funded through annual budget appropriations. Major capital needs may include, but are not limited to, Enterprise Resource Planning (ERP) software replacement, Virtual Storage Upgrades/Replacement and Fiber Optic deployment.

The City will establish an amount of 3% of General Fund operating expenditures based upon the subsequent year’s budget to be used exclusively for major hardware and software items described within the Reserve Policy, with a maximum reserve of \$1,500,000.

The reserve target and the actual balance of each reserve for the year ended June 30, 2023, which are reported within the assigned fund balance of the General Fund follows:

	Minimum or Maximum Reserve	Reserve as of June 30, 2023
General Fund:		
Assigned Fund Balance:		
Fiscal Stability	\$16,823,705	\$16,823,705
Pension Stabilization	3,364,741	3,364,741
Economic Development	2,500,000	2,500,000
Public Facilities Oversizing	2,723,119	2,723,119
Capital Facilities	1,500,000	1,500,000
Technology	1,500,000	1,500,000
Total Assigned Fund Balance		\$28,411,565

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 9 – NET POSITION AND FUND BALANCES (Continued)

In addition to the General Fund Reserves, the Reserve Policy also established the following:

Public Safety Sales Tax Fund - The City will strive to maintain a fund balance of at least 25% of operating expenditures in the Public Safety Sales Tax Fund (revised from 50% to 25% in March 2023 with Resolution 2023-27) consistent with the risk assessment methodology for setting reserve levels developed by the Government Finance Officers Association inadequately addressing:

- a) Higher levels of fund balance may be needed if significant revenue sources are subject to instability and downturns in the local or national economy.
- b) Dependency of the Public Safety Sales Tax Fund on the General Fund.

This committed fund balance reserve is limited for use under currently budgeted operations and should not be used to fund new programs or new positions added outside of the current fiscal year budget.

Circumstances where taking reserves below policy levels would be appropriate include responding to the risks that reserves are intended to mitigate, such as one-time uses in meeting cash-flow needs; closing a projected short-term revenue-expenditure gap; responding to unexpected revenue shortfalls.

Self Insurance Fund - The City will strive to maintain a fund balance of at least 50% of operating expenditures in the Self Insurance Fund consistent with the risk assessment methodology for setting reserve levels developed by the Government Finance Officers Association in adequately addressing:

- a) Higher levels of fund balance may be needed if significant operating expenditures are highly volatile or have unpredictable fluctuations.
- b) Dependency of the Self Insurance Fund on the General Fund.

This committed fund balance reserve is limited for use under currently budgeted operations and should not be used to fund new programs or new positions added outside of the current fiscal year budget.

Circumstances where taking reserves below policy levels would be appropriate include mitigating the impact of a significant year-over-year increase in insurance premiums, unanticipated legal expenses due to negotiated settlements, and short-term revenue-expenditure gaps.

The City also established a separate reserve policy for the Development Services Special Revenue Fund:

Development Services Fund - The target maximum reserve level for the Fund's Restricted Reserve balance is based on six months of currently budgeted expenditures for both the planning and engineering programs and twelve months of budgeted expenditures for the building safety program. The goal is to maintain reserves at or near the maximum end of the range. After the reserve amount has been reached, if the fund balances reserve falls below 50% of the reserve amount, then the plan to replenish the fund to the reserve amount shall be structured over a period not to exceed a three- to five-year period.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 9 – NET POSITION AND FUND BALANCES (Continued)

D. Deficit Fund Balances and Accumulated Deficits

At June 30 2023, the Homeless Navigation Center Special Revenue Fund, Special Apportionment Streets Capital Improvement Fund, Community Development Block Grant Special Revenue Fund, Fire Grants Special Revenue Fund and the COVID Relief Special Revenue Fund had deficit fund balances of \$83,320, \$6,599,737, \$139,445, \$304,113, and \$106,896, respectively, and Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund and the Payroll Tax Benefit Allocation Internal Service Fund had deficit net position of \$81,418,340 and \$554,604, respectively.

E. Restatement

The City implemented the provisions of Governmental Accounting Standards Board Statement No. 96, – *Subscription-Based Information Technology Arrangements (SBITAs)*, during the year ended June 30, 2022. As a result, the City determined that beginning the balances of capital assets and subscription liabilities were \$1,340,920 and \$1,336,920, respectively, as of July 1, 2022 and restated and increased the balances in those amounts, and the net effect on beginning net position was an increase of \$4,000. See the SBITAS disclosure in Note 15.

NOTE 10 – PENSION PLANS

A. Plan Descriptions and Summary of Balances by Plan

The City has three defined benefit pension plans, a Miscellaneous Plan, a Safety (Police and Fire) Plan, and a Retirement Enhancement Plan. The Miscellaneous Plan is an Agent-Multiple Employer Plan and the Safety Plan is a Cost-Sharing Multiple Employer Plan, both of which are administered by the California Public Employees' Retirement System (CalPERS). The Retirement Enhancement Plan is an Agent-Multiple Employer Plan administered by the Public Agency Retirement System (PARS). Benefit provisions under the Plans are established by State statute and City Ordinance. The PARS Plan is closed to new participants.

All qualified permanent and probationary employees are eligible to participate in the separate Safety (police and fire) Plan, a cost-sharing multiple employer defined benefit pension plan administered by CalPERS and Miscellaneous (all other) Plan, an agent multiple-employer defined benefit pension plan administered by CalPERS, which acts as a common investment and administrative agent for its participating member employers. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website. PARS issues publicly available reports that may be requested from PARS via email at info@pars.org.

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 Miscellaneous and Safety Plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office or PARS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the year ended June 30, 2023, total pension expense for the Miscellaneous, Safety and PARS Retirement Enhancement plans amounted to \$6,941,467.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 10 – PENSION PLANS (Continued)

Below is a summary of the deferred outflows of resources, net pension liabilities and deferred inflows of resources by Plan:

Plan	Deferred Outflows of Resources	Net Pension Liability/ Proportionate Share of Net Pension Liability	Deferred Inflows of Resources
CalPERS Plans:			
Miscellaneous	\$22,411,703	\$68,931,688	
Safety - Police and Fire	30,299,709	72,207,303	\$3,306,435
PARS Retirement Enhancement Plan	466,098	1,108,455	
Total	\$53,177,510	\$142,247,446	\$3,306,435

Pension liabilities are liquidated by the funds that have recorded the liability. The long-term portion of the governmental activities pension liabilities are liquidated primarily by the General Fund.

Each Plan is discussed in detail below.

B. CalPERS Miscellaneous Plan

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. 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 Pension Reform Act of 2013 (PEPRA), Assembly Bill 340, is applicable to employees new to CalPERS and hired after December 31, 2012.

The Plan’s provisions and benefits in effect at June 30, 2023, are summarized as follows:

	Miscellaneous		
	Tier I	Tier II	PEPRA
Hire date	Prior to April 3, 2012	After April 3, 2012	On or after January 1, 2013
Benefit formula	2.7% @ 55	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50 - 55	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% - 2.7%	1.092% - 2.418%	1.0% - 2.5%
Required employee contribution rates	8.00%	7.00%	6.75%
Required employer contribution rates	11.090%	11.090%	11.090%
Required UAL Contribution		\$5,828,526	

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability (UAL). The dollar amounts are billed on a monthly basis or the City can elect a lump sum payment option. The City’s required contribution for the unfunded liability was \$5,828,526 in fiscal year 2023, which was made under the lump sum payment option.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 10 – PENSION PLANS (Continued)

Employees Covered – The following employees were covered by the benefit terms for each Plan as of the most recent actuarial valuation date of June 30, 2021 and as of the measurement date of June 30, 2022:

	Miscellaneous	
	June 30, 2021	June 30, 2022
Inactive employees or beneficiaries currently receiving benefits	296	314
Inactive employees entitled to but not yet receiving benefits	266	292
Active employees	280	306
Total	842	912

As of June 30, 2023, the City had 312 active employees in the Miscellaneous Plan.

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 both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

Net Pension Liability - The City’s net pension liability for the Miscellaneous Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2022, using an annual actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Changes in the Net Pension Liability - The changes in the Net Pension Liability for the Miscellaneous Plan follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2021 (Measurement Date)	\$198,787,645	\$158,455,094	\$40,332,551
Changes in the year:			
Service cost	4,302,617		4,302,617
Interest on the total pension liability	14,048,114		14,048,114
Differences between actual and expected experience	346,337		346,337
Changes in assumptions	7,180,122		7,180,122
Changes in benefit terms			
Net Plan to Plan Resource Movement			
Contribution - employer		7,828,674	(7,828,674)
Contribution - employees		1,651,472	(1,651,472)
Net investment income		(12,103,385)	12,103,385
Administrative expenses		(98,708)	98,708
Benefit payments, including refunds of employee contributions	(9,739,112)	(9,739,112)	
Other Miscellaneous Income/ (Expense)			
Net changes	16,138,078	(12,461,059)	28,599,137
Balance at June 30, 2022 (Measurement Date)	\$214,925,723	\$145,994,035	\$68,931,688

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 10 – PENSION PLANS (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the City for the Plan, calculated using the discount rate for the Plan, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous
1% Decrease	5.90%
Net Pension Liability	\$98,846,306
Current Discount Rate	6.90%
Net Pension Liability	\$68,931,688
1% Increase	7.90%
Net Pension Liability	\$44,427,235

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - For the year ended June 30, 2023, the City recognized pension expense of \$10,111,310. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for the Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$8,561,953	
Differences between actual and expected experience	1,219,156	
Changes in assumptions	5,290,616	
Net differences between projected and actual earnings on plan investments	7,339,978	
Total	\$22,411,703	\$0

The Miscellaneous Plan reported \$8,561,953 as deferred outflows of resources related to contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization
2024	\$3,934,665
2025	3,199,471
2026	2,112,317
2027	4,603,297

Actuarial assumptions and information regarding the discount rate are discussed in Note 10D below.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 10 – PENSION PLANS (Continued)

C. CalPERS Safety Plan

The City’s Safety Plan is part of the public agency cost-sharing multiple-employer defined benefit pension plan (PERF C), which is administered by CalPERS. PERF C consists of a miscellaneous pool and a safety pool (also referred to as “risk pools”), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. The employer participates in one cost-sharing multiple-employer defined benefit pension plan regardless of the number of rate plans the employer sponsors. The City sponsors five rate plans (two fire and three police) within the safety risk pool.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. 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 Pension Reform Act of 2013 (PEPRA), Assembly Bill 340, is applicable to employees new to CalPERS and hired after December 31, 2012.

The Safety Plan’s provisions and benefits in effect at June 30, 2023, are summarized as follows:

	Safety		
	Police		
	First Tier	Second Tier	PEPRA
Hire date	Prior to April 3, 2012	After April 3, 2012	On or after January 1, 2013
Benefit formula	3% @ 50	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	50 - 55	50 - 57
Monthly benefits, as a % of eligible compensation	3%	2.4% - 3.0%	2.0% - 2.7%
Required employee contribution rates	9%	9%	13.75%
Required employer contribution rates	25.640%	22.480%	13.660%
Required UAL Contribution	\$3,179,709	\$13,576	\$11,916
	Fire		
	First Tier	PEPRA	
Hire date	Prior to /After April 3, 2012	On or after January 1, 2013	
Benefit formula	3% @ 55	2.7% @ 57	
Benefit vesting schedule	5 years of service	5 years of service	
Public	Monthly for life	Monthly for life	
Retirement age	50 - 55	50 - 57	
Monthly benefits, as a % of eligible compensation	2.4% - 3.0%	2.0% - 2.7%	
Required employee contribution rates	9%	13.75%	
Required employer contribution rates	23.680%	13.660%	
Required UAL Contribution	\$2,149,642	\$9,315	

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 10 – PENSION PLANS (Continued)

Beginning in fiscal year 2016, CalPERS collects employer contributions for the cost-sharing plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability (UAL) as noted in the table above. The dollar amounts are billed on a monthly basis or can be paid in a lump sum at a reduced amount. The City elected to make the lump sum contributions and the required contribution for the unfunded liability was \$5,364,158 in fiscal year 2023, as shown in the table above.

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. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

For the year ended June 30, 2023, the contributions to the Safety Plan were as follows:

Contributions - employer	\$8,516,327
--------------------------	-------------

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources Related to 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 Plans and additions to/deductions from the Plans’ fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

As of June 30, 2023, the City reported a net pension liability for its proportionate shares of the net pension liability of the Plan in the amount of \$72,207,303.

The City’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability for the Plans is measured as of June 30, 2022, 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, 2021, rolled forward to June 30, 2022 using standard update procedures. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City’s proportionate share of the net pension liability for the Plan as of June 30, 2021 and 2022 was as follows:

	Total
Proportion - June 30, 2021	1.27699%
Proportion - June 30, 2022	1.05081%
Change - Increase (Decrease)	-0.22618%

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 10 – PENSION PLANS (Continued)

For the year ended June 30, 2023, the City recognized pension expense of (\$3,303,724) for the Safety Plan. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for the Safety Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$8,516,327	
Differences between actual and expected experience	2,988,398	(\$784,114)
Changes in assumptions	7,280,682	
Net differences between projected and actual earnings on plan investments	11,402,542	
Change in proportion and differences between actual contributions and proportionate share of contributions	<u>111,760</u>	<u>(2,522,321)</u>
Total	<u>\$30,299,709</u>	<u>(\$3,306,435)</u>

The Safety Plan reported \$8,516,327 as deferred outflows of resources related to contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization
2024	\$5,356,924
2025	4,003,637
2026	2,160,690
2027	6,955,696

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

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

	<u>Total</u>
1% decrease	5.90%
Net Pension Liability	\$102,061,060
Current Discount Rate	6.90%
Net Pension Liability	\$72,207,303
1% Increase	7.90%
Net Pension Liability	\$47,808,601

Actuarial assumptions and information regarding the discount rate are discussed in Note 10D below.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 10 – PENSION PLANS (Continued)

D. Information Common to the Miscellaneous and Safety Plans

Actuarial Assumptions – For the measurement period ended June 30, 2022, the total pension liabilities were determined by rolling forward the June 30, 2021 total pension liability. The June 30, 2021 total pension liabilities were based on the following actuarial methods and assumptions:

	Miscellaneous and Safety (Fire and Police)
Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	2.80%
Projected Salary Increase	Varies by Entry Age and Service (1)
Investment Rate of Return	6.90% (2)
Mortality Rate Table	Derived using CalPERS Membership Data for all Funds (3)
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

(1) Depending on age, service, and type of employment

(2) Net of pension plan investment and administrative expenses, including inflation

(3) The mortality table used was developed based on CalPERS' specific data.

The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CALPERS Website.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2021 valuation were based on the results of a November 2021 actuarial experience study for the period 2001 to 2019. Further details of the Experience Study can be found on the CalPERS website at www.calpers.ca.gov.

Discount Rate – The discount rate used to measure the total pension liability for the Plan was 6.90%. The projection of cash flows used to determine the discount rate for the Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) 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 for each Plan.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 10 – PENSION PLANS (Continued)

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 basis points.

The expected real rates of return by asset class are as follows:

Asset Class (a)	Assumed Asset Allocation	Real Return Years 11+ (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%
Total	<u>100.0%</u>	

(a) An expected inflation of 2.30% used for this period.

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

Changes of Assumptions – Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and 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. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 10 – PENSION PLANS (Continued)

Reduction of CalPERS Discount Rate –

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the CalPERS Board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense, but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the CalPERS Board. These new assumptions are reflected in the CalPERS GASB 68 accounting valuation reports for the June 30, 2022 measurement date.

E. PARS Supplemental Retirement Plan

Benefits Provided - Effective October 1, 2001, the City contracted with the Public Agency Retirement System (PARS), to sponsor a supplemental Retirement Enhancement Plan created in accordance with IRC Section 401(a), which is a qualified agent multiple-employer defined benefit pension plan covering all eligible employees of the City. All eligible employees covered by this plan are fully vested. The Plan is closed to new participants. Eligibility requirements are shown in the table below:

Eligibility	Tier I	Tier II	Tier III	Tier IV
City Manager prior to December 31, 2004	X			
Department Head prior to December 31, 2004		X		
City Manager on or after December 31, 2004			X	
Department Head on or after December 31, 2004				X
At least 55 years of age	X	X	X	X
5 years of continuous service	X		X	
10 years of continuous service		X		X
Terminated with City and concurrently retired under CalPERS under a regular service retirement on or after October 1, 2002	X	X	X	X

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 10 – PENSION PLANS (Continued)

The retirement benefit for each Tier is as follows:

Retirement Benefit	Tier I	Tier II	Tier III	Tier IV
Full-time City service: 3%@55 less CalPERS 2.7%@55	X	X		
Full-time non-City service: 3%@55 less CalPERS 2%@55	X	X		
3%@55 less CalPERS 2.7%@55			X	X
Full-time City service			X	X

Also, effective October 1, 2001, the City contracted with PARS to sponsor an Excess Benefit Plan, created in accordance with the IRC Section 415(m), which is a qualified governmental excess benefit arrangement covering all employees participating in the Retirement Enhancement Plan. Benefits are paid in the same form, time, and periods as under the Retirement Enhancement Plan. All eligible employees covered by this plan are fully vested. The Plan is also closed to new participants.

The Plan provides a monthly benefit equal to one-twelfth of the difference between the number of credited service years multiplied by the PARS Benefit Factor and the number of credited service years multiplied by the PERS Benefit Factor. The PARS Benefit Factor is dependent upon the retirement age as shown in the chart below. The PERS Benefit Factor also depends upon the retirement age as discussed in Notes 10B and 10C above. The monthly benefits are also subject to a 2% annual cost of living increase.

PARS Benefit Factor	
Age at Retirement	Age Factor
52	2.640%
53	2.760%
54	2.880%
55+	3.000%

These Plan assets are held by a Trust for the exclusive benefits of plan participants as their beneficiaries. Assets held under this plan are not the City’s property and are not subject to claims by general creditors of the City.

Employees Covered – As of the June 30, 2022 actuarial valuation date, the following employees were covered by the benefit terms for the Plan:

Inactive employees or beneficiaries currently receiving benefits	8
Inactive employees entitled to but not yet receiving benefits	0
Active employees	0
Total	8

All Plan participants were retired as of June 30, 2023.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 10 – PENSION PLANS (Continued)

Contributions - The City makes all contributions necessary to fund the benefits available under the Plan. Employees are not permitted to make any contributions.

The City contributed \$330 thousand to the Plan during the fiscal year ended June 30, 2023.

Net Pension Liability - The City’s net pension liability for the Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2022. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions – For the measurement period ended June 30, 2022, the total pension liability was determined using an actuarial valuation as of June 30, 2022. The June 30, 2022 total pension liability was based on the following actuarial methods and assumptions:

	PARS Plans
Valuation Date	June 30, 2022
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal, Level % of pay
Amortization method	Level dollar amount
Amortization period	6-year fixed period for 2022/23
Actuarial Assumptions:	
Discount Rate	3.20% at June 30, 2021 and 3.20% at June 30, 2022
Inflation	2.50%
Investment Rate of Return	3.20% at June 30, 2021 and 3.20% at June 30, 2022
Mortality, Retirement, Disability, Termination	CalPERS 2000-2019 Experience Study
Mortality Improvement Scale	Post - retirement mortality projected fully generational with Scale MP-2021

Changes of Assumptions – For the measurement period ended June 30, 2022, the demographic assumptions were updated to CalPERS 2000-2019 Experience Study and the mortality improvement scale was updated to Scale MP-2021.

Discount Rate - The discount rate used to measure the total pension liability for the Plan was 3.20%. The Plan’s long-term expected rate of return was determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation based upon the investment of all assets in PARS’ diversified Moderately Conservative portfolio.

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

Asset Class Component	Target Allocation Qualified and Non- Qualified Assets (a)	Expected Real Rate of Return
Global Equity	10.0%	4.56%
Fixed Income	22.0%	0.78%
Cash	68.0%	-0.05%
Assumed Long-Term Rate of Inflation		2.50%
Expected Long-Term Net Rate of Return, Rounded		3.20%

(a) Qualified assets invested in PARS-Moderately Conservative Trust. Non-Qualified assets in cash. Rate of return developed based on qualified and non-qualified assets.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 10 – PENSION PLANS (Continued)

Changes in the Net Pension Liability - The changes in the Net Pension Liability for the Plan as of the June 30, 2022 Measurement Date follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2021 (Measurement Date)	\$2,989,766	\$2,282,278	\$707,488
Changes in the year:			
Service cost			
Interest on the total pension liability	93,001		93,001
Differences between actual and expected experience	53,376		53,376
Changes in assumptions	19,556		19,556
Changes in benefit terms			
Contribution - employer			
Contribution - employee			
Net investment income		(226,244)	226,244
Administrative expenses		(8,790)	8,790
Benefit payments, including refunds of employee contributions	(167,023)	(167,023)	
Net changes	(1,090)	(402,057)	400,967
Balance at June 30, 2022 (Measurement Date)	\$2,988,676	\$1,880,221	\$1,108,455

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the City for the Plan, calculated using the discount rate for the Plan, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	PARS
1% Decrease	2.20%
Net Pension Liability	\$1,478,101
Current Discount Rate	3.20%
Net Pension Liability	\$1,108,455
1% Increase	4.20%
Net Pension Liability	\$800,926

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued PARS financial report.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 10 – PENSION PLANS (Continued)

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - For the year ended June 30, 2023, the City recognized pension expense of \$133,881 for the Plan. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for the Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$330,000	
Differences between actual and expected experience	136,098	
Changes in assumptions		
Net differences between projected and actual earnings on plan investments		
Total	\$466,098	\$0

The Plan reported \$330,000 as deferred outflows of resources related to contributions subsequent to the measurement date, that will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

PARS	
Year Ended June 30	Annual Amortization
2024	\$17,516
2025	27,087
2026	32,236
2027	59,259

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS

A. General Information about the City’s Other Post Employment Benefit (OPEB) Plan

Plan Description – The City’s Other Post Employment Benefit Plan is a single-employer defined benefit OPEB plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statement No. 75.

The City provides postretirement health care benefits to employees who retire in good standing from the City after attaining the age of 50 and to certain employees who retire due to disability. As of June 30, 2023, there were 220 participants receiving these health care benefits.

Benefits Provided – In order to qualify for postemployment medical and dental benefits an employee must retire from the City and maintain enrollment in one of the City’s eligible health plans. In addition, there are eligibility rules and contribution requirements defined in the Memorandum of Understanding (MOU) with each employee group. For all retirements effective as of January 1, 2012 through June 30, 2012, the City-paid contribution for retiree health will be equal to the Minimum Employer Contribution (MEC) as set by CALPERS. For retirements effective on or prior to December 31, 2011, the benefit is set at the amount the employee or retiree was receiving as of December 31, 2011 for health benefits. The eligibility, rules, and Plan Benefits for each MOU and associated benefits are summarized below as of June 30, 2023:

Benefit Types Provided	Manteca Police Officers Association Medical only	Fire Medical only	Manteca Police Employees Association Medical only	Technical Support Services Medical only	General Services Medical only	Management Medical only
Duration of Benefits	Lifetime	Lifetime	Lifetime	Lifetime	Lifetime	Lifetime
Required Service: Basic Supplemental	Retirement under CALPERS					
Minimum Age	50	50	50	50	50	50
Dependent Coverage	Yes	Yes	Yes	Yes	Yes	Yes
City Contribution 100%	100%	100%	100%	100%	100%	100%
City Contribution Cap per Month (Basic) retirement on or prior to 12/31/2011	\$630 for single \$1,170 for two party \$1,440 for family	\$631 for single \$1,165 for two party \$1,490 for family	\$640 for single \$1,165 for two party \$1,515 for family	\$725 for single \$1,390 for two party \$1,800 for family	\$725 for single \$1,165 for two party \$1,875 for family	\$683 for single \$1,361 for two party \$1,810 for family
City Contribution Cap per Month (Basic) retirement after 12/31/2011, but hired on or before 12/31/2011	\$675	\$675	\$675	\$675	\$675	\$675
City Contribution Cap per Month (Basic) hired after 12/31/2011	\$151	\$151	\$151	\$151	\$151	\$151

The City elected to establish a Health Reimbursement Arrangement for Retirees to provide a funding mechanism for the pay-as-you go OPEB benefit during fiscal year 2012. This Health Reimbursement Arrangement is not a trust and is not considered a component unit of the City and has been excluded from these financial statements.

For the year ended June 30, 2023, the City’s contributions to the Plan were \$1,985,138.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 11 – POST-EMPLOYMENT HEALTH CARE BENEFITS (Continued)

Employees Covered by Benefit Terms – Membership in the plan consisted of the following at the measurement date of June 30, 2022:

Active employees	421
Inactive employees or beneficiaries currently receiving benefit payments	215
Inactive employees entitled to but not yet receiving benefit payments	75
Total	711

B. Total OPEB Liability

Actuarial Methods and Assumptions – The City’s total OPEB liability was measured as of June 30, 2022 and the total OPEB liability was determined by an actuarial valuation dated June 30, 2022, based on the following actuarial methods and assumptions:

	Actuarial Assumptions	
Valuation Date		June 30, 2022
Measurement Date		June 30, 2022
Actuarial Assumptions:		
Discount Rate	3.54% at June 30, 2022 and 2.16% at June 30, 2021 (1)	
Inflation		2.50%
Payroll Growth		2.75% (2)
PEMHCA Minimum Increases		3.50%
Contribution Policy		No pre-funding
Cap Increases		None beyond amounts specified
Mortality Rate		CalPERS 2000 -2019 Experience Study (3)
Healthcare Trend Rates	Non-Medicare - 8.5% for 2025, decreasing to an ultimate rate of 3.45% in 2076; Medicare (Non-Kaiser) - 7.5% for 2025, decreasing to an ultimate rate of 3.45% in 2076- Medicare (Kaiser) - 6.25% for 2025, decreasing to an ultimate rate of 3.45% in 2076	
Participation at Retirement	Eligible for portion of projected premium covered by cap in retirement year: 90% in 2016, decreasing to an ultimate rate of 50% in 2048 and later years: Eligible for PEMHCA minimum only: 50%	

(1) Bond Buyer 20-Bond Index

(2) Merit - Tables from CalPERS 2000-2019 Experience Study

(3) Post-retirement mortality projected fully generational with Scale MP-2021

The underlying mortality assumptions were based on the CalPERS 2000-2019 Experience Study and all other actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period 2000 -2019.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 11 – POST-EMPLOYMENT HEALTH CARE BENEFITS (Continued)

Change in Assumptions – The discount rate increased from 2.16% at June 30, 2021, to 3.54% at June 30, 2022, based on the municipal bond rate as of the measurement date. The inflation rate was updated from 2.75% to 2.50%. The medical trend and PEMHCA minimum trend were updated. The demographic assumptions updated to CalPERS 2000-2019 Experience Study, and the mortality improvement scale was updated to Scale MP-2021.

C. Changes in Total OPEB Liability

The changes in the total OPEB liability follows:

	Total OPEB Liability
Balance at June 30, 2021 Measurement Date	\$44,144,056
Changes Recognized for the Measurement Period:	
Service cost	1,820,051
Interest on the total OPEB liability	971,080
Changes of assumptions	(7,876,327)
Actual vs. expected experience	811,844
Benefit payments *	(2,013,440)
Net changes	(6,286,792)
Balance at June 30, 2022 Measurement Date	\$37,857,264

* Includes \$1,439,440 cash benefit payments and \$574,000 implied subsidy benefit payments by the City.

D. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total 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 discount rate:

Total OPEB Liability/(Asset)		
Current		
Discount Rate -1%	Discount Rate	Discount Rate +1%
(2.54%)	(3.54%)	(4.54%)
\$42,618,963	\$37,857,264	\$33,908,996
\$42,618,963	\$37,857,264	\$33,908,996

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 11 – POST-EMPLOYMENT HEALTH CARE BENEFITS (Continued)

The following presents the total OPEB liability of the City, as well as what the City's total 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 rates:

Total OPEB Liability/(Asset)		
Healthcare Cost Trend Rates		
1% Decrease	Current Trend	1% Increase
\$36,556,565	\$37,857,264	\$39,644,165

E. OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the City recognized OPEB expense of \$2,814,817. At June 30, 2023, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to the measurement date	\$1,985,138	
Differences between actual and expected experience	1,239,450	(\$89,946)
Changes of assumptions	4,533,250	(7,365,988)
Total	\$7,757,838	(\$7,455,934)

\$1,985,138 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

Year Ended June 30	Annual Amortization
2024	\$18,408
2025	18,612
2026	81,269
2027	168,128
2028	(233,089)
Thereafter	(1,736,562)

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 12 – DEFERRED COMPENSATION PLAN

City employees may defer a portion of their compensation under a City sponsored Deferred Compensation Plans created in accordance with Internal Revenue Code Sections 401 and 457. Under the Plan, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, and death or in an emergency as defined by the Plans.

The Plans are part of the public agency agent multiple-employer defined contribution plans that are administered by Mission Square Retirement (formerly ICMA RC) and, Newport Retirement Services (Newport). Benefit provisions under the Plans are established by City resolution. The City has no liability for any losses incurred by the Plans and does not participate in any gains, but does have the duty of due care that would be required of an ordinary prudent investor. The City has a contract with Mission Square and Newport to manage and invest the assets of the Plans. The administrator pools the assets of the Plan with those of other participants and does not make separate investments for the City. The assets in the Plans are the sole property of the participants or their beneficiaries. Since the assets held under the Plans are not the City's property and are not subject to claims by general creditors of the City, they have been excluded from these financial statements. The Plans require investments to be stated at fair market value and it requires all gains and losses on Plan investments to accrue directly to participant accounts. A summary of eligibility and employer contribution requirements for the City's Plans are shown below by bargaining unit:

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 12 – DEFERRED COMPENSATION PLAN (Continued)

Fire

The City will contribute \$20.00 per month to the deferred compensation plan.

If employee chooses to decline health insurance coverage, the City will contribute \$350 to their deferred compensation account or cash in lieu of deferred compensation each month through June 30, 2023. Effective July 1, 2023, the potential monthly contribution increases to \$600.

Manteca Mid-Manager Association

Employees receive a non-PERSable stipend equal to 2% of their base salary. The 2% stipend can be cashed out or placed into a deferred compensation account. This option can occur anytime during the fiscal year. The stipend will be forfeited at separation. Any unused stipend will be automatically cashed out on June 30. An employee hired after July 1, will receive a prorated stipend in the fiscal year in which they were hired.

If employee chooses to decline health insurance coverage, the City will contribute \$450 to their deferred compensation account or cash in lieu of deferred compensation each month through June 30, 2023. Effective July 1, 2023, the potential monthly contribution increases to \$600.

Manteca Police Employees' Association

The City will contribute 4% of base salary per month to the deferred compensation plan.

If an employee chooses to decline health insurance coverage, the City will contribute to the employee's deferred compensation account or cash in lieu of deferred compensation of \$425 each month through June 30, 2023. Effective July 1, 2023, the potential monthly contribution increases to \$600.

Manteca Police Officers' Association

The City will contribute 1% of base salary per month to the deferred compensation plan.

If a member chooses to decline health insurance coverage, the City will issue a non-PERS stipend of \$530 in lieu of medical coverage, provided proof of coverage is obtained through June 30, 2023. Effective July 1, 2023, the potential monthly stipend increases to \$600. If a member chooses the stipend in lieu of coverage, the stipend can be used toward deferred compensation or taken as a cash payment.

Manteca Public Safety Management Association

Employees will receive a non-PERSable stipend equal to 6% of their base salary. The 6% stipend can be cashed out or placed into a deferred compensation account. This option can occur anytime during the fiscal year. The stipend will be forfeited at separation or on June 30th each year if not cashed out or placed into a deferred compensation account. An employee hired after July 1, will receive a prorated stipend in the fiscal year in which they were hired.

If an employee chooses to decline health insurance coverage, the City will contribute to the employee's deferred compensation account or cash in lieu of deferred compensation of \$450 each month through June 30, 2023. Effective July 1, 2023, the potential monthly contribution increases to \$600.

Operating Engineers Local Union Unit 3

The City will contribute 5% of base salary per month to the deferred compensation plan.

If employee chooses to decline health insurance coverage, the City will contribute \$475 to their deferred compensation account or cash in lieu of deferred compensation each month through June 30, 2023. Effective July 1, 2023, the potential monthly contribution increases to \$600.

Manteca Technical and Support Services Association

The City will contribute 2% of base salary per month to the deferred compensation plan.

If employee chooses to decline health insurance coverage, the City will contribute \$465 to their deferred compensation account or cash in lieu of deferred compensation each month through June 30, 2023. Effective July 1, 2023, the potential monthly contribution increases to \$600.

Confidential Employees Unit

Benefits mirror the designated units for each employee identified in this MOU.

Executive Management

Employees will receive a non-PERSable stipend equal to 6% of their base salary. The 6% stipend can be cashed out or placed into a deferred compensation account. This option can occur anytime during the fiscal year. The stipend will be forfeited at separation or on June 30 each year, if not cashed out or placed into a deferred compensation account. An employee hired after July 1, will receive a prorated stipend in the fiscal year in which they were hired.

The City will also contribute 5% per month to the deferred compensation plan.

If employee chooses to decline health insurance coverage, the City will contribute \$600 to their deferred compensation account or cash in lieu of deferred compensation each month

The City's required contributions for the year ended June 30, 2023 totaled \$889,523.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 13 – RISK MANAGEMENT

A. Coverage

On June 1, 2002 the City joined the Municipal Pooling Authority’s workers’ compensation program. The City joined the Authority’s general liability program on January 1, 1998. The Authority provides coverage against the following types of loss risks under the terms of a joint-powers agreement with the City and several other cities and governmental agencies as follows:

Type of Coverage (Deductible)	Coverage Limits
Liability (\$100,000)	\$34,500,000
All Risk Fire and Property:	
Property (\$25,000 all risk, \$5,000 fine art, \$10,000 water claims)	1,000,000,000
Flood*	25,000,000
Boiler and Machinery (\$10,000)	100,000,000
Vehicle Physical Damage (\$3,000 police; \$2,000 others)	250,000
Cyber Liability (\$50,000)	4,000,000
Public Entity Pollution Liability (\$250,000)	2,000,000
Government Crime (\$2,500)	5,000,000
Workers' Compensation (\$0)	Statutory Limit
Employment Liability (\$50,000)	2,000,000

* \$100,000 minimum deductible per occurrence, except Zone A and V, which are subject to a \$250,000 deductible per occurrence

The Authority is governed by a Board consisting of representatives from member municipalities. The Board controls the operations of the Authority, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the Board.

The City’s deposits with the Authority are in accordance with formulas established by the Authority. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

Audited financial statements can be obtained from Municipal Pooling Authority, 1911 San Miguel Drive #100, Walnut Creek, CA 94596.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 13 – RISK MANAGEMENT (Continued)

B. Liability for Uninsured Claims

The City provides for the uninsured portion of claims and judgments in the Insurance Internal Service Fund. Claims and judgments, including a provision for claims incurred but not reported, are recorded when a loss is deemed probable of assertion and the amount of the loss is reasonably determinable. As discussed, above, the City has coverage for such claims, but it has retained the risk for the deductible, or uninsured portion of these claims.

The City’s liability for uninsured claims was estimated by management based on prior years’ claims experience as follows:

	Workers’ Compensation Claims	General Liability Claims	Total
Balance June 30, 2021	\$448,536	\$357,568	\$806,104
Net change in:			
Liability for current fiscal year claims		317,948	317,948
Liability for prior fiscal years' claims and claims incurred but not reported (IBNR)	216,051	389,901	605,952
Claims paid	(25,019)	(195,883)	(220,902)
Balance June 30, 2022	639,568	869,534	1,509,102
Net change in:			
Liability for current fiscal year claims		83,968	83,968
Liability for prior years' claims and claims incurred but not reported (IBNR)	142,022	200,158	342,180
Claims paid	(5,040)	(314,568)	(319,608)
Balance June 30, 2023	<u>\$776,550</u>	<u>\$839,092</u>	<u>\$1,615,642</u>
Claims liability, due within one year	<u>\$727,204</u>	<u>\$839,092</u>	<u>\$1,566,296</u>

For the fiscal years ended June 30, 2023, 2022, and 2021 the amount of settlements did not exceed insurance coverage.

NOTE 14 – LEASES

A. Policies

A lease is defined as a contract that conveys control of the right to use another entity’s nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. The City recognizes lease receivables or liabilities with an initial, individual value of \$5,000 or more.

Lessor - The City is a lessor for noncancellable leases of buildings and facilities. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and fund financial statements.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 14 – LEASES (Continued)

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 as follows:

- 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 is composed of fixed payments from the lessee.

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

Lessee - The City is a lessee for a noncancellable leases of buildings and equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide and proprietary fund 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 as follows:

- 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 reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease 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.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 14 – LEASES (Continued)

B. Leases Receivable

The balances related to leases receivable and deferred inflows of resources as of June 30, 2023 were:

	Lease Receivable	Deferred Inflows of Resources
Governmental Activities		
Leases Receivable (Lessor)		
Communication Site Leases	\$648,470	\$628,544
Total Governmental Activities Leases Receivable	\$648,470	\$628,544

Communication Site Leases – The City leases various locations to third parties for the provisions of cable/mobile/wireless communications services. During the year ended June 30, 2023, the City had five leases, with original lease terms ranging from ten to twenty-five years, including the optional extension periods, and as of June 30, 2023, the leases had 2 to 14 years remaining. The City recognized \$81,343 in lease revenue and \$1,507 in interest revenue during the current fiscal year related to these leases. Also, the City has deferred inflows of resources associated with these leases that will be recognized as revenue over the lease term.

Municipal Golf Course Leases – The City leases buildings to a third party for the purpose of providing banquet facilities and a snack bar at the City’s municipal golf course. During the year ended June 30, 2023, the City had two leases, with original lease terms of twenty years, including the optional extension periods. The final payments under the leases were made during the fiscal year and the City recognized \$11,225 in lease revenue and \$3 in interest revenue during the current fiscal year related to these leases. At the expiration of the leases, the agreements transitioned to month-to-month leases until new agreements were negotiated and executed in November 2023.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 14 – LEASES (Continued)

C. Leases Payable

A summary of lease transactions for the fiscal year ended June 30, 2023, are as follows:

	Balance June 30, 2022	Deductions	Balance June 30, 2023	Current Portion
Governmental Activities:				
Building - Hensley	\$480,652	\$159,464	\$321,188	\$165,045
Equipment	24,220	8,479	15,741	8,517
Total Governmental Activities	<u>\$504,872</u>	<u>\$167,943</u>	<u>\$336,929</u>	<u>\$173,562</u>
Business-Type Activities:				
Building - Mobile Modular	\$15,849	\$7,301	\$8,548	\$7,325
Equipment	18,817	4,664	14,153	4,691
Total Business-Type Activities	<u>\$34,666</u>	<u>\$11,965</u>	<u>\$22,701</u>	<u>\$12,016</u>
Total Leases Payable	<u>\$539,538</u>	<u>\$179,908</u>	<u>\$359,630</u>	<u>\$185,578</u>

Building Lease - Hensley – The City entered into a five-year lease agreement with Hensley Properties, as lessee for the use of office space that commenced in May 2020. An initial lease liability was recorded in the amount of \$634,944 during fiscal year 2022 and as of June 30, 2023, the value of the lease liability was \$321,187. The City is required to make monthly principal and interest payments of \$13,020. The lease bears the City’s incremental borrowing rate of 4.57%. The value of the right-to-use asset as of the end of the current fiscal year was \$634,944 and had accumulated amortization of \$324,227.

Equipment Leases – The City entered into two three-year lease agreement with Konica Minolta, as lessee for the use of office equipment in February 2022. An initial lease liability was recorded in the amount of \$20,831 during fiscal year 2022 and as of June 30, 2023, the value of the lease liability was \$11,023. The City is required to make monthly principal and interest payments of \$6,987. The leases bear the City’s incremental borrowing rate of 4.26%. The value of the right-to-use assets as of the end of the current fiscal year was \$20,831 and had accumulated amortization of \$9,636.

The City entered into a five-year lease agreement with Pitney Bowes, as lessee for the use of office equipment that commenced in August 2021. An initial lease liability was recorded in the amount of \$31,317 during fiscal year 2022 and as of June 30, 2023, the value of the lease liability was \$4,718. The City is required to make monthly principal and interest payments of \$6,349. The lease bears the City’s incremental borrowing rate of 5.77%. The value of the right-to-use asset as of the end of the current fiscal year was \$31,317 and had accumulated amortization of \$2,892.

Building Lease – Mobile Modular – The City entered into a five-year lease agreement with Mobile Modular Management Corporation, as lessee for the use of office space that commenced in August 2021. An initial lease liability was recorded in the amount of \$21,922 during fiscal year 2022. as of June 30, 2023, the value of the lease liability was \$8,548. The City is required to make monthly principal and interest payments of \$7,341. The lease bears the City’s incremental borrowing rate of 3.15%. The value of the right-to-use asset as of the end of the current fiscal year was \$21,922 and had accumulated amortization of \$13,397.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 14 – LEASES (Continued)

The future principal and interest lease payments as of June 30, 2023, were as follows:

Year Ending June 30	Governmental Activities			Business-Type Activities		
	Principal Payments	Interest Payments	Total	Principal Payments	Interest Payments	Total
2024	\$173,562	\$1,181	\$174,743	\$12,016	\$87	\$12,103
2025	161,787	378	162,165	5,941	45	5,986
2026	1,580	6	1,586	4,744	17	4,761
	<u>\$336,929</u>	<u>\$1,565</u>	<u>\$338,494</u>	<u>\$22,701</u>	<u>\$149</u>	<u>\$22,850</u>

D. Shopping Center Parking Lease Agreement

In fiscal year 2007, the City entered into a lease agreement to lease public parking at a local shopping center. The lease became effective in fiscal year 2012 and the City is to make annual lease payments by September 1 of each year equal to 55% of the previous fiscal year’s actual local sales taxes generated from the shopping center. Although the lease payments are based on the sales taxes collected, they can be made from any source of legally available funds. If the local sales taxes are insufficient in one year for the City to make the full scheduled lease payment, the shortfall carries to the next year without interest. Payments in excess of the scheduled annual lease payments are credited first to any outstanding shortfall and then against the total amount due under the lease. The total amount of lease payments to be made under the agreement is \$61,704,140; however, the agreement terminates in 2047, regardless of whether this amount has been paid to the developer. Therefore, the City has not recorded a liability for the lease, since the payments are contingent upon the collection of sales taxes. During fiscal year 2023, payments made to the developer under the agreement were \$374,684 and payments to date total \$4,324,575.

NOTE 15 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

A Subscription-Based Information Technology Arrangement (SBITA) is a contract that conveys control of the right to use another party’s (a SBITA vendor’s) IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The City recognizes SBITA assets/liabilities with an initial, individual value of \$5,000 or more.

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

Key estimates and judgments related to SBITAs include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments as follows:

- The City uses the interest rate charged by the IT vendor as the discount rate. When the interest rate charged by the IT vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for subscription liabilities.
- The subscription term includes the noncancellable period of the subscription.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 15 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (Continued)

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

Subscription assets are reported with other capital assets and subscription liabilities are reported as long-term debt on the statement of net position.

A summary of governmental activities SBITA transactions for the fiscal year ended June 30, 2023, are as follows:

	Balance June 30, 2022 (as restated)	Additions	Deductions	Balance June 30, 2023	Current Portion
Governmental Activities:					
Subscription Liabilities					
FloQast	\$45,756		\$22,759	\$22,997	\$22,997
Axon	87,499		53,658	33,841	16,719
LCT Applications and Platforms		\$58,974	12,420	46,554	11,176
Microsoft Enterprise	1,149,138		228,064	921,074	221,744
NextRequest	54,527		7,200	47,327	7,405
Total Subscription Liabilities	<u>\$1,336,920</u>	<u>\$58,974</u>	<u>\$324,101</u>	<u>\$1,071,793</u>	<u>\$280,041</u>

As of June 30, 2023, the City had five active subscriptions. The subscriptions have annual payments that range from \$8,404 to \$244,955 and interest rates that range from 2.1843% to 3.2380%. As of June 30, 2023, the total combined value of the subscription liability was \$1,071,793. The combined value of the right to use subscription assets as of the end of the current fiscal year was \$1,395,894 and had accumulated amortization of \$280,160. In addition, the City had one subscription in process that is effective in fiscal year 2024 and the costs incurred to date on that agreement have been recorded as subscription assets in progress in the amount of \$109,205 as of June 30, 2023.

The future principal and interest subscription liability payments as of June 30, 2023 for the active subscriptions, were as follows:

Year Ending June 30	Governmental Activities		
	Principal Payments	Interest Payments	Total
2024	\$280,041	\$26,739	\$306,780
2025	263,525	19,788	283,313
2026	252,635	13,217	265,852
2027	259,024	6,864	265,888
2028	8,181	350	8,531
2029	8,387	177	8,564
	<u>\$1,071,793</u>	<u>\$67,135</u>	<u>\$1,138,928</u>

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 16 – COMMITMENTS AND CONTINGENCIES

A. *Litigation*

The City is subject to litigation arising in the normal course of business. In the opinion of the City Attorney there is no pending litigation which is likely to have a material adverse effect on the financial position of the City.

B. *Federal and State Grant Programs*

The City participates in Federal and State grant programs. These programs have been audited by the City's independent accountants in accordance with the provisions of the Federal Single Audit Act as amended and applicable State requirements. No cost disallowances were proposed as a result of these audits. However, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

C. *Public Facilities Implementation Plan*

The City has developed a Public Facilities Implementation Plan (PFIP) to ensure that public facilities are adequate and constructed in accordance with the adopted master plans for water, sewer, storm drainage and traffic as the City grows and develops in accordance with its General Plan. Development Impact Fees are collected at or near the time of development and are used wherever practical to finance the expansion of infrastructure necessary to accommodate the demand for new capacity. In certain cases, developers may construct public improvements that are in the PFIP and enter into reimbursement agreements with the City. Developers are then granted credit against the fees owed or are reimbursed any remaining amounts owed to the developer by the City when sufficient funds are available from future development impact fees paid by subsequent development that benefit from the available improvements. As of June 30, 2023, the City had outstanding reimbursement commitments totaling \$28,534,773.

D. *Transient Occupancy Tax Sharing Agreement*

In fiscal April 2018, the City entered into a Disposition and Development Agreement (DDA) with a Developer to construct a destination resort (Project). Under the terms of the agreement, the City is to convey land to the Developer for \$675,000 in exchange for an agreement to develop the Project on the property. The sales price of the land is to be paid solely using transient occupancy tax revenue (TOT) generated by the Project. Escrow closed on the land in August 2018 and construction of the Project began in fiscal year 2019. Upon the close of escrow, the City will give the Developer a ten-year option to purchase an adjacent property at the fair market value at the time of purchase. For eighteen years following the issuance of a certificate of occupancy for the Project, the City may not provide financial incentives to any other entities for development of a similar project larger than 5,000 square feet.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 16 – COMMITMENTS AND CONTINGENCIES (Continued)

In connection with the DDA, the City also entered into a Development Agreement (DA) with the Developer. Under the terms of the DA, beginning when TOT revenue is first received from the Project and continuing for 25 years thereafter, the City will allocate TOT revenue received on a quarterly basis in the following priority:

- (1) Pay \$2 million each year to the Developer, without interest.
- (2) Pay the Developer and the City pro-rata for reimbursable fees, amortized over two years, without interest, including any reimbursable fee shortfalls from prior years. Any reimbursable fee shortfalls remaining after two years will roll over to future years until paid in full. Reimbursable fees are any development fees paid by the City or Developer in cash or fee credit to any Non-City Agency in connection with the Project and any development fees paid by the Developer to planning/inspection consultants or to the City, up to \$500,000.
- (3) Pay the City for the property purchase price, amortized over 10 years, without interest, including any purchase price shortfalls from prior years. Any shortfalls remaining after 10 years will roll over to future years until paid in full.
- (4) Pay the City for deferred City fees, amortized over 20 years, without interest, including any shortfalls from prior years. Any shortfalls remaining after 20 years will roll over until paid in full. Deferred City fees are fees owed by the Developer to the City in connection with the Project and fees paid by the City to planning/inspection consultants in connection with the Project in excess of the \$500,000 paid by the Developer in (2) above.
- (5) Pay the Developer 75% of the remaining TOT revenue for the first 10 years and 50% for the following 15 years.

Finally, under the terms of the DDA, the City Council may not increase the transient occupancy tax rate applicable to the Project to a rate greater than (a) 12% for 10 years following the issuance of a certificate of occupancy for the Project, or (b) the regional average transient occupancy tax beginning in the 11th year following the issuance of a certificate of occupancy for the Project.

The grand opening of the Project was held in June 2021.

The City began collecting TOT revenue related to the Project during fiscal year 2022 and \$3,598,531 was paid to the Developer during fiscal year 2023 and \$6,966,715 has been paid to date. As of June 30, 2023, the deferred fees due from the developer total \$8,082,857, which have been recorded as accounts receivable in the applicable governmental and enterprise funds, which will be paid as the General Fund collects the TOT revenue, as noted above. In addition, the General Fund has recorded a loan receivable in the amount of \$540,000 as of June 30, 2023.

E. Sales Tax Sharing Agreement – Furniture Retailer

In June 2018, the City entered into a sales tax sharing agreement with a furniture retailer in the amount of \$3,000,000. The agreement became effective in June 2018 and the City is to make semi-annual payments each year equal to 50% of the total sales tax generated by the retailer and received by the City. Although the payments are based on the sales taxes collected, they can be made from any source of legally available funds. The agreement terminates on the date that the City has paid \$3,000,000 or ten years from the retail store opening, regardless of the unpaid balance. Construction of the retail furniture store was delayed due to the COVID-19 emergency; however, the project was fully permitted in July 2020 and construction began immediately following. The store opened in June 2021. During fiscal year 2023, payments made to the developer under the agreement were \$308,571 and payments to date total \$308,571.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 16 – COMMITMENTS AND CONTINGENCIES (Continued)

F. Construction Commitments

The City has the outstanding construction commitments totaling \$15.6 million as of June 30, 2023.

NOTE 17 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES

A. Redevelopment Dissolution

In an effort to balance its budget, the State of California adopted ABx1 26 on June 28, 2011, amended by AB1484 on June 27, 2012, which suspended all new redevelopment activities except for limited specified activities as of that date and dissolved redevelopment agencies on January 31, 2012.

The suspension provisions prohibited all redevelopment agencies from a wide range of activities, including incurring new indebtedness or obligations, entering into or modifying agreements or contracts, acquiring or disposing of real property, taking actions to adopt or amend redevelopment plans and other similar actions, except actions required by law or to carry out existing enforceable obligations, as defined in ABx1 26.

ABx1 26 and AB1484 created three regulatory authorities, the Successor Agency Oversight Board, State Controller and Department of Finance (DOF), to review former Agency's asset transfer, obligation payments and wind down activities. ABx1 26 specifically directs the State Controller to review the activities of all redevelopment agencies to determine whether an asset transfer between an agency and any public agency occurred on or after January 1, 2011. If an asset transfer did occur and the public agency that received the asset is not contractually committed to a third party for the expenditure or encumbrance of the asset, the legislation purports to require the State Controller to order the asset returned to the Redevelopment Agency or, on or after February 1, 2012, to the Successor Agency.

In fiscal 2011 and 2012, the former Redevelopment Agency transferred \$58,959,477 of assets to the City. ABx1 26 and AB 1484 contain provisions that such transfers are subject to a review by the State Controller's Office. According to Health and Safety Code 34167.5, if such an asset transfer did occur during that period and the government agency that received the assets is not contractually committed to a third party for the expenditure or encumbrance of those assets, to the extent not prohibited by state and federal law, the Controller shall order the available assets to be returned to the former Redevelopment Agency or, on or after February 1, 2012, to the Successor Agency. As of June 30, 2012, assets totaling \$44,129,682, comprised of current assets of \$43,670,205 and capital assets of \$459,477, were held by the City. During fiscal year 2013, the City returned the current assets of \$43,670,205 to the Successor Agency and only the capital assets of \$459,477 were held by the City. The City received the results of the State Controller's asset transfer review in February 2015 that indicates the City is to return the capital assets in the amount of \$459,477 to the Successor Agency. Concurrent with the finalization of the asset transfer review, the City began working with the California Department of Finance (DOF) on the Agency's Long Range Property Management Plan (LRPMP). On December 17, 2015 the DOF approved the revised LRPMP and the Agency's use or disposition of all properties listed on the plan. This included the retention by the City of the \$459,477 capital asset previously identified in the State Controller's asset transfer review. Based on this approval, the identified asset will not be returned to the Agency.

Based on the passage of Senate Bill 107, the Agency amended the LRPMP to allow for the retention of one parcel that constituted a lot dedicated solely to public parking. The Oversight Board approved the amended LRPMP on June 29, 2016 and the revised LRPMP was submitted to the DOF for final approval. The final approval was received from the DOF during fiscal year 2017 and the identified parcel was transferred to the City during that fiscal year.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 17 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES
(Continued)

Effective January 31, 2012, the Redevelopment Agency was dissolved. Certain assets of the Redevelopment Agency Low and Moderate Income Housing Fund were distributed to a Housing Successor; and the remaining Redevelopment Agency assets and liabilities were distributed to a Successor Agency.

Under the provisions of AB 1484, the City can elect to become the Housing Successor and retain the housing assets. The City elected to become the Housing Successor and on February 1, 2012, certain housing assets were transferred to the City's Low and Moderate Income Housing Asset Special Revenue Fund.

The activities of the Housing Successor are reported in the Low and Moderate Income Housing Assets Special Revenue Fund as the City has control of those assets, which may be used in accordance with the low and moderate income housing provisions of California Redevelopment Law.

The City also elected to become the Successor Agency and on February 1, 2012 the Redevelopment Agency's remaining assets were distributed to and liabilities were assumed by the Successor Agency. ABx1 26 requires the establishment of an Oversight Board to oversee the activities of the Successor Agency and one was established in April 2012. The activities of the Successor Agency are subject to review and approval of the Oversight Board, which was comprised of seven members, including one member of City Council and one former Redevelopment Agency employee appointed by the Mayor. On July 1, 2018, the duties of the Manteca Oversight Board transferred to a new San Joaquin Countywide Consolidated Oversight Board, which will now be responsible for overseeing the winddown affairs of all Successor Agencies in San Joaquin County, including the Manteca Successor Agency.

The activities of the Successor Agency are reported in the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund as the activities are under the control of the Oversight Board. The City provides administrative services to the Successor Agency to wind down the affairs of the former Redevelopment Agency.

AB1484 required the Successor Agency to complete two due diligence reviews – one for the low and moderate income housing assets of the Successor Agency (Housing DDR), and a second for all other balances of the Successor Agency (Non-housing DDR). The due diligence reviews are to calculate the balance of unencumbered balances as of June 30, 2012 available to be remitted to the County for disbursement to taxing entities. The Successor Agency submitted both due diligence reviews to the State Department of Finance for review and approval. The Department of Finance approved the Housing DDR in December 2012, which indicated that no funds were available for distribution. The Department of Finance did not initially approve the Non-housing DDR, which indicated that the Successor Agency had an unencumbered balance of \$1, and the State made adjustments to the Non-housing DDR and instead made a demand for the return of funds totaling \$10,161,469, which was remitted to the County in May 2013. The Successor Agency received its Finding of Completion in May 2013 which means it can now utilize bond proceeds for projects consistent with the original bond covenants.

In addition to the above transactions, the Non-housing DDR indicated that the City was to return unspent bond proceeds held by the Special Apportionment Streets Capital Projects Fund totaling \$43,670,205 to the Successor Agency. The City made the transfer during fiscal year 2013.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 17 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES
(Continued)

On October 22, 2013 the Oversight Board approved Bond Proceeds Funding Agreements (Agreements) between the Successor Agency and the City of Manteca in relation to specific bond projects associated with the \$43,670,205 in bond proceeds transferred back to the Successor Agency in Fiscal Year 2012-13. The DOF approved the Agreements on November 8, 2013 and December 9, 2013. The Agency included the requests for expenditure of the associated funds on the 2013-14B Recognized Obligation Payment Schedule (ROPS). Proceeds in the amount of \$12,009,030 were transferred from the Successor Agency to the City as of June 30, 2013 and were recorded in the Redevelopment Bonds Project Fund. An additional \$500,000 was approved for transfer on the Agency’s 2014-15A ROPS and \$1,500,000 was approved for transfer on the Agency’s 2015-15B ROPS. One of the eligible bond projects listed on the DOF approved 2013-14B ROPS was the reimbursement to the City of Manteca in the amount of \$3,864,030 for the land purchased in association with the proposed South County Courthouse and Administration Complex (APN 222-250-060). The original source of funding for the land purchase was the Development Mitigation Fund. During 2016 the Development Mitigation Fund was reimbursed the final land cost in the amount \$3,811,408 via an operating transfer from the Redevelopment Bonds Project Fund.

On February 24, 2015 the Oversight Board approved a Consolidated Non-Housing Bond Proceeds Funding Agreement (Agreement) between the Successor Agency and the City of Manteca. This final agreement approved the transfer of all remaining bond proceeds to the City for use on bond qualified expenditures. The remaining bond proceeds was included for approval in the Agency’s 2015-16A ROPS. The DOF approved both the Agreement and the transfer of the remaining bond proceeds as listed on the 2015-16A ROPS on April 15, 2015. All remaining bond proceeds and interest totaling \$29,671,675 was transferred from the Agency to the City as of June 30, 2016.

Cash and investments of the Successor Agency as of June 30, 2023 are discussed in Note 3. Information presented in the following footnotes represents other assets and liabilities of the Successor Agency as of June 30, 2023.

B. *Redevelopment Agreements and Notes Receivable*

The Successor Agency assumed the non-housing loans receivable of the Redevelopment Agency as of February 1, 2012. The Redevelopment Agency engaged in programs designed to encourage economic development. Under these programs, grants or loans were provided under favorable terms to developers who agreed to expend these funds in accordance with the Agency’s terms. The balances of the notes receivable arising from these programs at June 30, 2023 are set forth below:

AKF Development, LLC	\$54,080
Cabral Western Motors	338,040
Total notes receivable	392,120
Less: Allowance for conditional grants	(392,120)
Net long-term notes receivable	\$0

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 17 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES
(Continued)

AKF Development, LLC (Spreckels Park)

On April 8, 2003 the Agency loaned an additional \$54,080 to AKF Development, LLC, of which \$54,080 was for assistance from the Agency's Fee Reduction Program. This additional loan was to partially finance the construction costs of Sexton Chevrolet Property in order to assist in the elimination of blight in an adjacent to the Project Area and will enhance the viability of the Project Area. The loan bears interest at five percent annual interest, and was due the earliest of the sixth anniversary of the opening of the automobile dealership or August 1, 2009. AKF signed a promissory note secured by a deed of trust. The Agency will forgive repayment of the loan if certain provisions regarding completion of public improvements, job creation, continued business for five years, and sales tax generation are met. As of June 30, 2023, the developer had not met all of the forgiveness provisions of the loan agreement, but the Agency had not yet required repayment of the loan and the principal balance outstanding was \$54,080.

Cabral Western Motors

On May 14, 2002 the Agency agreed to loan Cabral Western Motors \$338,040 at three percent interest to assist with the expansion of its facility, which includes a \$311,000 Forgivable Business Development Loan and a \$27,040 Development Fee Reduction Loan. The loans are secured by a second and third deed of trust, respectively. As of June 30, 2023, the principal balance outstanding was \$338,040.

Conditional Grants

The Agency has several programs under which it extends loans to qualifying individuals or groups for the purpose of improving the Agency's housing stock and/or its supply of low-and-moderate income housing. Certain of these loans provide for the eventual forgiveness of the loan balance if the borrower complies with all the terms of the loan over its full term. The Agency accounts for these loans as conditional grants in the Fiduciary fund financial statements, and provides a reserve against their eventual forgiveness using the straight-line method over the life of the respective loan.

C. *Capital Assets*

The Successor Agency assumed the non-housing capital assets of the Redevelopment Agency as of February 1, 2012. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated acquisition value on the date contributed. The Successor Agency's policy is to capitalize all assets with costs exceeding certain minimum thresholds and with useful lives exceeding two years.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the assets constructed, net of interest earned on the invested proceeds over the same period.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 17 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES
(Continued)

Capital assets recorded as of June 30, 2023 comprise:

	Balance at June 30, 2022	Additions	Retirements	Balance at June 30, 2023
Capital assets not being depreciated:				
Land	\$3,333,997		(\$2,607,971)	\$726,026
Capital assets being depreciated:				
Buildings and improvements	3,788,211			3,788,211
Less accumulated depreciation	(2,047,884)	(\$125,618)		(2,173,502)
Net capital assets being depreciated	1,740,327	(125,618)		1,614,709
Capital assets, net	<u>\$5,074,324</u>	<u>(\$125,618)</u>	<u>(\$2,607,971)</u>	<u>\$2,340,735</u>

D. Long-Term Debt

The Successor Agency assumed the long-term debt and interest-rate swap agreement of the Redevelopment Agency as of February 1, 2012.

1. Current Year Transactions and Balances

All of the long-term debt of the Successor Agency is comprised of Tax Allocation Bonds issued by the Redevelopment Agency. The Bonds are special obligations of the Agency and are secured only by the Agency's tax increment revenues. Tax Allocation Bond transactions were as follows:

	Balance June 30, 2022	Retirements	Balance June 30, 2023	Current Portion
Redevelopment Agency Tax Allocation Bonds -				
Tax Allocation Refunding Bonds Series 2020A and 2020B				
Subordinated Tax Allocation Bonds 1.590-4.0%	\$91,755,000	\$4,255,000	\$87,500,000	\$4,315,000
Plus: Unamortized Bond Premium	4,821,830	235,211	4,586,619	
Total Successor Agency Debt	<u>\$96,576,830</u>	<u>\$4,490,211</u>	<u>\$92,086,619</u>	<u>\$4,315,000</u>

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 17 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES
(Continued)

2. *Redevelopment Agency Tax Allocation Bonds*

The 2020 Bonds contain a provision that in an event of default, the Trustee may declare the principal of the bonds, together with all accrued interest at the date of default, immediately due and payable, or exercise any and all rights and remedies available to it under applicable law, including the right to enforce from the Successor Agency all payments due on the 2020 Bonds, and the Successor Agency will pay all reasonable fees and expenses incurred by the Trustee and those of its attorneys.

The Successor Agency has pledged all future tax increment revenues, for the repayment of the 2020 Tax Allocation Refunding Bonds. The pledge of all future tax increment revenues end upon repayment of the remaining debt service of \$118,133,235 for the Bonds, which is scheduled to occur in 2042.

With the dissolution of the Redevelopment Agency discussed above, Tax Increment is no longer distributed, and instead the Successor Agency receives payments from the County’s Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues. In addition, under the provisions of the laws dissolving the Redevelopment Agency, the Successor Agency only receives the funds necessary to fulfill its approved obligations. Total property taxes available for distribution to the Successor Agency and other taxing entities for fiscal year 2023 calculated by the County Auditor-Controller was \$26,653,145 and the total received by the Successor Agency for fiscal year 2023 debt service was \$1,427,520, which the Agency used, along with cash on hand, to pay the \$6,894,891 of fiscal year debt service.

3. *Debt Service Requirements*

Annual debt service requirements, are shown below:

For the Year Ending June 30	Principal	Interest
2024	\$4,315,000	\$2,551,099
2025	4,385,000	2,458,104
2026	4,450,000	2,360,709
2027	4,530,000	2,256,328
2028	4,610,000	2,137,456
2029-2033	24,915,000	8,571,964
2034-2038	24,755,000	5,403,460
2039-2043	15,540,000	4,894,115
Total	87,500,000	\$30,633,235
Plus Bond Premium	4,586,619	
Gross Long Term Debt	\$92,086,619	

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 17 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES
(Continued)

E. Commitments and Contingencies

Payable to San Joaquin County

When the Successor Agency sells capital assets, the net proceeds from the sale are to be remitted to the County Auditor-Controller for distribution to the taxing entities in the affected redevelopment area. During the year ended June 30, 2023, the Successor Agency sold a parcel of land to the City and the net proceeds of \$1,760,625 were due and payable to the County as of June 30, 2023.

State Approval of Enforceable Obligations

The Successor Agency prepares a Recognized Obligation Payment Schedule (ROPS) semi-annually that contains all proposed expenditures for the subsequent six-month period. The ROPS is subject to the review and approval of the Oversight Board as well as the State Department of Finance. Although the State Department of Finance may not question items included on the ROPS in one period, they may question the same items in a future period and disallow associated activities. The amount, if any, of current obligations that may be denied by the State Department of Finance cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

This Page Left Intentionally Blank

REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

Miscellaneous Agent Multiple-Employer Defined Benefit Pension Plan Last 10 Years*

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

Measurement Date	6/30/2014	6/30/2015	6/30/2016	6/30/2017
Total Pension Liability				
Service Cost	\$2,865,004	\$2,785,261	\$2,929,446	\$3,359,127
Interest	9,470,268	9,947,329	10,547,066	11,091,828
Differences between expected and actual experience		(606,531)	895,276	280,782
Changes in assumptions		(2,540,846)		9,610,904
Changes in benefits				
Benefit payments, including refunds of employee contributions	(5,192,533)	(5,583,081)	(6,137,452)	(6,508,026)
Net change in total pension liability	7,142,739	4,002,132	8,234,336	17,834,615
Total pension liability - beginning	127,434,003	134,576,742	138,578,874	146,813,210
Total pension liability - ending (a)	<u>\$134,576,742</u>	<u>\$138,578,874</u>	<u>\$146,813,210</u>	<u>\$164,647,825</u>
Plan fiduciary net position				
Contributions - employer	\$3,345,873	\$4,021,488	\$4,687,535	\$4,971,846
Contributions - employee	1,159,125	1,275,356	1,337,368	1,321,071
Net investment income	14,228,681	2,149,298	530,419	10,909,900
Net Plan to Plan Resource Movement				
Administrative expenses		(109,588)	(59,337)	(144,277)
Other Miscellaneous Income (Expense)				
Benefit payments, including refunds of employee contributions	(5,192,533)	(5,583,081)	(6,137,452)	(6,508,026)
Net change in plan fiduciary net position	13,541,146	1,753,473	358,533	10,550,514
Plan fiduciary net position - beginning	82,066,942	95,608,088	97,361,561	97,720,094
Plan fiduciary net position - ending (b)	<u>\$95,608,088</u>	<u>\$97,361,561</u>	<u>\$97,720,094</u>	<u>\$108,270,608</u>
Net pension liability - ending (a)-(b)	<u>\$38,968,654</u>	<u>\$41,217,313</u>	<u>\$49,093,116</u>	<u>\$56,377,217</u>
Plan fiduciary net position as a percentage of the total pension liability	71.04%	70.26%	66.56%	65.76%
Covered payroll	<u>\$14,222,604</u>	<u>\$15,260,582</u>	<u>\$15,917,657</u>	<u>\$16,420,663</u>
Net pension liability as percentage of covered payroll	273.99%	270.09%	308.42%	343.33%

Notes to Schedule:

Benefit changes. The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30. This applied for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in assumptions. GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense, but without reduction for pension plan administrative expense. In 2016, 2018, 2019, 2020 and 2021 there were no changes. In 2022, the accounting discount rate reduced from 7.15% to 6.90%. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. 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.

* - Fiscal year 2015 was the 1st year of implementation.

REQUIRED SUPPLEMENTARY INFORMATION

<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2022</u>
\$3,450,233	\$3,662,753	\$3,713,864	\$3,711,204	\$4,302,617
11,413,314	12,088,271	12,825,762	13,444,999	14,048,114
(1,730,389)	2,008,072	2,643,438	886,800	346,337
(1,373,783)				7,180,122
<u>(7,283,995)</u>	<u>(7,791,837)</u>	<u>(8,419,092)</u>	<u>(9,109,794)</u>	<u>(9,739,112)</u>
4,475,380	9,967,259	10,763,972	8,933,209	16,138,078
164,647,825	169,123,205	179,090,464	189,854,436	198,787,645
<u>\$169,123,205</u>	<u>\$179,090,464</u>	<u>\$189,854,436</u>	<u>\$198,787,645</u>	<u>\$214,925,723</u>
\$5,489,151	\$5,845,005	\$6,475,687	\$6,960,408	\$7,828,674
1,484,945	1,613,156	1,571,752	1,533,922	1,651,472
9,098,992	7,772,814	6,213,521	29,607,098	(12,103,385)
(269)	(218)		(572)	
(168,715)	(83,187)	(174,706)	(129,456)	(98,708)
(320,393)	269			
<u>(7,283,995)</u>	<u>(7,791,837)</u>	<u>(8,419,092)</u>	<u>(9,109,794)</u>	<u>(9,739,112)</u>
8,299,716	7,356,002	5,667,162	28,861,606	(12,461,059)
108,270,608	116,570,324	123,926,326	129,593,488	158,455,094
<u>\$116,570,324</u>	<u>\$123,926,326</u>	<u>\$129,593,488</u>	<u>\$158,455,094</u>	<u>\$145,994,035</u>
<u>\$52,552,881</u>	<u>\$55,164,138</u>	<u>\$60,260,948</u>	<u>\$40,332,551</u>	<u>\$68,931,688</u>
68.93%	69.20%	68.26%	79.71%	67.93%
<u>\$17,179,599</u>	<u>\$20,193,041</u>	<u>\$21,471,907</u>	<u>\$20,618,181</u>	<u>\$22,822,694</u>
305.90%	273.18%	280.65%	195.62%	302.03%

REQUIRED SUPPLEMENTARY INFORMATION

Miscellaneous Agent Multiple-Employer Defined Benefit Pension Plan
Last 10 Years*

SCHEDULE OF CONTRIBUTIONS

For the Fiscal Year Ended June 30,	2015	2016	2017	2018	2019
Actuarially determined contribution	\$4,021,488	\$4,687,535	\$4,021,488	\$5,172,358	\$5,842,872
Contributions in relation to the actuarially determined contributions	(4,019,753)	(4,687,535)	(4,021,488)	(5,172,358)	(5,842,872)
Contribution deficiency (excess)	<u>\$1,735</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered payroll	<u>\$15,260,582</u>	<u>\$15,917,657</u>	<u>\$16,420,663</u>	<u>\$17,179,599</u>	<u>\$20,193,041</u>
Contributions as a percentage of covered payroll	26.35%	29.45%	24.49%	30.11%	28.94%
Valuation date:	6/30/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2016
For the Fiscal Year Ended June 30,	2020	2021	2022	2023	
Actuarially determined contribution	\$6,477,118	\$7,061,971	\$7,838,893	\$8,561,953	
Contributions in relation to the actuarially determined contributions	(6,477,118)	(7,061,971)	(7,838,893)	(8,561,953)	
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	
Covered payroll	<u>\$21,471,907</u>	<u>\$20,618,181</u>	<u>\$22,822,694</u>	<u>\$24,809,517</u>	
Contributions as a percentage of covered payroll	30.17%	34.25%	34.35%	34.51%	
Valuation date:	6/30/2017	6/30/2018	6/30/2019	6/30/2020	

Notes to Schedule

Valuation date:	6/30/2021
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, closed
Average remaining amortization period	15 years as of Valuation Date
Asset valuation method	Market Value of Assets
Inflation	2.75% for 2015 to 2019, 2.625% for 2020, 2.50% for 2021 and 2022, and 2.30% for 2023
Salary increases	Varies by Entry Age and Service
Investment rate of return	7.50% for 2015 to 2018, 7.375% for 2019, 7.25% for 2020, 7.00% for 2021 and 2022 and 6.80% for 2023, net of administrative expenses, including inflation
Retirement age	The probabilities of Retirement are based on the CalPERS Experience Study.
Mortality Rate Table	The probabilities of mortality are based on the CalPERS Experience Study. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale AA published by the Society of Actuaries for 2015 to 2018. For 2019, 2020, 2021, and 2022, pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For 2023, pre-retirement and post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

* - Fiscal year 2015 was the 1st year of implementation.

REQUIRED SUPPLEMENTARY INFORMATION

Safety Plan
 Cost Sharing Multiple-Employer Defined Pension Plan
 Last 10 Years*

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	<u>6/30/2014</u>	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>
Plan's proportion of the Net Pension Liability (Asset)	1.07938%	1.03004%	0.95974%	0.93552%	0.95843%
Plan's proportion share of the Net Pension Liability (Asset)	\$40,485,157	\$42,442,275	\$49,781,654	\$55,899,346	\$56,236,322
Plan's Covered Payroll	11,200,196	12,280,143	12,543,342	12,807,240	13,238,467
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	361.47%	345.62%	396.88%	436.47%	424.79%
Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	79.82%	78.40%	74.06%	73.31%	75.26%
	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2022</u>	
Plan's proportion of the Net Pension Liability (Asset)	0.95585%	0.95974%	1.27699%	1.05081%	
Plan's proportion share of the Net Pension Liability (Asset)	\$59,669,242	\$63,941,257	\$44,815,713	\$72,207,303	
Plan's Covered Payroll	14,330,518	17,965,730	15,113,158	15,917,533	
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	416.38%	355.91%	296.53%	453.63%	
Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	75.26%	75.10%	88.29%	76.68%	

* - Fiscal year 2015 was the 1st year of implementation.

REQUIRED SUPPLEMENTARY INFORMATION

Safety Plan
 Cost Sharing Multiple-Employer Defined Benefit Pension Plan
 Last 10 Years*
SCHEDULE OF CONTRIBUTIONS

	2015	2016	2017	2018	2019
Actuarially determined contribution	\$4,331,842	\$4,055,568	\$4,455,903	\$4,959,631	\$5,719,302
Contributions in relation to the actuarially determined contributions	(4,331,842)	(4,055,568)	(4,455,903)	(4,959,631)	(5,719,302)
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0
Covered payroll	\$12,280,143	\$12,543,342	\$12,807,240	\$13,238,467	\$14,330,518
Contributions as a percentage of covered payroll	35.28%	32.33%	34.79%	37.46%	39.91%
	2020	2021	2022	2023	
Actuarially determined contribution	\$6,571,899	\$7,215,323	\$7,786,074	\$8,516,327	
Contributions in relation to the actuarially determined contributions	(6,571,899)	(7,215,323)	(7,786,074)	(8,516,327)	
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	
Covered payroll	\$17,965,730	\$15,113,158	\$15,917,533	\$16,945,456	
Contributions as a percentage of covered payroll	36.58%	51.52%	48.92%	50.26%	

* - Fiscal year 2015 was the first year of implementation.

REQUIRED SUPPLEMENTARY INFORMATION

PARS Enhancement Excess Benefit
Agent Multiple-Employer Defined Benefit Pension Plan
Last 10 Years*

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

Measurement Date	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022
Total Pension Liability									
Service Cost	\$33,000	\$25,000	\$8,000	\$9,000	\$8,901		\$108,975	\$102,103	\$93,001
Interest	122,000	124,000	126,000	134,000	134,821	\$107,078			53,376
Differences between expected and actual experience			53,000		47,056		(83,407)		19,556
Changes in assumptions			86,000		659,042	(75,860)	(54,339)	133,365	
Changes in benefits									
Benefit payments, including refunds of employee contributions	(97,000)	(99,000)	(112,000)	(137,000)	(139,237)	(146,447)	(160,537)	(163,748)	(167,023)
Net change in total pension liability	58,000	50,000	161,000	6,000	710,583	(115,229)	(189,308)	71,720	(1,090)
Total pension liability - beginning	2,237,000	2,295,000	2,345,000	2,506,000	2,512,000	3,222,583	3,107,354	2,918,046	2,989,766
Total pension liability - ending (a)	<u>\$2,295,000</u>	<u>\$2,345,000</u>	<u>\$2,506,000</u>	<u>\$2,512,000</u>	<u>\$3,222,583</u>	<u>\$3,107,354</u>	<u>\$2,918,046</u>	<u>\$2,989,766</u>	<u>\$2,988,676</u>
Plan fiduciary net position									
Contributions - employer	\$204,000	\$245,000	\$270,000	\$239,000	\$400,000				
Contributions - employee									
Net investment income	110,000	21,000	51,000	80,000	53,127	\$124,714	\$105,737	\$212,741	(\$226,244)
Administrative expenses	(7,000)	(7,000)	(8,000)	(8,000)	(9,143)	(9,920)	(9,649)	(9,360)	(8,790)
Benefit payments, including refunds of employee contributions	(97,000)	(99,000)	(112,000)	(137,000)	(139,237)	(146,447)	(160,537)	(163,748)	(167,023)
Net change in plan fiduciary net position	210,000	160,000	201,000	174,000	304,747	(31,653)	(64,449)	39,633	(402,057)
Plan fiduciary net position - beginning	1,289,000	1,499,000	1,659,000	1,860,000	2,034,000	2,338,747	2,307,094	2,242,645	2,282,278
Plan fiduciary net position - ending (b)	<u>\$1,499,000</u>	<u>\$1,659,000</u>	<u>\$1,860,000</u>	<u>\$2,034,000</u>	<u>\$2,338,747</u>	<u>\$2,307,094</u>	<u>\$2,242,645</u>	<u>\$2,282,278</u>	<u>\$1,880,221</u>
Net pension liability - ending (a)-(b)	<u>\$796,000</u>	<u>\$686,000</u>	<u>\$646,000</u>	<u>\$478,000</u>	<u>\$883,836</u>	<u>\$800,260</u>	<u>\$675,401</u>	<u>\$707,488</u>	<u>\$1,108,455</u>
Plan fiduciary net position as a percentage of the total pension liability	65.32%	70.75%	74.22%	80.97%	72.57%	74.25%	76.85%	76.34%	62.91%
Covered payroll	<u>\$635,597</u>	<u>\$653,039</u>	<u>\$586,464</u>	<u>\$182,068</u>	<u>\$186,997</u>				(A)
Net pension liability as percentage of covered payroll	125.24%	105.05%	110.15%	262.54%	472.65%	N/A	N/A	N/A	N/A

Notes to Schedule:

Benefit changes. There were no changes in benefits.

Changes in assumptions. The discount rate was updated. General Inflation was updated to 2.50%.

* - Fiscal year 2015 was the 1st year of implementation.

(A) All Plan participants were retired as of July 1, 2018

REQUIRED SUPPLEMENTARY INFORMATION

PARS Enhancement Excess Benefit
Agent Multiple-Employer Defined Benefit Pension Plan
Last 10 Years*

SCHEDULE OF CONTRIBUTIONS

For the Fiscal Year Ended June 30,	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially determined contribution	\$204,000	\$280,000	\$297,000	\$391,000	\$0	\$97,000	\$100,000	\$100,000	\$208,000
Contributions in relation to the actuarially determined contributions	(246,689)	(272,689)	(290,000)	(400,000)	0	0	0	0	(330,000)
Contribution deficiency (excess)	(\$42,689)	\$7,311	\$7,000	(\$9,000)	\$0	\$97,000	\$100,000	\$100,000	(\$122,000)
Covered payroll	\$653,039	\$586,464	\$182,068	\$186,997	\$0 (A)	\$0 (A)	\$0 (A)	\$0 (A)	\$0 (A)
Contributions as a percentage of covered payroll	37.78%	46.50%	159.28%	213.91%	0%	0%	0%	0%	0%

Notes to Schedule

Valuation date:	6/30/2014	6/30/2015	6/30/2016	6/30/2016	6/30/2017	6/30/2018	6/30/2020	6/30/2020	6/30/2022
-----------------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-Age Normal, Level % of pay
Amortization method	Level dollar amount
Average remaining amortization period	6-year fixed period for 2022/23
Asset valuation method	Investment gains and losses spread over a 5-year rolling period
Discount rate	3.20%
Inflation	2.50%
Projected Salary Increase	3.00%
Mortality Rate Table	CalPERS 2000-2019 Experience Study
Mortality Improvement Scale	Post - retirement mortality projected fully generational with Scale MP-2021

* - Fiscal year 2015 was the 1st year of implementation.

(A) All Plan participants were retired as of July 1, 2018

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
 Single-Employer Other Post-Employment Benefit Plan
 Last 10 fiscal years*

Measurement Date	6/30/17	6/30/18	6/30/19	6/30/20	6/30/21	6/30/22
Total OPEB Liability (1)						
Service Cost	\$1,509,000	\$1,263,802	\$1,183,810	\$1,323,555	\$1,767,370	\$1,820,051
Interest	1,059,000	1,235,540	1,299,001	1,256,947	968,637	971,080
Changes of benefit terms						
Differences between expected and actual experience		(256,511)		866,800		811,844
Changes of assumptions	(3,276,000)	(1,351,768)	1,523,401	5,876,460	288,190	(7,876,327)
Benefit payments	(1,631,000)	(1,733,000)	(1,781,930)	(1,816,214)	(1,885,034)	(2,013,440)
Net change in total OPEB liability	<u>(2,339,000)</u>	<u>(841,937)</u>	<u>2,224,282</u>	<u>7,507,548</u>	<u>1,139,163</u>	<u>(6,286,792)</u>
Total OPEB liability - beginning	<u>36,454,000</u>	<u>34,115,000</u>	<u>33,273,063</u>	<u>35,497,345</u>	<u>43,004,893</u>	<u>44,144,056</u>
Total OPEB liability - ending (a)	<u>\$34,115,000</u>	<u>\$33,273,063</u>	<u>\$35,497,345</u>	<u>\$43,004,893</u>	<u>\$44,144,056</u>	<u>\$37,857,264</u>
Covered-employee payroll	<u>\$38,034,624</u>	<u>\$31,729,215</u>	<u>\$39,889,613</u>	<u>\$36,097,420</u>	<u>\$39,082,228</u>	<u>\$44,166,566</u>
Total OPEB liability as a percentage of covered-employee payroll	89.69%	104.87%	88.99%	119.14%	112.95%	85.71%

Notes to Schedule:

(1) No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statement No. 75.

Benefit changes: No changes.

Changes in assumptions: The discount rate was updated based on the municipal bond rate at the measurement date

* Fiscal year 2018 was the first year of implementation.

This Page Left Intentionally Blank

SUPPLEMENTARY INFORMATION

This Page Left Intentionally Blank

MAJOR GOVERNMENTAL FUNDS, OTHER THAN GENERAL FUND AND SPECIAL REVENUE FUNDS
--

SPECIAL APPORTIONMENT STREETS FUND

Established to account for the construction and maintenance of the street system in Manteca. Financing is provided through local transportation funds and State and Federal grants.

PUBLIC FACILITIES IMPLEMENTATION PLAN FUND

This fund was initially established to account for the costs incurred for the development of a Public Facilities Implementation Plan. This fund accounts for the developer impact fees collected and expended in the construction of the Drainage and Transportation elements of the Plan. The Sewer and Water developer impact fees collected and expended in connection with the Plan are accounted for in their respective Enterprise Funds.

CITY OF MANTECA
SPECIAL APPORTIONMENT STREETS FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Use of money and property	\$25,363	\$56,837	\$31,474
Revenue from other agencies		5,933,198	5,933,198
Total Revenues	25,363	5,990,035	5,964,672
EXPENDITURES:			
Current:			
Streets and highways	1,385,785	1,417,712	(31,927)
Capital outlay	15,949,707	11,898,994	4,050,713
Total Expenditures	17,335,492	13,316,706	4,018,786
NET CHANGE IN FUND BALANCE	(\$17,310,129)	(7,326,671)	\$9,983,458
BEGINNING FUND BALANCE		726,934	
ENDING FUND BALANCE (DEFICIT)		(\$6,599,737)	

CITY OF MANTECA
PUBLIC FACILITIES IMPLEMENTATION PLAN FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Use of money and property	\$107,085	\$626,211	\$519,126
Charges for current services	11,076,000	8,904,138	(2,171,862)
Total Revenues	11,183,085	9,530,349	(1,652,736)
EXPENDITURES			
Current:			
Public works	370,927	409,403	(38,476)
Capital outlay	17,381,014	3,253,840	14,127,174
Debt service:			
Interest and fiscal charges		84,685	(84,685)
Total Expenditures	17,751,941	3,747,928	14,004,013
NET CHANGE IN FUND BALANCE	(\$6,568,856)	5,782,421	\$12,351,277
BEGINNING FUND BALANCE		40,860,666	
ENDING FUND BALANCE		\$46,643,087	

This Page Left Intentionally Blank

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS:

COMMUNITY DEVELOPMENT BLOCK GRANT

Established to account for projects financed by the Federal Housing and Urban Development Department through San Joaquin County.

POLICE GRANTS

Established to account for the City's various Police grants. The U.S. Department of Justice Universal Hiring Grants are used to hire additional Patrol officers as well as to provide officers to each of the City's high school attendance areas for the school's Resource Officer Program. The Federal Local Law Enforcement Block Grants are used to supplement communications and equipment needs. State grants are used for specific equipment and personnel costs incurred in the implementation of the grant specific programs.

SUPPLEMENTAL LAW ENFORCEMENT SERVICES

Established to account for the Citizens Option for Public Safety (COPS) appropriation pursuant to Assembly Bill 3229. The Manteca police department is using these funds for front-line law enforcement programs.

RECREATION

Established to account for the operations of the City's recreation program. Funding of these programs is provided through fees collected from those who participate in recreational activities.

STREET IMPROVEMENTS

Established to account for financing of the City's traffic signal installations and highway interchange. Financing is provided by specific traffic signal installation and highway interchange fees imposed on developments.

MAJOR EQUIPMENT PURCHASE FEE

Established to account for financing of major equipment utilization by City departments. Financing is provided by specific major equipment purchase fees imposed on developments.

LANDSCAPE AND LIGHTING MAINTENANCE DISTRICT

Established to account for the financing of lighting and landscape maintenance districts formed pursuant to the Landscaping and Lighting Act of 1972 and benefit assessment districts formed pursuant to the Benefit Assessment Act of 1982. The City currently has twenty five approved districts.

PUBLIC SAFETY ENDOWMENT FEE

Established to account for funds received from the Public Safety Endowment Fee. This fee is collected as part of negotiated development agreements and the interest from the fee has been designated for the use of funding public safety salaries.

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

DEVELOPMENT SERVICES

Established to record revenues and expenditures directly related to development services, including planning and building safety.

DEVELOPMENT MITIGATION

Established to account for the collection and use of fees collected as part of negotiated development agreements. These fees include a Development Agreement Fee, and Economic Development Fee, a Public Facilities Fee, a Development Services Fee, a Public Safety Endowment Fee, and a Recreational Amenities Fee.

COMMUNITY FACILITIES DISTRICTS

The Community Facilities Districts Fund (CFD) was established to account for the monies collected and special taxes levied in association with the formation of and services associated with Community Facilities Districts.

FIRE GRANTS

The Fire Grants Fund was established to account for the fire grants received by the City. Federal grants are used for specific equipment and personnel costs incurred in the implementation of the grant programs.

PUBLIC SAFETY SALES TAX

Established to account for all proceeds collected from the levying of the Gang and Drug Prevention, 9-1-1 Emergency and Public Safety Improvement Transactions and Use Tax. Taxes received are to be used solely for the public safety services set forth in the Program Guidelines and Public Safety Expenditure Plan. The Public Safety Expenditure Plan may be amended from time to time by a majority vote of the City Council, so long as the funds are utilized for public safety, police and fire protection services.

INNOVATION AND TECHNOLOGY

Established during the year ended June 30, 2021 to account for the creation, expansion, and maintenance of a fiber conduit network and future “Smart City” technology initiatives and infrastructure projects throughout the City.

ENGINEERING SERVICES

Established to account for developer fees used to oversee planning, design, and construction for new capital projects.

COVID RELIEF

Established to account for federal grant funding and expenditures dedicated to support the City’s response to COVID-19.

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

CAPITAL IMPROVEMENT FUNDS:**STATE GASOLINE TAX**

Established to account for the construction and maintenance of the street system in Manteca. Financing is provided by the City's share of state gasoline taxes and State of California under AB2928. The allocations from AB2928 must be spent on local streets and roads maintenance, rehabilitation and reconstruction projects according to the tax levied for that purpose by San Joaquin County.

REGIONAL TRANSPORTATION IMPACT FEES

Established to account for fees collected in association with the Regional Transportation Impact Fee Program (RTIF). The RTIF Program is a County-wide program administered by the San Joaquin Council of Governments as part of a regional effort to mitigate traffic congestion. Improvements to the Regional Transportation Network have been identified in the RTIF Capital Project list. This program collects fees from future residential and non-residential development. Fees collected are used exclusively on identified projects locally and within the region.

MEASURE K

Established to account for the construction and maintenance of the street system in Manteca financed with a 1/2 cent sales tax levied for that purpose by San Joaquin County. The tax was established in 1999, renewed in 2006 and sunsets in 2036.

PARKS

Established to account for the construction and maintenance of all City owned parks. Financing is provided by a special parks improvement fee imposed on developments.

GOVERNMENT BUILDING FACILITIES

Established to account for the financing and construction activities of the Civic Center expansion and other City facilities, as well as fire sprinkler fees. Financing is provided by government building facilities fees and fire fees imposed on developments.

FLOOD PROTECTION

Established to account for permit payments that are collected for the two-hundred-year flood.

REDEVELOPMENT BONDS PROJECTS

This fund was established to account for the financing and construction activities funded with the tax-exempt proceeds from the issuance of the former Manteca Redevelopment Agency's long-term debt.

FIRE FACILITIES FEE

Established to account for financing and construction activities related to Fire Facilities. Financing is provided by fees imposed on developments.

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

NEIGHBORHOOD PARKS IN LIEU FEE

Established to account for fees paid by developers in-lieu of building and dedicating a park when a development is determined to be too small to develop their own neighborhood park.

GAS TAX SB1

Established to account for the Road Maintenance and Rehabilitation Account that addresses deferred maintenance of the local street and road systems and is funded by the State of California.

This Page Left Intentionally Blank

CITY OF MANTECA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023

	SPECIAL REVENUE FUNDS				
	Community Development Block Grant	Police Grants	Supplemental Law Enforcement Services	Recreation	Street Improvements
ASSETS					
Cash and investments		\$2,674	\$560,111	\$530,519	\$49,572
Restricted cash and investments					
Accounts receivables (net of allowance for estimated uncollectible accounts)	\$445,753	167,292		3,700	
Taxes receivable					
Interest receivable					
Leases receivable					
Total Assets	\$445,753	\$169,966	\$560,111	\$534,219	\$49,572
LIABILITIES					
Accounts payable	\$184,363	\$75,351	\$20,694	\$53,077	
Contracts payable					
Refundable deposits				142,316	
Due to other funds	328,032				
Unearned revenue					
Total Liabilities	512,395	75,351	20,694	195,393	
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - accounts receivable	72,803	9,294			
Related to leases					
Total Deferred Inflows of Resources	72,803	9,294			
FUND BALANCE					
Fund balance:					
Restricted		85,321	539,417	338,826	\$49,572
Committed					
Unassigned	(139,445)				
Total Fund Balances	(139,445)	85,321	539,417	338,826	49,572
Total Liabilities and Fund Balances	\$445,753	\$169,966	\$560,111	\$534,219	\$49,572

SPECIAL REVENUE FUNDS

Major Equipment Purchase Fee	Landscape and Lighting Maintenance District	Public Safety Endowment Fee	Development Services	Development Mitigation	Community Facilities Districts	Fire Grants	Public Safety Sales Tax
\$1,271,149	\$1,498,593		\$13,758,276	\$9,864,063	\$3,665,087		\$4,046,880
99,968			1,342,706			\$304,113	1,743,334
<u>\$1,371,117</u>	<u>\$1,498,593</u>		<u>\$15,100,982</u>	<u>\$9,864,063</u>	<u>\$3,665,087</u>	<u>\$304,113</u>	<u>\$5,790,214</u>
	\$21,616		\$110,020	\$6,458	\$36,620		\$12,699
					22,072		
						\$304,113	
	<u>21,616</u>		<u>110,020</u>	<u>6,458</u>	<u>58,692</u>	<u>304,113</u>	<u>12,699</u>
\$99,968			1,319,434			304,113	
<u>99,968</u>			<u>1,319,434</u>			<u>304,113</u>	
1,271,149	1,476,977		13,671,528	9,857,605	3,606,395		5,777,515
						(304,113)	
<u>1,271,149</u>	<u>1,476,977</u>		<u>13,671,528</u>	<u>9,857,605</u>	<u>3,606,395</u>	<u>(304,113)</u>	<u>5,777,515</u>
<u>\$1,371,117</u>	<u>\$1,498,593</u>		<u>\$15,100,982</u>	<u>\$9,864,063</u>	<u>\$3,665,087</u>	<u>\$304,113</u>	<u>\$5,790,214</u>

(Continued)

CITY OF MANTECA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023

	SPECIAL REVENUE FUNDS			CAPITAL IMPROVEMENT FUNDS	
	Innovation and Technology	Engineering Services	COVID Relief	State Gasoline Tax	Regional Transportation Impact Fees
ASSETS					
Cash and investments	\$272,328	\$293,413	\$9,379,130	\$1,887,923	\$18,446,549
Restricted cash and investments					
Accounts receivables (net of allowance for estimated uncollectible accounts)		28,828			
Taxes receivable				191,589	
Interest receivable	651				
Leases receivable	648,470				
Total Assets	<u>\$921,449</u>	<u>\$322,241</u>	<u>\$9,379,130</u>	<u>\$2,079,512</u>	<u>\$18,446,549</u>
LIABILITIES					
Accounts payable		\$10,320	\$114,875	\$133,561	\$278,638
Contracts payable					
Refundable deposits					20,308
Due to other funds		25,481			
Unearned revenue			9,371,151		
Total Liabilities		<u>35,801</u>	<u>9,486,026</u>	<u>133,561</u>	<u>298,946</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - accounts receivable Related to leases	\$628,544				
Total Deferred Inflows of Resources	<u>628,544</u>				
FUND BALANCE					
Fund balance:					
Restricted		286,440		1,945,951	18,147,603
Committed	292,905				
Unassigned			(106,896)		
Total Fund Balances	<u>292,905</u>	<u>286,440</u>	<u>(106,896)</u>	<u>1,945,951</u>	<u>18,147,603</u>
Total Liabilities and Fund Balances	<u>\$921,449</u>	<u>\$322,241</u>	<u>\$9,379,130</u>	<u>\$2,079,512</u>	<u>\$18,446,549</u>

CAPITAL IMPROVEMENT FUNDS

Measure K	Parks	Government Building Facilities	Flood Protection	Redevelopment Bonds Projects	Fire Facilities Fee	Neighborhood Parks In Lieu Fee	Gas Tax SB1
\$10,726,538	\$14,895,225 130,380	\$32,785,483	\$188,969	\$7,664,237	\$3,625,926	\$3,998,451	\$5,384,669
488,332		637,891			99,968		339,679
<u>\$11,214,870</u>	<u>\$15,025,605</u>	<u>\$33,423,374</u>	<u>\$188,969</u>	<u>\$7,664,237</u>	<u>\$3,725,894</u>	<u>\$3,998,451</u>	<u>\$5,724,348</u>
\$12,623	\$2,214 130,380		\$182,375				
<u>12,623</u>	<u>132,594</u>		<u>182,375</u>				
		\$637,891			\$99,968		
		637,891			99,968		
11,202,247	14,893,011	32,785,483	6,594	\$7,664,237	3,625,926	\$3,998,451	\$5,724,348
<u>11,202,247</u>	<u>14,893,011</u>	<u>32,785,483</u>	<u>6,594</u>	<u>7,664,237</u>	<u>3,625,926</u>	<u>3,998,451</u>	<u>5,724,348</u>
<u>\$11,214,870</u>	<u>\$15,025,605</u>	<u>\$33,423,374</u>	<u>\$188,969</u>	<u>\$7,664,237</u>	<u>\$3,725,894</u>	<u>\$3,998,451</u>	<u>\$5,724,348</u>

(Continued)

CITY OF MANTECA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023

	Total Nonmajor Governmental Funds
ASSETS	
Cash and investments	\$137,131,528
Restricted cash and investments	7,794,617
Accounts receivables (net of allowance for estimated uncollectible accounts)	3,130,219
Taxes receivable	2,762,934
Interest receivable	651
Leases receivable	648,470
Total Assets	\$151,468,419
LIABILITIES	
Accounts payable	\$1,253,290
Contracts payable	2,214
Refundable deposits	315,076
Due to other funds	657,626
Unearned revenue	9,371,151
Total Liabilities	11,599,357
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - accounts receivable	2,543,471
Related to leases	628,544
Total Deferred Inflows of Resources	3,172,015
FUND BALANCE	
Fund balance:	
Restricted	136,954,596
Committed	292,905
Unassigned	(550,454)
Total Fund Balances	136,697,047
Total Liabilities and Fund Balances	\$151,468,419

This Page Left Intentionally Blank

CITY OF MANTECA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	SPECIAL REVENUE FUNDS				
	Community Development Block Grant	Police Grants	Supplemental Law Enforcement Services	Recreation	Street Improvements
REVENUES					
Sales taxes					
Licenses and permits					
Use of money and property			\$6,717		\$1,067
Revenue from other agencies	\$442,142	\$360,539	225,930		
Charges for current services				\$908,948	
Other revenue		6,000			
Total Revenues	442,142	366,539	232,647	908,948	1,067
EXPENDITURES					
Current:					
General government	449,004				
Community development					
Public safety		136,539	17,301		
Public works					
Parks and recreation				1,563,468	
Streets and highways					
Capital outlay	66,467	158,938	11,694	35,245	5,600
Debt service:					
Principal				3,443	
Interest and fiscal charges				31	
Total Expenditures	515,471	295,477	28,995	1,602,187	5,600
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES					
	(73,329)	71,062	203,652	(693,239)	(4,533)
OTHER FINANCING SOURCES (USES)					
Transfers in				902,000	
Transfers out					
Issuance of SBITA					
Total Other Financing Sources (Uses)				902,000	
NET CHANGE IN FUND BALANCES					
	(73,329)	71,062	203,652	208,761	(4,533)
BEGINNING FUND BALANCES					
	(66,116)	14,259	335,765	130,065	54,105
ENDING FUND BALANCES					
	(\$139,445)	\$85,321	\$539,417	\$338,826	\$49,572

SPECIAL REVENUE FUNDS

Major Equipment Purchase Fee	Landscape and Lighting Maintenance District	Public Safety Endowment Fee	Development Services	Development Mitigation	Community Facilities Districts	Fire Grants	Public Safety Sales Tax
							\$10,233,014
\$32,586	(\$994)	\$6,389	\$4,855,034 194,408	\$133,572	\$70,282		59,716
330,948	1,383,754 10		1,477,561	368,332	1,788,392 920		
<u>363,534</u>	<u>1,382,770</u>	<u>6,389</u>	<u>6,527,003</u>	<u>501,904</u>	<u>1,859,594</u>		<u>10,292,730</u>
			128,425 4,378,840			\$116,074	9,890,333
	1,242,112				938,616 24,658		
	171,143		116,574	273,539	128,853		1,600
			171,885 1,863				
	<u>1,413,255</u>		<u>4,797,587</u>	<u>273,539</u>	<u>1,092,127</u>	<u>116,074</u>	<u>9,891,933</u>
363,534	(30,485)	6,389	1,729,416	228,365	767,467	(116,074)	400,797
						250,070	
		(53,386)	(821,912) 58,974				
		<u>(53,386)</u>	<u>(762,938)</u>			<u>250,070</u>	
363,534	(30,485)	(46,997)	966,478	228,365	767,467	133,996	400,797
907,615	1,507,462	46,997	12,705,050	9,629,240	2,838,928	(438,109)	5,376,718
<u>\$1,271,149</u>	<u>\$1,476,977</u>		<u>\$13,671,528</u>	<u>\$9,857,605</u>	<u>\$3,606,395</u>	<u>(\$304,113)</u>	<u>\$5,777,515</u>

(Continued)

CITY OF MANTECA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	SPECIAL REVENUE FUNDS			CAPITAL IMPROVEMENT FUNDS	
	Innovation and Technology	Engineering Services	COVID Relief	State Gasoline Tax	Regional Transportation Impact Fees
REVENUES					
Sales taxes					
Licenses and permits					
Use of money and property	\$6,316			\$81,399	\$259,606
Revenue from other agencies		\$29,623	\$2,196,007	2,183,413	
Charges for current services		1,947,135			2,264,002
Other revenue	115,555	72,836		22,126	2
Total Revenues	121,871	2,049,594	2,196,007	2,286,938	2,523,610
EXPENDITURES					
Current:					
General government					
Community development					
Public safety			1,191,634		
Public works		2,585,066		20,502	
Parks and recreation				3,865	
Streets and highways				2,504,076	8,371
Capital outlay			1,004,373	451	3,372,362
Debt service:					
Principal					
Interest and fiscal charges					
Total Expenditures		2,585,066	2,196,007	2,528,894	3,380,733
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	121,871	(535,472)		(241,956)	(857,123)
OTHER FINANCING SOURCES (USES)					
Transfers in		821,912			
Transfers out				(3,833,526)	
Issuance of SBITA					
Total Other Financing Sources (Uses)		821,912		(3,833,526)	
NET CHANGE IN FUND BALANCES	121,871	286,440		(4,075,482)	(857,123)
BEGINNING FUND BALANCES	171,034		(106,896)	6,021,433	19,004,726
ENDING FUND BALANCES	\$292,905	\$286,440	(\$106,896)	\$1,945,951	\$18,147,603

CAPITAL IMPROVEMENT FUNDS

Measure K	Parks	Government Building Facilities	Flood Protection	Redevelopment Bonds Projects	Fire Facilities Fee	Neighborhood Parks In Lieu Fee	Gas Tax SB1
\$107,883	\$104,667	\$5,081,826	\$9,765	\$1,298,489	\$1,152,790	\$21,437	\$1,938,477
2,012,700	3,587,446	307,847			34,305	1,318,549	
<u>2,120,583</u>	<u>3,692,113</u>	<u>5,389,673</u>	<u>9,765</u>	<u>1,298,489</u>	<u>1,187,095</u>	<u>1,339,986</u>	<u>1,938,477</u>
421,674	172,000						
23,298				102,913		23,054	47,655
483,757							
<u>928,729</u>	<u>172,000</u>			<u>102,913</u>		<u>23,054</u>	<u>47,655</u>
1,191,854	3,520,113	5,389,673	9,765	1,195,576	1,187,095	1,316,932	1,890,822
	(2,681,519)	(2,438,831)			2,438,831	2,681,519	3,833,526
	<u>(2,681,519)</u>	<u>(2,438,831)</u>			<u>2,438,831</u>	<u>2,681,519</u>	<u>3,833,526</u>
1,191,854	838,594	2,950,842	9,765	1,195,576	3,625,926	3,998,451	5,724,348
10,010,393	14,054,417	29,834,641	(3,171)	6,468,661			
<u>\$11,202,247</u>	<u>\$14,893,011</u>	<u>\$32,785,483</u>	<u>\$6,594</u>	<u>\$7,664,237</u>	<u>\$3,625,926</u>	<u>\$3,998,451</u>	<u>\$5,724,348</u>

(Continued)

CITY OF MANTECA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	Total Nonmajor Governmental Funds
REVENUES	
Sales taxes	\$10,233,014
Licenses and permits	11,089,650
Use of money and property	2,735,457
Revenue from other agencies	9,388,831
Charges for current services	15,375,067
Other revenue	217,449
Total Revenues	49,039,468
EXPENDITURES	
Current:	
General government	577,429
Community development	4,378,840
Public safety	11,351,881
Public works	3,965,858
Parks and recreation	3,006,103
Streets and highways	2,535,745
Capital outlay	6,004,218
Debt service:	
Principal	175,328
Interest and fiscal charges	1,894
Total Expenditures	31,997,296
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	17,042,172
OTHER FINANCING SOURCES (USES)	
Transfers in	10,927,858
Transfers out	(9,829,174)
Issuance of SBITA	58,974
Total Other Financing Sources (Uses)	1,157,658
NET CHANGE IN FUND BALANCES	18,199,830
BEGINNING FUND BALANCES	118,497,217
ENDING FUND BALANCES	\$136,697,047

This Page Left Intentionally Blank

CITY OF MANTECA
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2023

	COMMUNITY DEVELOPMENT BLOCK GRANT			POLICE GRANTS		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Sales taxes						
Licenses and permits						
Use of money and property						
Revenue from other agencies	\$899,853	\$442,142	(\$457,711)	\$364,387	\$360,539	(\$3,848)
Charges for current services						
Other revenue					6,000	6,000
Total Revenues	<u>899,853</u>	<u>442,142</u>	<u>(457,711)</u>	<u>364,387</u>	<u>366,539</u>	<u>2,152</u>
EXPENDITURES						
Current:						
General government	899,853	449,004	450,849			
Community development						
Public safety				159,646	136,539	23,107
Public works						
Parks and recreation						
Streets and highways						
Capital outlay	36,467	66,467	(30,000)	161,111	158,938	2,173
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	<u>936,320</u>	<u>515,471</u>	<u>420,849</u>	<u>320,757</u>	<u>295,477</u>	<u>25,280</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(36,467)</u>	<u>(73,329)</u>	<u>(36,862)</u>	<u>43,630</u>	<u>71,062</u>	<u>27,432</u>
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers out						
Issuance of SBITA						
Total Other Financing Sources (Uses)						
NET CHANGE IN FUND BALANCES	<u><u>(\$36,467)</u></u>	<u><u>(73,329)</u></u>	<u><u>(\$36,862)</u></u>	<u><u>\$43,630</u></u>	<u><u>71,062</u></u>	<u><u>\$27,432</u></u>
BEGINNING FUND BALANCES (DEFICIT)		<u>(66,116)</u>			<u>14,259</u>	
ENDING FUND BALANCES (DEFICIT)		<u><u>(\$139,445)</u></u>			<u><u>\$85,321</u></u>	

SUPPLEMENTAL LAW ENFORCEMENT SERVICES			RECREATION			STREET IMPROVEMENTS		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$50	\$6,717	\$6,667					\$1,067	\$1,067
222,000	225,930	3,930	\$976,600	\$908,948	(\$67,652)			
<u>222,050</u>	<u>232,647</u>	<u>10,597</u>	<u>976,600</u>	<u>908,948</u>	<u>(67,652)</u>		<u>1,067</u>	<u>1,067</u>
34,246	17,301	16,945						
			1,840,416	1,563,468	276,948			
498	11,694	(11,196)	138,415	35,245	103,170	\$5,600	5,600	
				3,443	(3,443)			
				31	(31)			
<u>34,744</u>	<u>28,995</u>	<u>5,749</u>	<u>1,978,831</u>	<u>1,602,187</u>	<u>376,644</u>	<u>5,600</u>	<u>5,600</u>	
<u>187,306</u>	<u>203,652</u>	<u>16,346</u>	<u>(1,002,231)</u>	<u>(693,239)</u>	<u>308,992</u>	<u>(5,600)</u>	<u>(4,533)</u>	<u>1,067</u>
			902,000	902,000				
			<u>902,000</u>	<u>902,000</u>				
<u>\$187,306</u>	203,652	<u>\$16,346</u>	<u>(\$100,231)</u>	208,761	<u>\$308,992</u>	<u>(\$5,600)</u>	(4,533)	<u>\$1,067</u>
	<u>335,765</u>			<u>130,065</u>			<u>54,105</u>	
	<u>\$539,417</u>			<u>\$338,826</u>			<u>\$49,572</u>	

(Continued)

CITY OF MANTECA
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2023

	MAJOR EQUIPMENT PURCHASE FEE			LANDSCAPE AND LIGHTING MAINTENANCE DISTRICT		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Sales taxes						
Licenses and permits						
Use of money and property	\$145	\$32,586	\$32,441	\$324	(\$994)	(\$1,318)
Revenue from other agencies						
Charges for current services	386,000	330,948	(55,052)	1,335,210	1,383,754	48,544
Other revenue					10	10
Total Revenues	<u>386,145</u>	<u>363,534</u>	<u>(22,611)</u>	<u>1,335,534</u>	<u>1,382,770</u>	<u>47,236</u>
EXPENDITURES						
Current:						
General government						
Community development						
Public safety						
Public works						
Parks and recreation				1,180,199	1,242,112	(61,913)
Streets and highways						
Capital outlay				103,351	171,143	(67,792)
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures				<u>1,283,550</u>	<u>1,413,255</u>	<u>(129,705)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>386,145</u>	<u>363,534</u>	<u>(22,611)</u>	<u>51,984</u>	<u>(30,485)</u>	<u>(82,469)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers out						
Issuance of SBITA						
Total Other Financing Sources (Uses)						
NET CHANGE IN FUND BALANCES	<u><u>\$386,145</u></u>	<u>363,534</u>	<u><u>(\$22,611)</u></u>	<u><u>\$51,984</u></u>	<u>(30,485)</u>	<u><u>(\$82,469)</u></u>
BEGINNING FUND BALANCES		<u>907,615</u>			<u>1,507,462</u>	
ENDING FUND BALANCES (DEFICIT)		<u><u>\$1,271,149</u></u>			<u><u>\$1,476,977</u></u>	

PUBLIC SAFETY ENDOWMENT FEE			DEVELOPMENT SERVICES			DEVELOPMENT MITIGATION		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
	\$6,389	\$6,389	\$3,650,000	\$4,855,034	\$1,205,034			
			4,117	194,408	190,291	\$7,108	\$133,572	\$126,464
			1,730,000	1,477,561	(252,439)	362,000	368,332	6,332
	6,389	6,389	5,384,117	6,527,003	1,142,886	369,108	501,904	132,796
			250,000	128,425	121,575			
			5,544,034	4,378,840	1,165,194			
				116,574	(116,574)	383,061	273,539	109,522
				171,885	(171,885)			
				1,863	(1,863)			
			5,794,034	4,797,587	996,447	383,061	273,539	109,522
	6,389	6,389	(409,917)	1,729,416	2,139,333	(13,953)	228,365	242,318
	(53,386)	(53,386)		(821,912)	(821,912)			
				58,974	58,974			
	(53,386)	(53,386)		(762,938)	(762,938)			
	(46,997)	(46,997)	(409,917)	966,478	\$1,376,395	(13,953)	228,365	\$242,318
	46,997			12,705,050			9,629,240	
				\$13,671,528			\$9,857,605	

(Continued)

CITY OF MANTECA
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2023

	COMMUNITY FACILITIES DISTRICTS			FIRE GRANTS		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Sales taxes						
Licenses and permits						
Use of money and property		\$70,282	\$70,282			
Revenue from other agencies						
Charges for current services	\$1,322,320	1,788,392	466,072			
Other revenue		920	920			
Total Revenues	<u>1,322,320</u>	<u>1,859,594</u>	<u>537,274</u>			
EXPENDITURES						
Current:						
General government						
Community development						
Public safety				\$340,400	\$116,074	\$224,326
Public works	1,353,073	938,616	414,457			
Parks and recreation	500	24,658	(24,158)			
Streets and highways						
Capital outlay	111,975	128,853	(16,878)			
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	<u>1,465,548</u>	<u>1,092,127</u>	<u>373,421</u>	<u>340,400</u>	<u>116,074</u>	<u>224,326</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(143,228)</u>	<u>767,467</u>	<u>910,695</u>	<u>(340,400)</u>	<u>(116,074)</u>	<u>224,326</u>
OTHER FINANCING SOURCES (USES)						
Transfers in					250,070	250,070
Transfers out						
Issuance of SBITA						
Total Other Financing Sources (Uses)					<u>250,070</u>	<u>250,070</u>
NET CHANGE IN FUND BALANCES	<u><u>(\$143,228)</u></u>	<u>767,467</u>	<u>\$910,695</u>	<u><u>(\$340,400)</u></u>	<u>133,996</u>	<u><u>\$474,396</u></u>
BEGINNING FUND BALANCES		<u>2,838,928</u>			<u>(438,109)</u>	
ENDING FUND BALANCES (DEFICIT)		<u><u>\$3,606,395</u></u>			<u><u>(\$304,113)</u></u>	

<u>PUBLIC SAFETY SALES TAX</u>			<u>INNOVATION AND TECHNOLOGY</u>			<u>ENGINEERING SERVICES</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
\$10,497,000	\$10,233,014	(\$263,986)						
15,029	59,716	44,687	\$101,200	\$6,316	\$6,316 (101,200)	\$51,000	\$29,623	(\$21,377)
			90,000	115,555	25,555	3,077,000	1,947,135	(1,129,865)
						95,000	72,836	(22,164)
<u>10,512,029</u>	<u>10,292,730</u>	<u>(219,299)</u>	<u>191,200</u>	<u>121,871</u>	<u>(69,329)</u>	<u>3,223,000</u>	<u>2,049,594</u>	<u>(1,173,406)</u>
9,828,193	9,890,333	(62,140)						
			101,200		101,200	2,751,475	2,585,066	166,409
17,204	1,600	15,604						
<u>9,845,397</u>	<u>9,891,933</u>	<u>(46,536)</u>	<u>101,200</u>		<u>101,200</u>	<u>2,751,475</u>	<u>2,585,066</u>	<u>166,409</u>
<u>666,632</u>	<u>400,797</u>	<u>(265,835)</u>	<u>90,000</u>	<u>121,871</u>	<u>31,871</u>	<u>471,525</u>	<u>(535,472)</u>	<u>(1,006,997)</u>
							821,912	821,912
							821,912	821,912
<u>\$666,632</u>	<u>400,797</u>	<u>(\$265,835)</u>	<u>\$90,000</u>	<u>121,871</u>	<u>\$31,871</u>	<u>\$471,525</u>	<u>286,440</u>	<u>(\$185,085)</u>
	<u>5,376,718</u>			<u>171,034</u>				
	<u>\$5,777,515</u>			<u>\$292,905</u>			<u>\$286,440</u>	

(Continued)

CITY OF MANTECA
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2023

	COVID RELIEF			STATE GASOLINE TAX		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Sales taxes						
Licenses and permits						
Use of money and property				\$7,336	\$81,399	\$74,063
Revenue from other agencies		\$2,196,007	\$2,196,007	2,204,987	2,183,413	(21,574)
Charges for current services						
Other revenue					22,126	22,126
Total Revenues		2,196,007	2,196,007	2,212,323	2,286,938	74,615
EXPENDITURES						
Current:						
General government						
Community development						
Public safety	\$1,197,000	1,191,634	5,366			
Public works				27,000	20,502	6,498
Parks and recreation				4,000	3,865	135
Streets and highways				2,606,045	2,504,076	101,969
Capital outlay	1,004,374	1,004,373	1	2,007,725	451	2,007,274
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	2,201,374	2,196,007	5,367	4,644,770	2,528,894	2,115,876
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,201,374)</u>		<u>2,201,374</u>	<u>(2,432,447)</u>	<u>(241,956)</u>	<u>2,190,491</u>
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers out					(3,833,526)	(3,833,526)
Issuance of SBITA						
Total Other Financing Sources (Uses)					(3,833,526)	(3,833,526)
NET CHANGE IN FUND BALANCES	<u>(\$2,201,374)</u>		<u>\$2,201,374</u>	<u>(\$2,432,447)</u>	<u>(4,075,482)</u>	<u>(\$1,643,035)</u>
BEGINNING FUND BALANCES		(106,896)			6,021,433	
ENDING FUND BALANCES (DEFICIT)		<u>(\$106,896)</u>			<u>\$1,945,951</u>	

REGIONAL TRANSPORTATION IMPACT FEES			MEASURE K			PARKS		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$36,740	\$259,606	\$222,866	\$17,461	\$107,883	\$90,422	\$20,924	\$104,667	\$83,743
2,774,000	2,264,002	(509,998)	5,909,000	2,012,700	(3,896,300)	3,314,710	3,587,446	272,736
	2	2						
<u>2,810,740</u>	<u>2,523,610</u>	<u>(287,130)</u>	<u>5,926,461</u>	<u>2,120,583</u>	<u>(3,805,878)</u>	<u>3,335,634</u>	<u>3,692,113</u>	<u>356,479</u>
			501,310	421,674	79,636			
	8,371	(8,371)	23,300	23,298	2	172,000	172,000	
6,178,377	3,372,362	2,806,015	16,601,240	483,757	16,117,483	82,500		82,500
<u>6,178,377</u>	<u>3,380,733</u>	<u>2,797,644</u>	<u>17,125,850</u>	<u>928,729</u>	<u>16,197,121</u>	<u>254,500</u>	<u>172,000</u>	<u>82,500</u>
<u>(3,367,637)</u>	<u>(857,123)</u>	<u>2,510,514</u>	<u>(11,199,389)</u>	<u>1,191,854</u>	<u>12,391,243</u>	<u>3,081,134</u>	<u>3,520,113</u>	<u>438,979</u>
							(2,681,519)	(2,681,519)
							(2,681,519)	(2,681,519)
<u>(\$3,367,637)</u>	<u>(857,123)</u>	<u>\$2,510,514</u>	<u>(\$11,199,389)</u>	<u>1,191,854</u>	<u>\$12,391,243</u>	<u>\$3,081,134</u>	<u>838,594</u>	<u>(\$2,242,540)</u>
	<u>19,004,726</u>			<u>10,010,393</u>			<u>14,054,417</u>	
	<u>\$18,147,603</u>			<u>\$11,202,247</u>			<u>\$14,893,011</u>	

(Continued)

CITY OF MANTECA
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2023

	GOVERNMENT BUILDING FACILITIES			FLOOD PROTECTION		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Sales taxes						
Licenses and permits	\$5,532,000	\$5,081,826	(\$450,174)			
Use of money and property	74,771	307,847	233,076		\$9,765	\$9,765
Revenue from other agencies						
Charges for current services				\$269,000		(269,000)
Other revenue						
Total Revenues	<u>5,606,771</u>	<u>5,389,673</u>	<u>(217,098)</u>	<u>269,000</u>	<u>9,765</u>	<u>(259,235)</u>
EXPENDITURES						
Current:						
General government						
Community development						
Public safety						
Public works						
Parks and recreation						
Streets and highways						
Capital outlay						
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures						
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>5,606,771</u>	<u>5,389,673</u>	<u>(217,098)</u>	<u>269,000</u>	<u>9,765</u>	<u>(259,235)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers out		(2,438,831)	(2,438,831)			
Issuance of SBITA						
Total Other Financing Sources (Uses)		<u>(2,438,831)</u>	<u>(2,438,831)</u>			
NET CHANGE IN FUND BALANCES	<u>\$5,606,771</u>	2,950,842	<u>(\$2,655,929)</u>	<u>\$269,000</u>	9,765	<u>(\$259,235)</u>
BEGINNING FUND BALANCES		<u>29,834,641</u>			<u>(3,171)</u>	
ENDING FUND BALANCES (DEFICIT)		<u>\$32,785,483</u>			<u>\$6,594</u>	

<u>REDEVELOPMENT BOND PROJECTS</u>			<u>FIRE FACILITIES FEE</u>			<u>NEIGHBORHOOD PARKS IN LIEU FEE</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
\$20,612	\$1,298,489	\$1,277,877	\$1,713,000	\$1,152,790 34,305	(\$560,210) 34,305		\$21,437	\$21,437
						\$647,000	1,318,549	671,549
<u>20,612</u>	<u>1,298,489</u>	<u>1,277,877</u>	<u>1,713,000</u>	<u>1,187,095</u>	<u>(525,905)</u>	<u>647,000</u>	<u>1,339,986</u>	<u>692,986</u>
10,323,240	102,913	10,220,327					23,054	(23,054)
<u>10,323,240</u>	<u>102,913</u>	<u>10,220,327</u>					<u>23,054</u>	<u>(23,054)</u>
<u>(10,302,628)</u>	<u>1,195,576</u>	<u>11,498,204</u>	<u>1,713,000</u>	<u>1,187,095</u>	<u>(525,905)</u>	<u>647,000</u>	<u>1,316,932</u>	<u>669,932</u>
				2,438,831	2,438,831		2,681,519	2,681,519
				<u>2,438,831</u>	<u>2,438,831</u>		<u>2,681,519</u>	<u>2,681,519</u>
<u>(\$10,302,628)</u>	<u>1,195,576</u>	<u>\$11,498,204</u>	<u>\$1,713,000</u>	<u>3,625,926</u>	<u>\$1,912,926</u>	<u>\$647,000</u>	<u>3,998,451</u>	<u>\$3,351,451</u>
	<u>6,468,661</u>							
	<u>\$7,664,237</u>			<u>\$3,625,926</u>			<u>\$3,998,451</u>	

(Continued)

CITY OF MANTECA
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2023

	GAS TAX SB1		
	Budget	Actual	Variance Positive (Negative)
REVENUES			
Sales taxes			
Licenses and permits			
Use of money and property			
Revenue from other agencies	\$1,861,704	\$1,938,477	\$76,773
Charges for current services			
Other revenue			
Total Revenues	1,861,704	1,938,477	76,773
EXPENDITURES			
Current:			
General government			
Community development			
Public safety			
Public works			
Parks and recreation			
Streets and highways			
Capital outlay	50,276	47,655	2,621
Debt service:			
Principal			
Interest and fiscal charges			
Total Expenditures	50,276	47,655	2,621
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,811,428	1,890,822	79,394
OTHER FINANCING SOURCES (USES)			
Transfers in		3,833,526	3,833,526
Transfers out			
Issuance of SBITA			
Total Other Financing Sources (Uses)		3,833,526	3,833,526
NET CHANGE IN FUND BALANCES	\$1,811,428	5,724,348	\$3,912,920
BEGINNING FUND BALANCES			
ENDING FUND BALANCES (DEFICIT)		\$5,724,348	

INTERNAL SERVICE FUNDS

Internal Service Funds are used to finance and account for special activities and services performed by a designated department for other departments in the City on a cost reimbursement basis.

For the Statement of Activities, the net revenues or expenses of each internal service fund are eliminated by netting them against the operations of the other City departments which generated them. The remaining balance sheet items are consolidated with these same funds in the Statement of Net Position.

However, internal service funds are still presented separately in the Fund financial statements, including the funds below.

VEHICLE

Established to account for the purchase and replacement of vehicles utilized by City departments.

EQUIPMENT

Established to account for the purchase and replacement of equipment (including Information Systems equipment) utilized by City departments.

PAYROLL TAX BENEFIT ALLOCATION

Established to fund and account for the City's liability for compensated absences and employee benefits.

INSURANCE

Established to account for the self-insured portion of the City's workers' compensation and liability insurance programs.

CITY OF MANTECA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2023

	Vehicle	Equipment	Payroll Tax Benefit Allocation	Insurance	Total
ASSETS					
Current Assets:					
Cash and investments	\$1,361,879	\$3,141,189	\$16,922,793	\$4,740,263	\$26,166,124
Accounts receivable			8,089		8,089
Employee notes receivable			41,054		41,054
Total Current Assets	<u>1,361,879</u>	<u>3,141,189</u>	<u>16,971,936</u>	<u>4,740,263</u>	<u>26,215,267</u>
Non-Current Assets:					
Capital assets not being depreciated	34,162	29,577			63,739
Capital assets (net of accumulated depreciation)	188,464	1,277,365			1,465,829
Total Non-Current Assets	<u>222,626</u>	<u>1,306,942</u>			<u>1,529,568</u>
Total Assets	<u>1,584,505</u>	<u>4,448,131</u>	<u>16,971,936</u>	<u>4,740,263</u>	<u>27,744,835</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	95,556	887,346		211,328	1,194,230
Deferred outflows related to OPEB		51,233		20,176	71,409
Total Deferred Outflows of Resources	<u>95,556</u>	<u>938,579</u>		<u>231,504</u>	<u>1,265,639</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	65,043	323,764	40,155	137,339	566,301
Accrued liabilities			4,932,360		4,932,360
Refundable deposits				808	808
Unearned revenue			5,048,239		5,048,239
Interest payable		10,870			10,870
Compensated absences			4,503,471		4,503,471
Estimated claims liability				1,566,296	1,566,296
Lease liability		1,564			1,564
Subscription liability		229,149			229,149
Total Current Liabilities	<u>65,043</u>	<u>565,347</u>	<u>14,524,225</u>	<u>1,704,443</u>	<u>16,859,058</u>
Long-term Liabilities:					
Compensated absences			3,002,315		3,002,315
Estimated claims liability				49,346	49,346
Net pension liability	223,073	2,805,626		744,857	3,773,556
Total OPEB Liability		864,261		249,197	1,113,458
Lease liability		3,154			3,154
Subscription liability		739,252			739,252
Total Long-Term Liabilities	<u>223,073</u>	<u>4,412,293</u>	<u>3,002,315</u>	<u>1,043,400</u>	<u>8,681,081</u>
Total Liabilities	<u>288,116</u>	<u>4,977,640</u>	<u>17,526,540</u>	<u>2,747,843</u>	<u>25,540,139</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions					
Deferred inflows related to OPEB		94,659		32,880	127,539
Total Deferred Inflows of Resources		<u>94,659</u>		<u>32,880</u>	<u>127,539</u>
NET POSITION					
Investment in capital assets	222,626	333,823			556,449
Unrestricted	1,169,319	(19,412)	(554,604)	2,191,044	2,786,347
Total Net Position	<u>\$1,391,945</u>	<u>\$314,411</u>	<u>(\$554,604)</u>	<u>\$2,191,044</u>	<u>\$3,342,796</u>

CITY OF MANTECA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

	Vehicle	Equipment	Payroll Tax Benefit Allocation	Insurance	Total
OPERATING REVENUES					
Charges for services	\$1,246,000	\$4,767,000			\$6,013,000
Insurance premium contribution from other funds				\$5,024,137	5,024,137
Miscellaneous		451,000		85,746	536,746
Total Operating Revenues	1,246,000	5,218,000		5,109,883	11,573,883
OPERATING EXPENSES					
Personnel services	412,279	1,946,105	\$677,900	429,305	3,465,589
Contractual services		22,724	47,436	4,105	74,265
Supplies		441,140		21,946	463,086
Utilities		273,800		6,520	280,320
Repairs and maintenance		970,761			970,761
Interdepartmental	120,000	280,000		33,000	433,000
Insurance	7,400	56,000		5,101,428	5,164,828
Claims				297,965	297,965
Depreciation	144,626	391,588			536,214
Miscellaneous		25,002		42,742	67,744
Total Operating Expenses	684,305	4,407,120	725,336	5,937,011	11,753,772
Total Operating Income (Loss)	561,695	810,880	(725,336)	(827,128)	(179,889)
NONOPERATING REVENUES (EXPENSES)					
Interest income		31,108	108,323	12,413	151,844
Interest expense		(27,791)			(27,791)
Gain on sale of capital assets	115,469				115,469
Total Nonoperating Revenues (Expenses)	115,469	3,317	108,323	12,413	239,522
Change in Net Position	677,164	814,197	(617,013)	(814,715)	59,633
BEGINNING NET POSITION	714,781	(499,786)	62,409	3,005,759	3,283,163
ENDING NET POSITION	\$1,391,945	\$314,411	(\$554,604)	\$2,191,044	\$3,342,796

CITY OF MANTECA
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Vehicle	Equipment	Payroll Tax Benefit Allocation	Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$1,246,000	\$5,218,000	\$80,474,636	\$5,109,883	\$92,048,519
Payments to suppliers	(99,996)	(2,048,583)	(55,573)	(5,144,479)	(7,348,631)
Payments to or on behalf of employees	(284,762)	(1,823,993)	(79,355,912)	(378,613)	(81,843,280)
Employee notes receivable issued			(42,329)		(42,329)
Receipts from employee notes receivable			30,408		30,408
Claims paid				(191,425)	(191,425)
Cash Flows from (used by) Operating Activities	861,242	1,345,424	1,051,230	(604,634)	2,653,262
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(87,382)	(82,696)			(170,078)
Proceeds from sale of capital assets	115,469				115,469
Lease liability - principal payment		(1,554)			(1,554)
Subscription liability - principal payment		(235,264)			(235,264)
Lease and subscription liability - interest		(16,921)			(16,921)
Cash Flows from (used by) Capital and Related Financing Activities	28,087	(336,435)			(308,348)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest earnings		31,108	108,323	12,413	151,844
Cash Flows from Investing Activities		31,108	108,323	12,413	151,844
Net Cash Flows	889,329	1,040,097	1,159,553	(592,221)	2,496,758
Cash and investments at beginning of period	472,550	2,101,092	15,763,240	5,332,484	23,669,366
Cash and investments at end of period	<u>\$1,361,879</u>	<u>\$3,141,189</u>	<u>\$16,922,793</u>	<u>\$4,740,263</u>	<u>\$26,166,124</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:					
Operating income (loss)	\$561,695	\$810,880	(\$725,336)	(\$827,128)	(\$179,889)
Adjustments to reconcile operating income to net cash flows from operating activities:					
Depreciation	144,626	391,588			536,214
Change in assets and liabilities:					
Receivables, net			(2,878)		(2,878)
Related party notes receivable			(11,921)		(11,921)
Accounts and other payables	27,404	20,844	(8,137)	66,950	107,061
Accrued liabilities		(4)	877,826	(1,688)	876,134
Unearned revenue			266,811		266,811
Compensated absences			654,865		654,865
Claims liability				106,540	106,540
Net pension liability, deferred outflows and inflows	127,517	111,246		47,070	285,833
Total OPEB liability, deferred outflows and inflows		10,870		3,622	14,492
Cash Flows from (used by) Operating Activities	\$861,242	\$1,345,424	\$1,051,230	(\$604,634)	\$2,653,262

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. In contrast to the financial section, the statistical section information is not subject to independent audit.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and wellbeing have changed over time:

1. Net Position by Component
2. Changes in Net Position
3. Fund Balance of Governmental Funds
4. Changes in Fund Balances of Governmental Funds
5. General Revenues by Source
6. General Expenditures by Function

Revenue Capacity

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

1. Assessed and Estimated Value of Taxable Property
2. Direct and Overlapping Property Tax Rates
3. Principal Property Taxpayers
4. Property Tax Levies and Collections
5. Manteca Redevelopment Project Area No. 1 – Top Twenty Assessed Values
6. Manteca Redevelopment Project Area No. 2 – Top Twenty Assessed Values
7. Manteca Redevelopment Merged Project Area (2005 Merged Project Amended Area) – Top Twenty Assessed Values
8. Manteca Redevelopment Amended Merged Project Area (2004 Amended Area) – Top Twenty Assessed Values
9. Taxable Sales by Category
10. Direct and Overlapping Sales Tax Rates
11. Principal Sales Tax Payers

Debt Capacity

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

1. Ratio of Outstanding Debt by Type
2. Computation of Direct and Overlapping Debt
3. Computation of Legal Bonded Debt Margin
4. Revenue Bond Coverage – Water Revenue Bonds
5. Revenue Bond Coverage – Sewer Revenue Bonds
6. Bonded Debt Pledged Revenue Coverage -- Redevelopment Agency Tax Allocation Bonds

STATISTICAL SECTION (Continued)
--

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place:

1. Demographic and Economic Statistics
2. Principal Employers

Operating Information

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

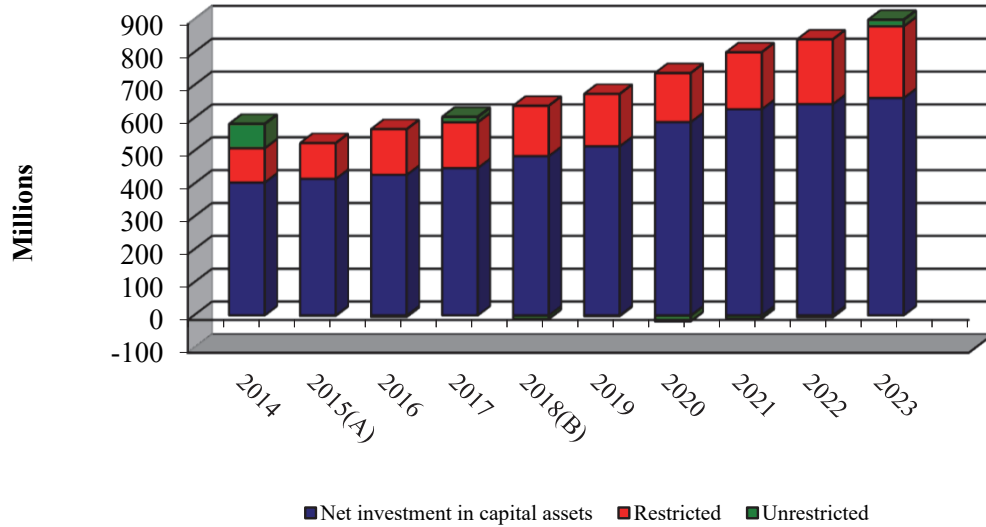
1. Full-Time Equivalent City Government Employees by Function
2. Operating Indicators and Capital Assets Statistics by Function/Program

Sources

Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

This Page Left Intentionally Blank

CITY OF MANTECA
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)



	June 30,				
	2014	2015(A)	2016	2017	2018(B)
Governmental activities					
Net investment in capital assets	\$271,754,541	\$278,800,432	\$282,954,575	\$311,611,351	\$327,232,512
Restricted	104,193,296	108,825,262	139,014,904	139,177,788	153,222,783
Unrestricted	19,495,181	(41,846,484)	(42,549,501)	(35,156,678)	(54,265,195)
Total governmental activities net position	<u>\$395,443,018</u>	<u>\$345,779,210</u>	<u>\$379,419,978</u>	<u>\$415,632,461</u>	<u>\$426,190,100</u>
Business-type activities					
Net investment in capital assets	\$132,768,445	\$136,876,673	\$144,968,629	\$136,859,563	\$157,529,677
Unrestricted	54,770,104	40,706,859	38,202,656	51,856,903	43,293,291
Total business-type activities net position	<u>\$187,538,549</u>	<u>\$177,583,532</u>	<u>\$183,171,285</u>	<u>\$188,716,466</u>	<u>\$200,822,968</u>
Primary government					
Net investment in capital assets	\$404,522,986	\$415,677,105	\$427,923,204	\$448,470,914	\$484,762,189
Restricted	104,193,296	108,825,262	139,014,904	139,177,788	153,222,783
Unrestricted	74,265,285	(1,139,625)	(4,346,845)	16,700,225	(10,971,904)
Total primary government net position	<u>\$582,981,567</u>	<u>\$523,362,742</u>	<u>\$562,591,263</u>	<u>\$604,348,927</u>	<u>\$627,013,068</u>

(A) The City implemented the provisions of GASB Statement 68 in fiscal year 2015. Amounts prior to 2015 have not been restated.

(B) The City implemented the provisions of GASB Statement 75 in fiscal year 2018. Amounts prior to 2018 have not been restated.

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$346,055,728	\$395,180,359	\$414,565,642	\$422,119,848	\$439,385,476
159,370,865	149,336,987	173,389,648	197,202,912	217,804,065
<u>(54,138,733)</u>	<u>(62,776,206)</u>	<u>(63,375,920)</u>	<u>(67,239,259)</u>	<u>(53,591,717)</u>
<u>\$451,287,860</u>	<u>\$481,741,140</u>	<u>\$524,579,370</u>	<u>\$552,083,501</u>	<u>\$603,597,824</u>
\$168,685,323	\$193,144,500	\$212,888,678	\$220,695,835	\$222,479,874
52,128,274	44,732,619	53,979,732	61,562,129	73,808,452
<u>\$220,813,597</u>	<u>\$237,877,119</u>	<u>\$266,868,410</u>	<u>\$282,257,964</u>	<u>\$296,288,326</u>
\$514,741,051	\$588,324,859	\$627,454,320	\$642,815,683	\$661,865,350
159,370,865	149,336,987	173,389,648	197,202,912	217,804,065
<u>(2,010,459)</u>	<u>(18,043,587)</u>	<u>(9,396,188)</u>	<u>(5,677,130)</u>	<u>20,216,735</u>
<u>\$672,101,457</u>	<u>\$719,618,259</u>	<u>\$791,447,780</u>	<u>\$834,341,465</u>	<u>\$899,886,150</u>

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

	Fiscal Year Ended June 30,				
	2014	2015(1)	2016	2017	2018(2)
Expenses:					
Governmental Activities:					
General Government	\$3,662,065	\$3,312,873	\$3,629,365	\$3,483,457	\$5,906,891
Community Development	4,811,707	4,987,786	6,616,224	6,196,786	9,669,910
Public Safety	23,663,325	25,166,890	25,193,524	22,357,675	34,883,973
Library	99,369	114,291	118,809	124,185	120,222
Public Works	4,166,837	5,094,875	4,843,276	5,274,495	7,091,236
Parks and Recreation	7,083,257	7,403,446	8,331,503	9,295,263	10,651,329
Streets and Highways	8,359,402	7,969,409	10,856,381	9,817,010	8,850,328
Interest and Fiscal Charges	105,935	87,096	101,562	89,384	84,784
Total Governmental Activities Expenses	<u>51,951,897</u>	<u>54,136,666</u>	<u>59,690,644</u>	<u>56,638,255</u>	<u>77,258,673</u>
Business-Type Activities:					
Water	13,936,206	14,009,670	14,996,267	16,753,545	17,520,196
Sewer	13,720,540	13,853,066	14,274,230	22,082,085	16,478,268
Solid Waste	9,591,309	9,900,313	10,566,029	12,126,537	11,491,357
Golf	1,197,545	1,154,179	1,178,770	1,347,568	1,121,928
Transit					
Total Business-Type Activities Expenses	<u>38,445,600</u>	<u>38,917,228</u>	<u>41,015,296</u>	<u>52,309,735</u>	<u>46,611,749</u>
Total Primary Government Expenses	<u>\$90,397,497</u>	<u>\$93,053,894</u>	<u>\$100,705,940</u>	<u>\$108,947,990</u>	<u>\$123,870,422</u>
Program Revenues:					
Governmental Activities:					
Charges for Services:					
General Government	\$3,482,110	\$4,513,841	\$4,337,680	\$5,136,836	\$5,994,217
Community Development	2,263,202	2,575,570	2,877,168	4,624,314	7,306,692
Public Safety	1,380,990	1,621,244	1,360,473	1,542,872	1,874,561
Public Works	177,929	41,889	183,422	273,903	288,452
Parks and Recreation	2,373,422	2,263,443	2,772,184	3,458,096	3,337,139
Streets and Highways					
Operating Grants and Contributions	7,862,956	6,991,694	6,085,529	6,698,385	8,695,800
Capital Grants and Contributions	20,231,150	20,220,600	41,118,815	33,113,697	33,768,730
Total Government Activities Program Revenues	<u>37,771,759</u>	<u>38,228,281</u>	<u>58,735,271</u>	<u>54,848,103</u>	<u>61,265,591</u>
Business-Type Activities:					
Charges for Services:					
Water	14,300,665	14,240,103	13,901,722	15,396,799	17,841,323
Sewer	18,095,530	19,270,009	19,969,107	22,953,356	26,572,846
Solid Waste	8,443,817	8,827,211	9,131,837	10,483,066	12,593,379
Golf	1,040,365	1,009,100	978,427	908,639	1,193,170
Transit					
Operating Grants and Contributions					
Capital Grants and Contributions	1,447,128	2,401,413	935,948	6,660,347	4,487,162
Total Business-Type Activities Program Revenue	<u>43,327,505</u>	<u>45,747,836</u>	<u>44,917,041</u>	<u>56,402,207</u>	<u>62,687,880</u>
Total Primary Government Program Revenues	<u>\$81,099,264</u>	<u>\$83,976,117</u>	<u>\$103,652,312</u>	<u>\$111,250,310</u>	<u>\$123,953,471</u>
Net (Expense)/Revenue:					
Governmental Activities	(\$14,180,138)	(\$15,908,385)	(\$955,373)	(\$1,790,152)	(\$15,993,082)
Business-Type Activities	4,881,905	6,830,608	3,901,745	4,092,472	16,076,131
Total Primary Government Net Expense	<u>(\$9,298,233)</u>	<u>(\$9,077,777)</u>	<u>\$2,946,372</u>	<u>\$2,302,320</u>	<u>\$83,049</u>
General Revenues and Other					
Changes in Net Position:					
Governmental Activities:					
Taxes:					
Property Taxes	\$11,051,871	\$13,054,963	\$12,633,502	\$14,476,480	\$15,511,281
Sales Taxes	12,361,731	13,271,312	14,552,582	17,550,799	18,971,755
Other Taxes	4,792,936	5,109,652	5,006,171	3,012,505	3,325,769
Interest Income	897,034	744,569	1,635,220	850,024	1,175,293
Other Revenue	775,632	1,484,667	937,712	1,327,689	1,867,047
Developer Contributions	40,000	69,231	72,154	326,216	209,612
Gain From Sale of Capital Assets					
Transfers, net		(1,606,375)	(241,200)	(300,488)	(468,073)
Special Item				759,410	
Total Government Activities	<u>29,919,204</u>	<u>32,128,019</u>	<u>34,596,141</u>	<u>38,002,635</u>	<u>40,592,684</u>
Business-Type Activities:					
Interest Income	617,958	606,799	1,167,858	472,012	810,465
Other Revenue	532,344	462,941	276,950	680,209	389,176
Gain From Sale of Capital Assets					
Transfers, net		1,606,375	241,200	300,488	468,073
Total Business-Type Activities	<u>1,150,302</u>	<u>2,676,115</u>	<u>1,686,008</u>	<u>1,452,709</u>	<u>1,667,714</u>
Total Primary Government	<u>\$31,069,506</u>	<u>\$34,804,134</u>	<u>\$36,282,149</u>	<u>\$39,455,344</u>	<u>\$42,260,398</u>
Change in Net Position:					
Governmental Activities	\$15,739,066	\$16,219,634	\$33,640,768	\$36,212,483	\$24,599,602
Business-Type Activities	6,032,207	9,506,723	5,587,753	5,545,181	17,743,845
Total Primary Government	<u>\$21,771,273</u>	<u>\$25,726,357</u>	<u>\$39,228,521</u>	<u>\$41,757,664</u>	<u>\$42,343,447</u>

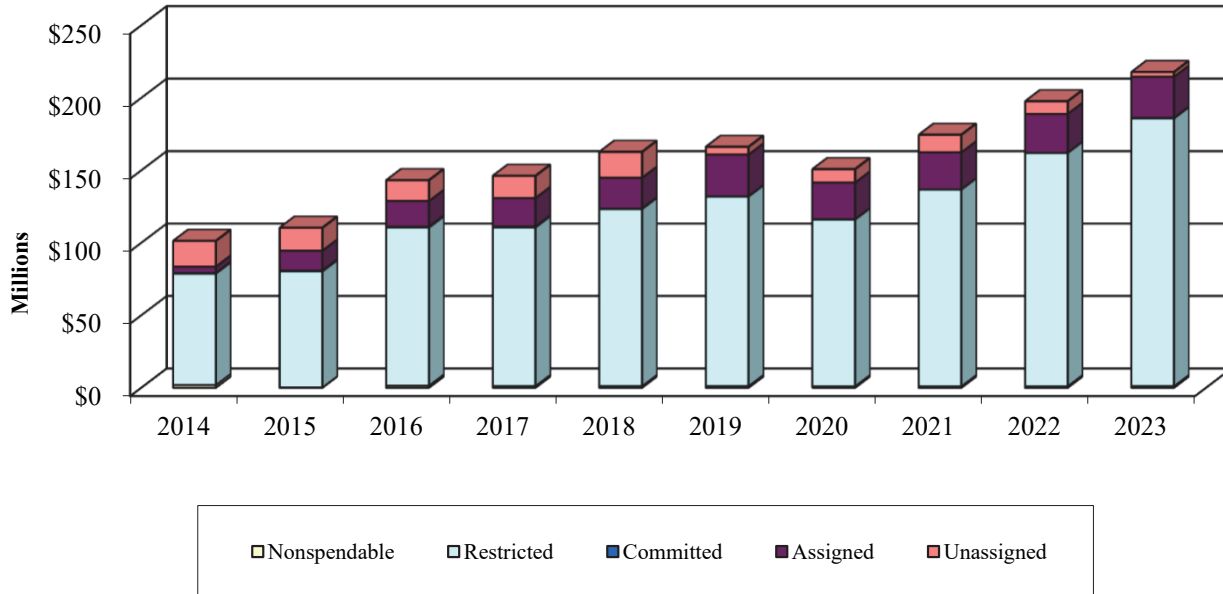
(1) The City implemented the provisions of GASB Statement 68 in fiscal year 2015. Amounts prior to 2015 have not been restated.

(2) The City implemented the provisions of GASB Statement 75 in fiscal year 2018. Amounts prior to 2018 have not been restated.

(3) The Transit Enterprise Fund activities were previously reported in governmental activities.

2019	2020	2021	2022	2023
\$6,053,229	\$7,054,126	\$9,079,274	\$5,493,756	\$10,150,611
7,701,286	8,242,158	10,364,833	15,021,715	14,921,624
36,204,202	42,395,447	40,640,436	54,117,359	36,874,290
134,006	145,310	87,185	124,342	146,067
8,645,927	7,137,403	9,367,355	12,812,977	17,004,659
10,125,867	11,710,512	9,047,085	6,821,241	6,080,603
11,513,804	10,268,116	11,463,230	12,042,148	12,874,297
80,021	129,403	163,409	85,578	89,385
80,458,342	87,082,475	90,212,807	106,519,116	98,141,536
17,818,593	18,967,868	26,674,047	19,513,996	20,449,549
17,479,631	18,596,722	19,697,865	21,604,463	22,408,854
12,622,724	12,752,503	12,884,734	15,402,035	16,728,245
1,284,914	1,327,641	1,643,383	1,756,328	1,636,173
				3,377,255
49,205,862	51,644,734	60,900,029	58,276,822	64,600,076
\$129,664,204	\$138,727,209	\$151,112,836	\$164,795,938	\$162,741,612
\$6,266,735	\$6,038,904	\$6,172,866	\$6,179,781	\$6,749,391
7,640,377	6,545,381	7,062,924	8,921,025	6,254,666
3,232,381	1,580,738	2,969,457	3,193,265	2,513,921
398,437	239,053	1,056,285	996,377	2,542,957
4,247,649	4,173,698	3,846,159	4,741,365	4,971,913
2,925,863				
9,575,549	9,952,561	9,597,652	13,069,036	8,725,900
26,345,923	38,154,802	50,590,297	39,061,963	52,366,303
60,632,914	66,685,137	81,295,640	76,162,812	84,125,051
16,620,397	17,576,060	21,103,821	21,816,772	18,786,751
26,305,512	22,510,081	24,757,696	26,024,468	25,917,480
13,429,983	13,875,762	14,624,464	15,730,829	16,288,404
1,112,976	1,044,323	1,689,785	1,642,464	1,525,393
		23,126,463	6,000,000	3,535,010
3,577,598	10,233,700	4,401,716	2,380,360	4,229,461
61,046,466	65,239,926	89,703,945	73,594,893	70,388,321
\$121,679,380	\$131,925,063	\$170,999,585	\$149,757,705	\$154,513,372
(\$19,825,428)	(\$20,397,338)	(\$8,917,167)	(\$30,356,304)	(\$14,016,485)
11,840,604	13,595,192	28,803,916	15,318,071	5,788,245
(\$7,984,824)	(\$6,802,146)	\$19,886,749	(\$15,038,233)	(\$8,228,240)
\$17,158,387	\$19,385,771	\$21,126,114	\$21,443,545	\$25,660,666
20,298,214	22,292,924	23,509,852	28,438,483	29,324,167
3,761,139	3,434,933	4,144,750	9,577,052	10,218,719
5,026,389	4,501,680	1,012,967	(3,237,386)	4,531,826
848,738	215,694	598,244	907,892	1,408,087
350,696	1,144,141	1,268,286	1,173,042	368,332
1,675,000	457,360		29,762	
(4,195,375)	(581,885)	95,184	(471,955)	(5,984,989)
44,923,188	50,850,618	51,755,397	57,860,435	65,526,808
3,528,311	2,679,191	125,791	(1,754,659)	1,890,954
426,339	207,254	154,268	1,354,187	366,174
		2,500		
4,195,375	581,885	(95,184)	471,955	5,984,989
8,150,025	3,468,330	187,375	71,483	8,242,117
\$53,073,213	\$54,318,948	\$51,942,772	\$57,931,918	\$73,768,925
\$25,097,760	\$30,453,280	\$42,838,230	\$27,504,131	\$51,510,323
19,990,629	17,063,522	28,991,291	15,389,554	14,030,362
\$45,088,389	\$47,516,802	\$71,829,521	\$42,893,685	\$65,540,685

CITY OF MANTECA
Fund Balance of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)



	June 30,				
	2014	2015	2016	2017	2018
General Fund:					
Nonspendable	\$1,926,248	\$227,542	\$1,140,121	\$1,236,685	\$1,174,248
Restricted				496,896	493,423
Assigned	22,092	7,921,152	10,860,353	12,167,528	12,242,789
Unassigned	17,736,555	15,792,889	14,362,743	15,313,223	17,864,670
Total General Fund	\$19,684,895	\$23,941,583	\$26,363,217	\$29,214,332	\$31,775,130
All Other Governmental Funds:					
Nonspendable			\$367,368		
Restricted	\$76,888,357	\$80,121,549	109,084,616	\$108,951,883	\$121,695,103
Committed	443,166	542,435	566,659	513,754	315,126
Assigned	4,364,455	5,852,064	6,873,122	7,593,864	8,993,799
Unassigned					
Total All Other Governmental Funds	\$81,695,978	\$86,516,048	\$116,891,765	\$117,059,501	\$131,004,028

(a) The change in total fund balance for the General Fund and other governmental funds is explained in Management's Discussion and Analysis.

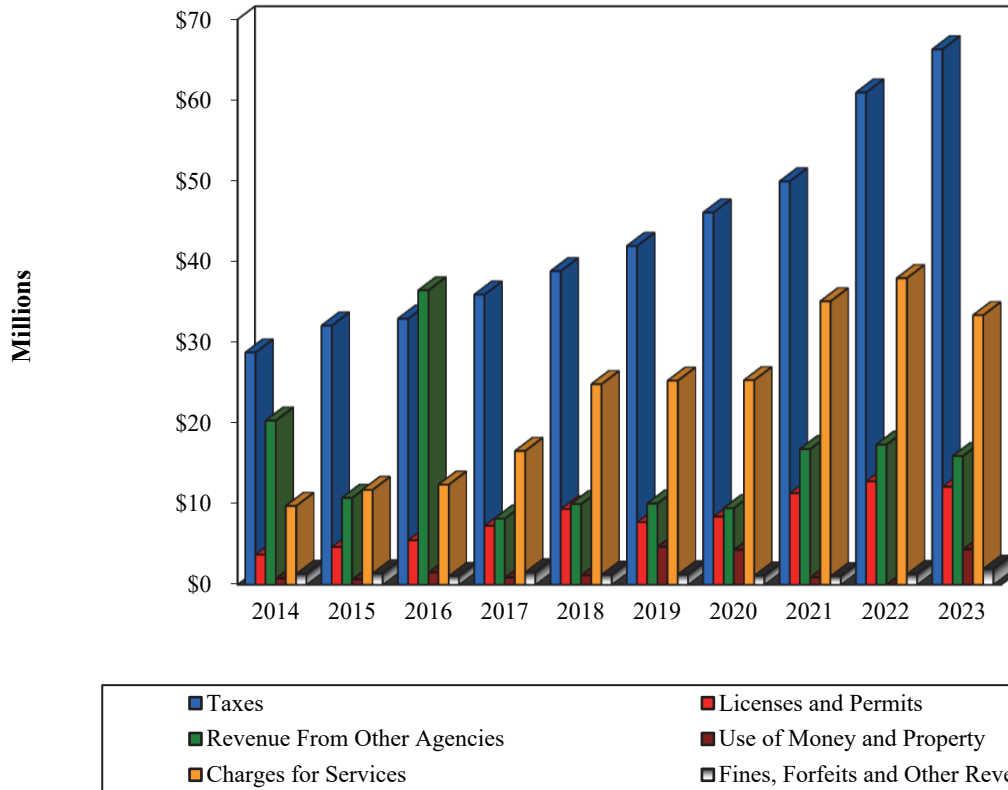
<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	
\$1,167,635	\$1,081,780	\$1,081,780	\$1,081,780	\$1,161,780	
497,968	468,942	463,902	455,838	448,821	
22,234,205	22,845,194	22,693,202	26,188,105	28,411,565	
5,365,691	9,498,731	12,784,135	9,331,508	10,485,964	
<u>\$29,265,499</u>	<u>\$33,894,647</u>	<u>\$37,023,019</u>	<u>\$37,057,231</u>	<u>\$40,508,130</u>	(a)
			\$12,640		
\$130,317,107	\$114,589,894	\$135,284,222	160,541,696	\$184,317,805	
128,901	151,617			292,905	
6,595,121	2,464,870	2,951,856	726,934		
	(217,246)	(627,731)	(614,292)	(7,234,011)	
<u>\$137,041,129</u>	<u>\$116,989,135</u>	<u>\$137,608,347</u>	<u>\$160,666,978</u>	<u>\$177,376,699</u>	(a)

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

	Fiscal Year Ended June 30,				
	2014	2015	2016	2017	2018
Revenues					
Taxes	\$28,753,641	\$32,094,372	\$32,947,680	\$35,923,482	\$38,836,074
Licenses and permits	3,731,526	4,662,438	5,500,733	\$7,297,736	\$9,361,925
Fines and forfeitures	337,288	283,690	251,348	242,370	274,079
Use of money and property	775,017	657,340	1,524,560	887,642	1,178,617
Revenue from other agencies	20,324,768	10,759,079	36,458,520	8,181,175	9,979,594
Charges for services	9,755,068	11,740,989	12,393,596	16,563,471	24,833,693
Other revenue	1,010,619	1,136,856	840,611	1,310,923	978,783
Total Revenues	64,687,927	61,334,764	89,917,048	70,406,799	85,442,765
Expenditures					
Current:					
General government	2,585,212	3,179,851	3,426,132	4,213,380	3,908,666
Community development	2,076,066	2,186,882	3,969,714	3,427,208	6,062,166
Public safety	22,661,015	24,376,036	26,515,201	28,149,443	29,913,998
Library	104,939	115,182	119,733	124,621	116,993
Public works	3,074,652	2,936,956	2,943,548	3,437,585	4,235,394
Parks and recreation	5,303,386	5,820,120	6,447,370	6,811,941	7,619,147
Streets and highways	1,903,753	1,944,873	3,657,370	3,911,368	2,406,785
Nondepartmental	2,602,469	2,745,157	2,620,108	2,853,407	3,087,315
Capital outlay	5,963,377	7,098,897	6,582,238	13,440,297	11,593,401
Debt service:					
Principal repayment	450,222	310,581	277,308	129,708	134,307
Interest and fiscal charges	105,935	87,096	101,562	89,384	84,784
Total Expenditures	46,831,026	50,801,631	56,660,284	66,588,342	69,162,956
Excess (deficiency) of revenues over (under) expenditures	17,856,901	10,533,133	33,256,764	3,818,457	16,279,809
Other Financing Sources (Uses)					
Transfers in	2,015,513	431,526	4,773,733	346,972	753,989
Transfers (out)	(2,180,663)	(2,037,901)	(5,814,933)	(1,147,460)	(1,117,564)
Issuance of long-term debt		150,000	580,000		
Issuance of SBITA					
Proceeds from sale of property	12,506		1,787	882	589,091
Total other financing sources (uses)	(152,644)	(1,456,375)	(459,413)	(799,606)	225,516
Net Change in Fund Balances	\$17,704,257	\$9,076,758	\$32,797,351	\$3,018,851	\$16,505,325
Debt service as a percentage of noncapital expenditures	1.4%	0.9%	0.7%	0.4%	0.4%

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$41,952,454	\$46,095,783	\$49,951,360	\$60,957,368	\$66,308,748
7,741,377	8,434,426	11,329,285	12,795,149	12,139,086
495,618	592,613	478,460	468,601	442,332
4,702,952	4,322,549	906,839	(3,083,699)	4,379,982
10,055,955	9,472,396	16,804,068	17,348,818	15,927,169
25,269,605	25,323,831	35,093,633	37,963,370	33,373,777
792,282	547,619	589,850	852,914	1,544,624
<u>91,010,243</u>	<u>94,789,217</u>	<u>115,153,495</u>	<u>127,302,521</u>	<u>134,115,718</u>
4,489,437	5,257,415	6,546,850	8,075,381	9,924,451
4,642,422	5,057,407	5,547,248	5,042,477	4,378,840
32,607,974	36,853,715	38,759,432	46,155,673	45,891,215
128,069	130,899	75,421	135,760	153,898
4,805,032	5,093,797	7,738,420	13,356,878	12,118,575
8,074,112	8,142,074	6,351,451	4,623,634	3,742,659
6,976,028	4,553,139	4,278,286	5,153,928	3,953,457
2,996,435	2,624,979	3,828,297	9,770,845	9,351,502
19,115,918	41,854,768	17,306,911	11,343,816	23,794,169
139,070	144,002	115,961	157,176	255,226
80,021	129,403	163,409	85,391	87,780
<u>84,054,518</u>	<u>109,841,598</u>	<u>90,711,686</u>	<u>103,900,959</u>	<u>113,651,772</u>
<u>6,955,725</u>	<u>(15,052,381)</u>	<u>24,441,809</u>	<u>23,401,562</u>	<u>20,463,946</u>
217,000	540,000	496,000	845,514	10,981,244
(4,645,255)	(1,451,875)	(1,190,225)	(1,272,327)	(11,411,044)
			20,832	58,974
<u>1,000,000</u>	<u>541,410</u>		<u>97,262</u>	<u>67,500</u>
<u>(3,428,255)</u>	<u>(370,465)</u>	<u>(694,225)</u>	<u>(308,719)</u>	<u>(303,326)</u>
<u>\$3,527,470</u>	<u>(\$15,422,846)</u>	<u>\$23,747,584</u>	<u>\$23,092,843</u>	<u>\$20,160,620</u>
0.3%	0.4%	0.4%	0.3%	0.4%

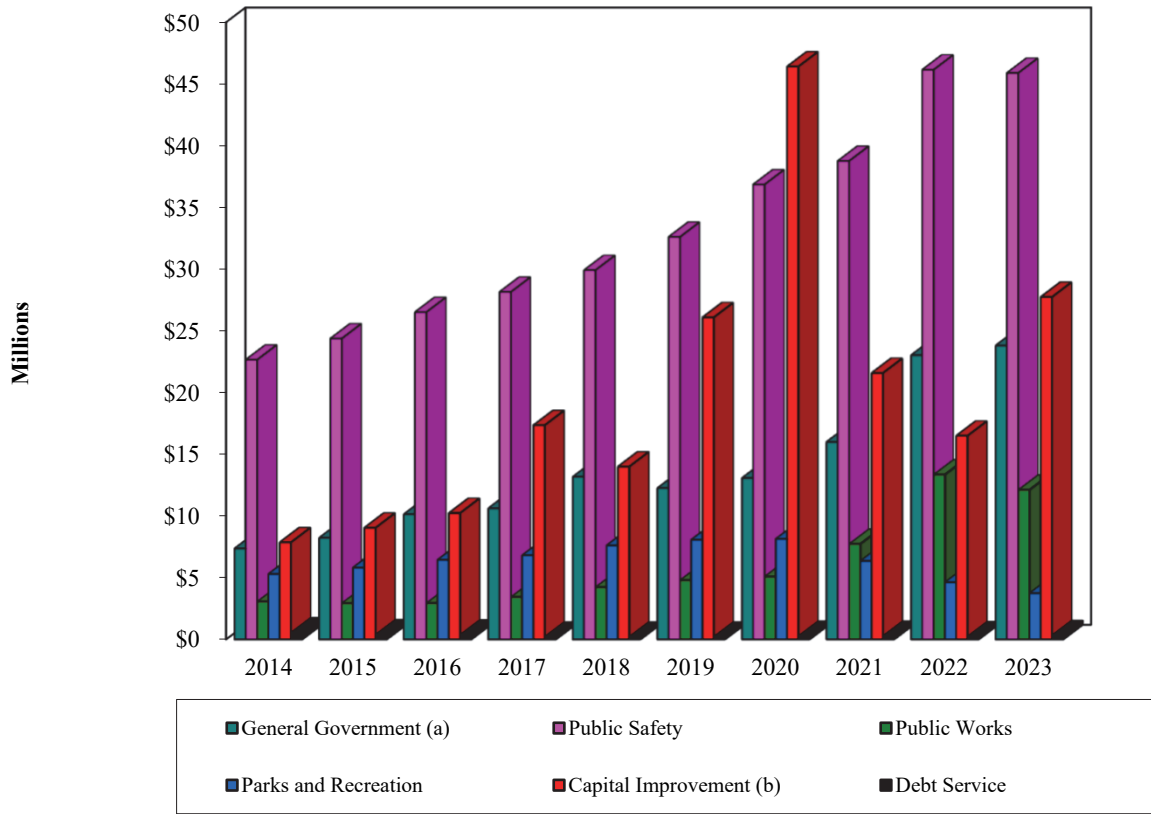
**CITY OF MANTECA
GENERAL REVENUES BY SOURCE
ALL GOVERNMENTAL FUND TYPES
LAST TEN FISCAL YEARS**



Fiscal Year	Taxes	Licenses and Permits	Revenue From Other Agencies	Use of Money and Property	Charges for Services	Fines, Forfeits and Other Revenue	Total
2014	\$28,753,641	\$3,731,526	\$20,324,768	\$775,017	\$9,755,068	\$1,347,907	\$64,687,927
2015	32,094,372	4,662,438	10,759,079	657,340	11,740,989	1,420,546	61,334,764
2016	32,947,680	5,500,733	36,458,520	1,524,560	12,393,596	1,091,959	89,917,048
2017	35,923,482	7,297,736	8,181,175	887,642	16,563,471	1,553,293	70,406,799
2018	38,836,074	9,361,925	9,979,594	1,178,617	24,833,693	1,252,862	85,442,765
2019	41,952,454	7,741,377	10,055,955	4,702,952	25,269,605	1,287,900	91,010,243
2020	46,095,783	8,434,426	9,472,396	4,322,549	25,323,831	1,140,232	94,789,217
2021	49,951,360	11,329,285	16,804,068	906,839	35,093,633	1,068,310	115,153,495
2022	60,957,368	12,795,149	17,348,818	(3,083,699)	37,963,370	1,321,515	127,302,521
2023	66,308,748	12,139,086	15,927,169	4,379,982	33,373,777	1,986,956	134,115,718

Source: City Operating Budget and City Annual Financial Report

**CITY OF MANTECA
GENERAL EXPENDITURES BY FUNCTION
ALL GOVERNMENTAL FUND TYPES
LAST TEN FISCAL YEARS**

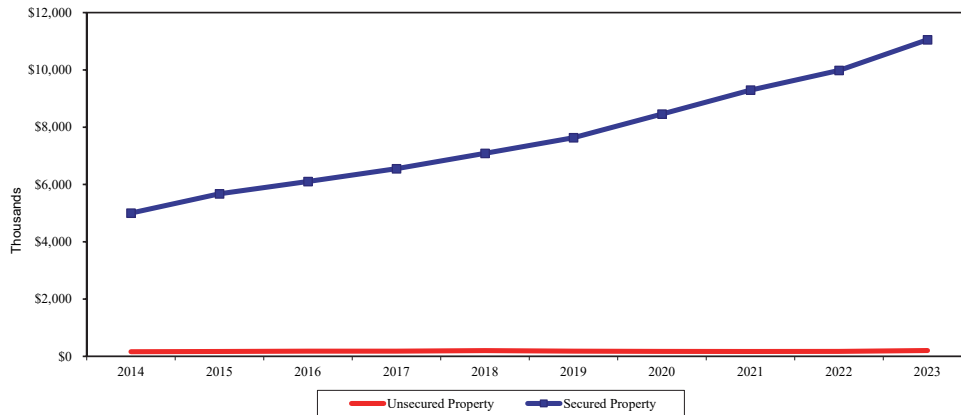


Fiscal Year	General Government (a)	Public Safety	Public Works	Parks and Recreation	Capital Improvement (b)	Debt Service	Total
2014	\$7,368,686	\$22,661,015	\$3,074,652	\$5,303,386	\$7,867,130	\$556,157	\$46,831,026
2015	8,227,072	24,376,036	2,936,956	5,820,120	9,043,770	397,677	50,801,631
2016	10,135,687	26,515,201	2,943,548	6,447,370	10,239,608	378,870	56,660,284
2017	10,618,616	28,149,443	3,437,585	6,811,941	17,351,665	219,092	66,588,342
2018	13,175,140	29,913,998	4,235,394	7,619,147	14,000,186	219,091	69,162,956
2019	12,256,363	32,607,974	4,805,032	8,074,112	26,091,946	219,091	84,054,518
2020	13,070,700	36,853,715	5,093,797	8,142,074	46,407,907	273,405	109,841,598
2021	15,997,816	38,759,432	7,738,420	6,351,451	21,585,197	279,370	90,711,686
2022	23,024,463	46,155,673	13,356,878	4,623,634	16,497,744	242,567	103,900,959
2023	23,808,691	45,891,215	12,118,575	3,742,659	27,747,626	343,006	113,651,772

Source: City Operating Budget and City Annual Financial Report

Notes: (a) Includes all General Government, Community Development, Library and Nondepartmental Expenditures
(b) Includes Streets and Highways and Capital Outlay Expenditures

CITY OF MANTECA
ASSESSED AND ESTIMATED
VALUE OF TAXABLE PROPERTY (in thousands)
LAST TEN FISCAL YEARS



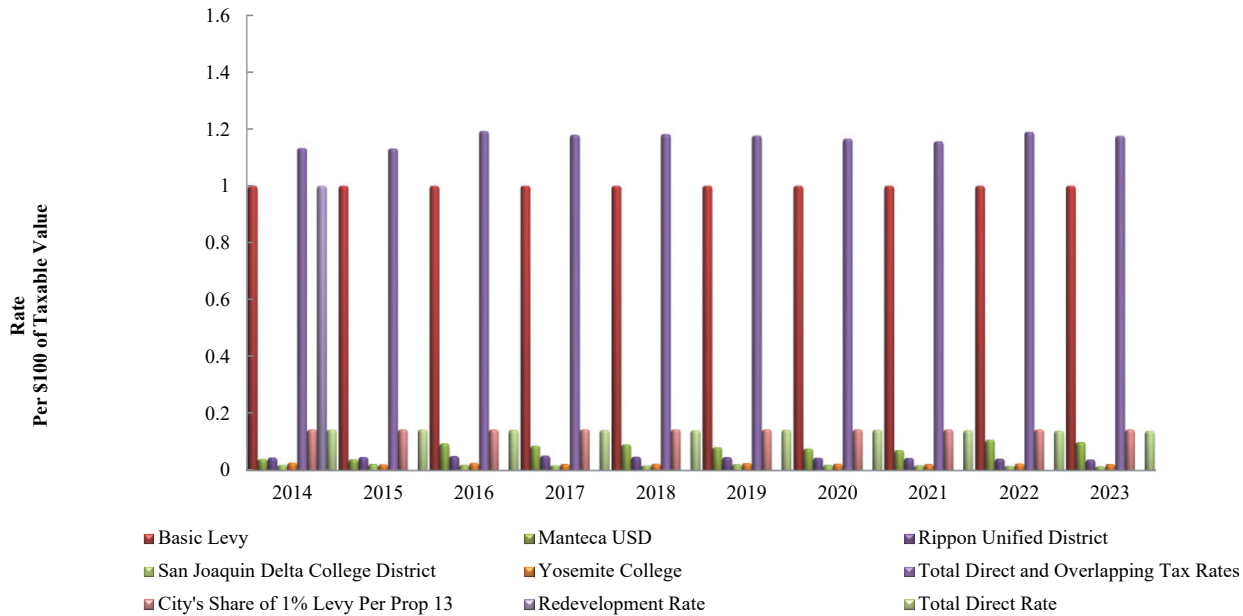
Fiscal Year	Real Property			Total Real Secured Property	(Less) Exemption	Public Utility	Net Real Secured Property	Unsecured Property	Total Assessed (a)	Estimated Full Market (a)	Total Direct Tax Rate (b)
	Land Property	Improvements Property	Personal Property								
2014	\$1,557,732	\$3,408,740	\$56,548	\$5,023,020	(\$186,738)	\$1,346	\$4,837,628	\$164,543	\$5,002,171	\$5,002,171	1%
2015	1,780,920	3,851,282	56,842	5,689,044	(188,463)	1,346	5,501,927	172,348	5,674,275	5,674,275	1%
2016	1,936,284	4,145,924	56,729	6,138,937	(216,669)	1,346	5,923,614	181,734	6,105,348	6,105,348	1%
2017	2,098,268	4,433,045	56,943	6,588,256	(219,922)	1,282	6,369,616	182,277	6,551,893	6,551,893	1%
2018	2,300,404	4,760,891	48,467	7,109,762	(224,278)	1,282	6,886,766	201,060	7,087,826	7,087,826	1%
2019	2,412,089	5,220,890	48,882	7,681,861	(231,360)	1,282	7,451,783	182,024	7,633,807	7,633,807	1%
2020	2,595,124	5,785,690	53,707	8,434,521	(153,256)	1,282	8,282,547	175,612	8,458,159	8,458,159	1%
2021	2,775,610	6,430,002	73,481	9,279,093	(156,760)	1,190	9,123,523	171,834	9,295,357	9,295,357	1%
2022	2,937,636	6,966,264	73,947	9,977,847	(171,388)	1,190	9,807,649	173,838	9,981,487	9,981,487	1%
2023	3,201,023	7,720,270	102,198	11,023,491	(177,325)	1,190	10,847,356	205,710	11,053,066	11,053,066	1%

Source: San Joaquin County Auditor Controller Office Certificate of Assessed Valuations

- (a) The State Constitution requires property to be assessed at one hundred percent of the most recent purchase price, plus an increment of no more than two percent annually, plus any local over-rides. These values are considered to be full market values.
- (b) California cities do not set their own direct tax rate. The state constitution establishes the rate at 1% and allocates a portion of that amount, by an annual calculation, to all the taxing entities within a tax rate area. The City of Manteca encompasses more than 15 tax rate areas.

**CITY OF MANTECA
DIRECT AND OVERLAPPING PROPERTY TAX RATES**

Last Ten Fiscal Years



Fiscal Year	Basic Levy (1)	Manteca USD	Rippon Unified District	San Joaquin Delta College District	Yosemite College	Total Direct and Overlapping Tax Rates (2)	City's Share of 1.% Levy Per Prop 13 (3)	Total Direct Rate (4)
2014	\$1.00000	0.04020	\$0.04510	\$0.01940	\$0.02780	\$1.13250	\$0.14408	\$0.14363
2015	1.00000	0.03900	0.04680	0.02330	0.02180	1.13090	0.14408	0.14340
2016	1.00000	0.09510	0.05070	0.01980	0.02700	1.19260	0.14408	0.14254
2017	1.00000	0.08660	0.05200	0.01800	0.02310	1.17970	0.14408	0.14186
2018	1.00000	0.09160	0.04810	0.01800	0.02420	1.18190	0.14408	0.14127
2019	1.00000	0.08140	0.04680	0.02250	0.02600	1.17670	0.14408	0.14295
2020	1.00000	0.07690	0.04480	0.01990	0.02400	1.16560	0.14408	0.14259
2021	1.00000	0.07120	0.04370	0.01830	0.02300	1.15620	0.14408	0.14100
2022	1.00000	0.10780	0.04140	0.01630	0.02440	1.18990	0.14408	0.13968
2023	1.00000	0.09980	0.03840	0.01440	0.02340	1.17600	0.14408	0.13896

Notes:

- (1) In 1978, California voters passed Proposition 13 which set the property tax rate at 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.
- (2) Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all property owners.
- (3) City's share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. The ERAF portion of the City's Levy has been subtracted where know.
- (4) Total Direct Rate is the weighted average of all individual direct rates applied by the City/Agency preparing the statistical section information and excludes revenues derived from aircraft. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City/Agency in the same proportions as general fund revenue.

The ratios are expressed as dollars assessed per \$100 of assessed valuation

Data Source:

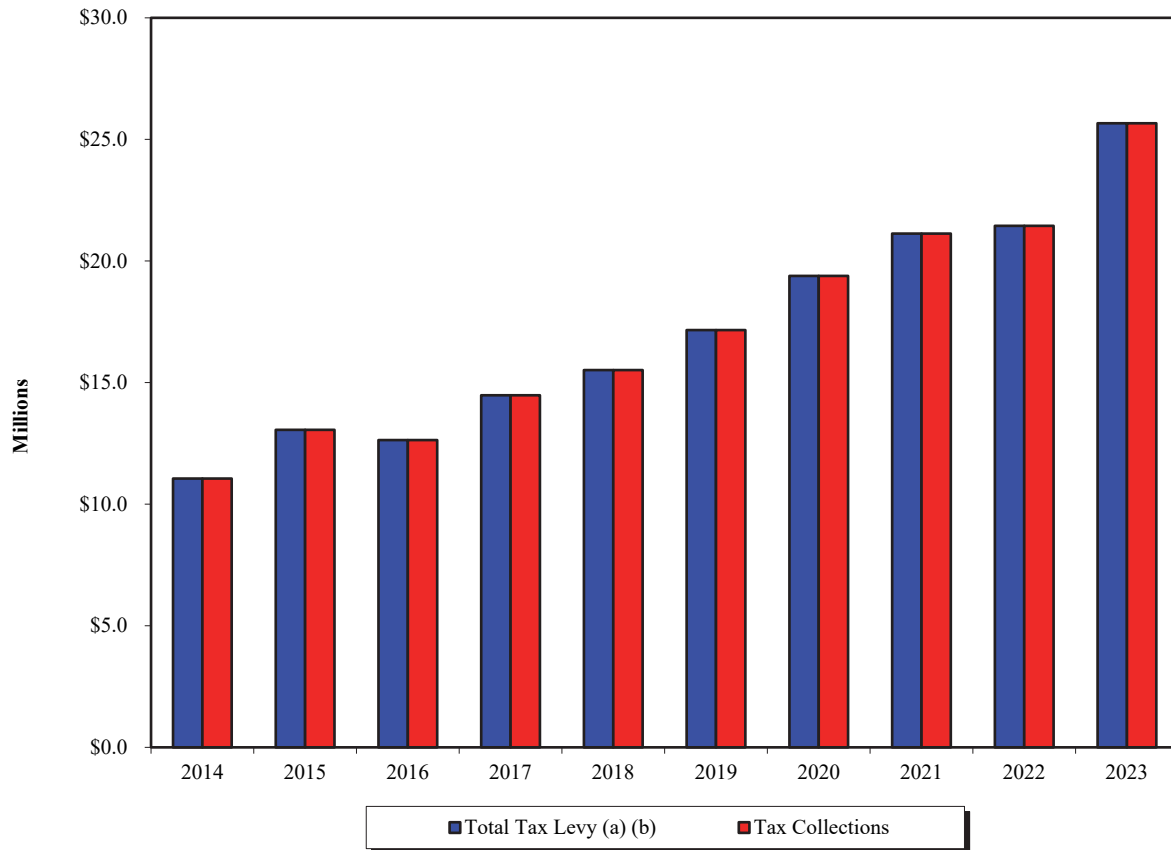
San Joaquin County Assessor 2013/14-2022/23 Tax Rate Table

CITY OF MANTECA
Principal Property Taxpayers
Current Year and Nine Years Ago

<u>Taxpayer</u>	<u>2021-2022</u>		<u>2012-2013</u>	
	<u>Type of Business</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Type of Business</u>	<u>Percentage of Total City Taxable Assessed Value</u>
GWR Manteca LLC	Water Park/Resort	1.75%		
Centerpoint Properties Trust	Industrial	1.56%	Industrial	0.47%
Valencia Place Apartments	LLC Apartments	0.65%		
Anson Logistics Assets LLC	Warehouse	0.54%		
Tesoro Apartments LLC	Apartments	0.47%		
Manteca Lifestyle Center LLC	Shopping Center	0.47%	Shopping Center	1.72%
DP & DK Investment Inc.	Shopping Center	0.47%		
LLH MRS Master RE LLC	Cold Storage	0.43%		
Paseo Apartments LLC	Apartments	0.42%	Apartments	0.57%
Tilden-Laurel Glen LLC	Apartments	0.33%		
Pulte Home Corp			Residential Development	0.92%
Millard Refrigerated Services Inc.			Cold Storage	0.91%
Pivotal 650 California St LLC			Shopping Center	0.74%
Prologis			Warehouse	0.53%
Edward J & Dolores M Cardoza Trust			Shopping Center	0.49%
Duke Realty LP			Industrial	0.47%
Costco Wholesale Corporation			Commercial Store	0.47%
Total		<u>7.09%</u>		<u>7.29%</u>

Source: California Municipal Statistics

**CITY OF MANTECA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**



Fiscal Year	Total Tax Levy (a) (b)	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2014	\$11,051,871	\$11,051,871	100.00%	0	\$11,051,871	100.00%
2015	13,054,963	13,054,963	100.00%	0	13,054,963	100.00%
2016	12,633,502	12,633,502	100.00%	0	12,633,502	100.00%
2017	14,476,479	14,476,479	100.00%	0	14,476,479	100.00%
2018	15,511,281	15,511,281	100.00%	0	15,511,281	100.00%
2019	17,158,387	17,158,387	100.00%	0	17,158,387	100.00%
2020	19,385,771	19,385,771	100.00%	0	19,385,771	100.00%
2021	21,126,114	21,126,114	100.00%	0	21,126,114	100.00%
2022	21,443,545	21,443,545	100.00%	0	21,443,545	100.00%
2023	25,660,666	25,660,666	100.00%	0	25,660,666	100.00%

Source: City of Manteca Records

NOTE: Current tax collections beginning in 1993 have been reduced by a mandatory tax reallocation imposed by the State of California

(a) During fiscal year 1995, the County began providing the City 100% of its tax levy under an agreement which allows the County to keep all interest and delinquency charges collected.

(b) Includes State Mandated Vehicle License Fee in lieu of property taxes

CITY OF MANTECA
MANTECA REDEVELOPMENT PROJECT AREA NO. 1
TOP TWENTY ASSESSED VALUES
June 30, 2023

		2022-23 Total Local Secured Assessed Valuation Project Area No. 1	
Property Owner	Primary Land Use	2022-23 Assessed Valuation	% Total of Assessed Valuation
1 Tilden-Laurel Glen LLC	Apartments	\$36,606,562	3.92%
2 Stonegate Apartments LLC	Apartments	24,917,009	2.67%
3 Doctors Hospital of Manteca Inc.	Hospital	23,424,074	2.51%
4 Edward J. and Dolores M. Cardoza Trust	Shopping Center	17,565,877	1.88%
5 VFT Properties LLC	Apartments	14,658,598	1.57%
6 B.R. Funsten & Co. Corp.	Warehouse	13,829,834	1.48%
7 Wal Mart Realty Company	Commercial Stores	13,807,960	1.48%
8 MP Core Sienna Place LLC	Apartments	11,495,064	1.23%
9 Manteca Self Storage Owner LP	Public Storage	10,251,000	1.10%
10 Khatri Brothers Partnership	Hotel/Motel	9,945,399	1.06%
11 North Main Storage LLC	Public Storage	6,937,837	0.74%
13 Brocchini Family Partnership	Commercial	6,155,314	0.66%
12 KDDC Properties LLC	Commercial	5,804,101	0.62%
14 Store Master Funding XVI	Bowling Alley & Sports Bar	5,676,361	0.61%
15 JEN California 19 LLC	Commercial Land	5,654,831	0.60%
16 Eckert Engineering Corp.	Warehouse	5,478,712	0.59%
17 MN Gianni LLC	Commercial	5,449,051	0.58%
18 Hensley Investment Company	Office Building	5,000,000	0.53%
19 SFP B Ltd. Ptp.	Commercial	4,765,543	0.51%
20 A.E. Kline, Trust	Office Building	4,646,446	0.50%
		\$232,069,573	24.84%

Source: California Municipal Statistics, Inc

**CITY OF MANTECA
MANTECA REDEVELOPMENT PROJECT AREA NO. 2
TOP TWENTY ASSESSED VALUES
June 30, 2023**

		2022-23 Total Local Secured Assessed Valuation Project Area No. 2	
		\$1,751,205,993	
Property Owner	Primary Land Use	2022-23 Assessed Valuation	% of Total Assessed Valuation
1 DP & DK Investments Inc.	Shopping Center	\$51,507,738	2.94%
2 LLH MRS Master RE LLC	Cold Storage	47,645,332	2.72%
3 Colfin 2019 2E Industrial Owner	Warehouse	32,586,532	1.86%
4 Prologis	Warehouse	31,388,887	1.79%
5 Duke Realty LP	Warehouse	27,849,389	1.59%
6 Costco Wholesale Corporation	Commercial Store	25,704,134	1.47%
7 Yip Holdings Five LLC	Shopping Center	14,922,624	0.85%
8 Argo Manteca LLC	Shopping Center	14,619,894	0.83%
9 Manteca Associates LP	Light Industrial	13,920,225	0.79%
10 Target Corp.	Shopping Center	13,830,768	0.79%
11 HD Development of Maryland Inc.	Commercial Store	12,538,681	0.72%
12 Manteca Corners LLC	Shopping Center	11,878,315	0.68%
13 Kohl's Department Stores Inc.	Shopping Center	11,500,000	0.66%
14 Cranbrook Realty Invest Fund LP	Warehouse	11,166,748	0.64%
15 JEN California 23 LLC	Residential Development	10,234,310	0.58%
16 Nestle Dreyer's Ice Cream Co.	Cold Storage	10,084,098	0.58%
17 Brocchini Family Partnership LP	Office Building	10,037,891	0.57%
18 Daniel M. & Belinda A. Sarich, Trust	Light Industrial	10,011,854	0.57%
19 277 Commerce Ave. LLC	Shopping Center	8,750,000	0.50%
20 VFT Family Partnership LP	Apartments	8,684,819	0.50%
		<u>\$378,862,239</u>	<u>21.63%</u>

Source: California Municipal Statistics, Inc

CITY OF MANTECA
MANTECA REDEVELOPMENT MERGED PROJECT AREA
TOP TWENTY ASSESSED VALUES
June 30, 2023

2022-23 Total Local Secured
Assessed Valuation \$24,425,080
2005 Merged Project Amended Area

Property Owner	Primary Land Use	2022-23 Assessed Valuation	% of Total Assessed Valuation
1 AGS Gasoline LLC	Service Station	\$3,094,037	12.67%
2 Jaswant S. Pannu	Commercial Land	1,018,591	4.17%
3 National San Joaquin LLC	Assisted Living	979,037	4.01%
4 Major Singh Brar	Commercial Land	940,000	3.85%
5 Chattarpal S. Pabla	Multi-Family Residential	805,000	3.30%
6 Andrew & Ashley Candelario	Residential	783,229	3.21%
7 David L. Peters	Truck Terminal	706,973	2.89%
8 Gian S and Ghangu Sandeep Bhangu	Residential	653,093	2.67%
9 MPVCA Manteca LLC	Commercial Land	647,311	2.65%
10 Natalyn J. and Thomas E. Bergman, Jr.	Residential	643,597	2.63%
11 James H. Zimmerman	Residential	642,282	2.63%
12 Gustavo and Marthea Ramirez	Residential	637,500	2.61%
13 Jasvir and Sarbjit K. Singh Trust	Light Industrial	632,036	2.59%
14 Robert L. and Dorothy F. Mack	Residential	578,337	2.37%
15 Alfredo Valenzuela Felix	Residential	458,601	1.88%
16 Hiway Farm LLC	Commercial Land	406,133	1.66%
17 Ramirez Arturo Vargas	Residential	397,000	1.63%
18 Kyung Han and Mi Jwa Yoon	Residential	394,808	1.62%
19 Ranjit and Jaswinder Khangura	Residential	386,000	1.58%
20 Nicolas and Heather D. Hernandez	Residential	383,572	1.57%
		<u>\$15,187,137</u>	<u>62.19%</u>

Source: California Municipal Statistics, Inc

**CITY OF MANTECA
 MANTECA REDEVELOPMENT AMENDED MERGED PROJECT AREA
 TOP TWENTY ASSESSED VALUES
 June 30, 2023**

		2022-23 Total Local Secured Assessed Valuation 2004 Amended Area		
Property Owner	Primary Land Use	2022-23 Assessed Valuation	% of Total Assessed Valuation	
1 GWR Manteca LLC	Water Park/Resort	\$193,450,538	40.95%	
2 Valencia Place Apartments LLC	Apartments	71,384,577	15.11%	
3 Anson Logistics Assets LLC	Warehouse	59,917,176	12.68%	
4 Manteca Lifestyle Center LLC	Shopping Center	51,837,397	10.97%	
5 Big Box Property Owner A LLC	Light Industrial	12,326,477	2.61%	
6 DTST2 Holdings LLC	RV Sales	11,995,940	2.54%	
7 Cedar Real Estate Group IV LLC	Truck Terminal	10,200,000	2.16%	
8 Manteca Lodging LLC	Shopping Center	9,857,423	2.09%	
9 Andreetta Properties LP	Food Processing	8,185,202	1.73%	
10 JC Penney Properties Inc.	Shopping Center	7,929,256	1.68%	
11 Tesoro Commons LLC	Residential Properties	4,080,000	0.86%	
12 Manteca Truck Terminal LLC	Industrial Land	2,333,616	0.49%	
13 Ergonis Land Co. LP	Light Industrial	2,319,866	0.49%	
14 Plumrose USA Inc.	Truck Terminal	2,250,000	0.48%	
15 Jarnail Singh Kamboj	Vacant	1,904,036	0.40%	
16 JEN California 23 LLC	Residential Properties	1,505,000	0.32%	
17 Rajinder Aulakh	Commercial Land	1,500,744	0.32%	
18 SKV Holdings LLC	Vacant	1,377,000	0.29%	
19 Johnny R. Gibson	Light Industrial	1,339,737	0.28%	
20 John N. & Galatia Aretakis	Residential Properties	1,020,953	0.22%	
		<u>\$456,714,938</u>	<u>96.67%</u>	

Source: California Municipal Statistics, Inc

**CITY OF MANTECA
TAXABLE SALES BY CATEGORY
LAST TEN CALENDAR YEARS
(in thousands of dollars)**

	2013	2014	2015	2016	2017
Apparel Stores	\$38,644	\$39,906	\$42,537	\$44,158	\$46,781
General Merchandise	187,691	191,787	198,554	203,016	212,248
Food Stores	26,425	27,533	28,535	30,245	30,401
Eating and Drinking Places	91,574	98,018	107,809	116,177	125,661
Building Materials	107,576	109,006	113,578	121,128	128,925
Auto Dealers and Supplies	119,884	125,807	151,717	163,496	168,973
Service Stations	103,613	106,855	90,313	89,246	102,907
Other Retail Stores	124,666	125,611	128,152	130,676	126,974
All Other Outlets	181,589	213,270	226,773	245,295	263,859
Total	\$981,662	\$1,037,793	\$1,087,968	\$1,143,437	\$1,206,729

Sources: State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office, The HdL Companies
Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

2018	2019	2020	2021	2022
\$50,143	\$51,211	\$38,668	\$62,539	\$62,144
214,730	220,108	213,182	262,639	297,348
31,540	32,195	38,458	37,431	39,132
130,613	140,213	131,768	177,421	196,009
129,723	135,369	138,684	162,761	174,245
179,318	179,014	188,657	238,976	227,734
122,935	130,431	111,817	165,463	209,413
126,018	126,131	134,618	171,905	184,931
294,936	322,087	333,889	452,350	510,963
<u>\$1,279,956</u>	<u>\$1,336,759</u>	<u>\$1,329,741</u>	<u>\$1,731,485</u>	<u>\$1,901,919</u>

**CITY OF MANTECA
DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year	City Direct Rate	Measure M	Measure K	State of California
2013-14	1.00	0.50	0.50	6.50
2014-15	1.00	0.50	0.50	6.50
2015-16	1.00	0.50	0.50	6.50
2016-17	1.00	0.50	0.50	6.25 (a)
2017-18	1.00	0.50	0.50	6.25
2018-19	1.00	0.50	0.50	6.25
2019-20	1.00	0.50	0.50	6.25
2020-21	1.00	0.50	0.50	6.25
2021-22	1.00	0.50	0.50	6.25
2022-23	1.00	0.50	0.50	6.25

Source: California State Board of Equalization / California Department of
Tax and Fee Administration

(a) On January 1, 2017, the State decreased the
the State Rate 0.25%

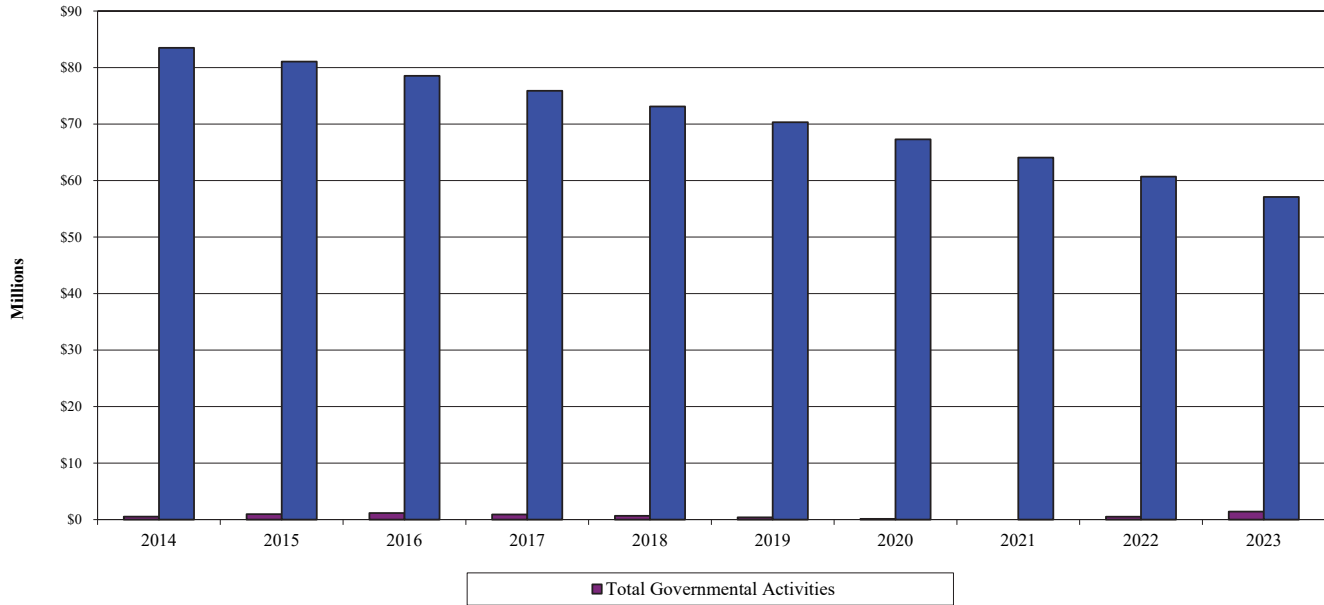
**CITY OF MANTECA
PRINCIPAL SALES TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
IN ALPHABETICAL ORDER**

Calendar Year 2022	Calendar Year 2013
A&A Gas & Food Mart	Ahmeds Chevron
Amazon Com Services	American Modular Systems
American Modular Systems	Arco
Arco	B. R. Funsten & Company
Arco AM PM	Bass Pro Shops Outdoor World
Arco AM PM	Cabral Chrysler Jeep Dodge Ram Fiat
B R Funsten & Company	Chevron
Bass Pro Shops Outdoor World	Costco
Cabral Chrysler Jeep Dodge Ram Fiat	Country Kia
Chick Fil A	Cruisers Manteca
Core & Main LP	Global Hvac Distributors Inc.
Costco	Home Depot
Country Kia	J. M. Equipment Company
Cruisers Manteca	J C Penney
Great Wolf Lodge	Kmart
Home Depot	Kohls
J. M. Equipment Company	Manteca Arco
Living Spaces Furniture	Manteca Ford
Manteca Ford	Manteca Trailer & Camper
Manteca Trailer & Motorhome	Quik Stop
Manteca Trailer & Motorhome	Robert & Brune Co
Ross	Ross
Target	Save Mart
TJ Maxx	Target
Walmart Supercenter	Walmart Supercenter

Percent of fiscal year total paid by top 25 accounts:		
53.24%		55.12%

Sources: State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office, TheHdL Companies

**CITY OF MANTECA
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**



Governmental Activities

Fiscal Year	Capital Leases	Lease Liabilities	Subscription Liabilities	Total
2014	\$520,937			\$520,937
2015	960,356			960,356
2016	1,150,979			1,150,979
2017	905,370			905,370
2018	651,199			651,199
2019	388,165			388,165
2020	115,961			115,961
2021				
2022		\$504,872		504,872
2023		1,305,330	\$103,392	1,408,722

Business-Type Activities

Fiscal Year	Water Revenue Bonds	Sewer Revenue Bonds	Leases Liabilities	Total	Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
2014	\$40,444,293	\$43,056,675		\$83,500,968	\$84,021,905	5.23%	\$1,153
2015	39,125,778	41,937,581		81,063,359	82,023,715	5.04%	1,128
2016	37,787,462	40,748,487		78,535,949	79,686,928	4.74%	1,079
2017	36,404,147	39,484,393		75,888,540	76,793,910	4.47%	1,007
2018	34,970,831	38,135,300		73,106,131	73,757,330	4.09%	907
2019	33,487,516	36,831,206		70,318,722	70,706,887	3.68%	844
2020	31,954,201	35,337,112		67,291,313	67,407,274	3.22%	795
2021	30,350,886	33,728,018		64,078,904	64,078,904	2.80%	734
2022	28,677,570	31,988,924	\$34,666	60,701,160	61,206,032	2.47%	705
2023	26,929,255	30,149,830	22,701	57,101,786	58,510,508	2.16%	659

Sources: City of Manteca
State of California, Department of Finance (population)
Bureau of Economic Analysis

Note: Debt amounts exclude any premiums, discounts, or other amortization amounts.
(a) See Demographic Statistics for personal income and population data.

**CITY OF MANTECA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 2023**

2022-23 Assessed Valuation: \$11,053,065,491

JURISDICTION	Total Debt 6/30/2023	% Applicable (1)	City's Share of Debt 6/30/23
OVERLAPPING TAX AND ASSESSMENT DEBT			
San Joaquin Delta Community College District	\$175,675,000	10.028%	\$17,616,689
Yosemite Community College District	253,266,478	0.317%	802,855
Manteca Unified School District	211,129,885	52.209%	110,228,802
Ripon Unified School District	28,130,970	7.220%	2,031,056
Manteca Unified School District Community Facilities District No. 1989-2	17,655,000	79.150%	13,973,933
Manteca Unified School District Community Facilities District No. 2000-3	19,085,000	100%	19,085,000
California Statewide Communities Development Authority CFD No. 2012-2	5,820,000	100%	5,820,000
California Statewide Communities Development Authority 1915 Act Bonds	51,323,272	100%	51,323,272
Reclamation District No 17 Assessment District	20,515,719	6.969%	1,429,740
TOTAL OVERLAPPING DEBT	\$782,601,324		\$222,311,347
DIRECT AND OVERLAPPING GENERAL FUND DEBT			
San Joaquin County Certificates of Participation	\$54,940,000	11.122%	\$6,110,427
Manteca Unified School District Certificates of Participation	13,979,000	52.209%	7,298,296
CITY OF MANTECA GENERAL FUND OBLIGATIONS	0	100.000%	0
Total Gross Direct and Overlapping General Fund Debt	\$68,919,000		13,408,723
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$13,408,723 (2)
OVERLAPPING TAX INCREMENT DEBT:	87,500,000	100%	\$87,500,000
TOTAL DIRECT DEBT			\$0 (2)
TOTAL OVERLAPPING DEBT			\$323,220,070 (2)
COMBINED TOTAL DEBT			\$323,220,070 (2)

(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 city's total taxable assessed value.

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

Ratios to 2022-23 Assessed Valuation:	
Total Overlapping Tax and Assessment Debt	2.92%
Total Direct Debt	0.00%
Combined Total Debt	2.92%

Ratios to Redevelopment Incremental Valuation (\$2,883,077,176)	
Total Overlapping Tax Increment Debt	3.03%

Source: California Municipal Statistics, Inc.

CITY OF MANTECA
COMPUTATION OF LEGAL BONDED DEBT MARGIN
June 30, 2023

ASSESSED VALUATION:

Assessed Value	\$11,053,066,000
Add back: Exempt real property	<u>0</u>
Total Assessed Valuation	<u><u>\$11,053,066,000</u></u>

BONDED DEBT LIMIT (15.0% OF ASSESSED VALUE) (a) \$1,657,959,900

AMOUNT OF DEBT SUBJECT TO LIMIT: 0

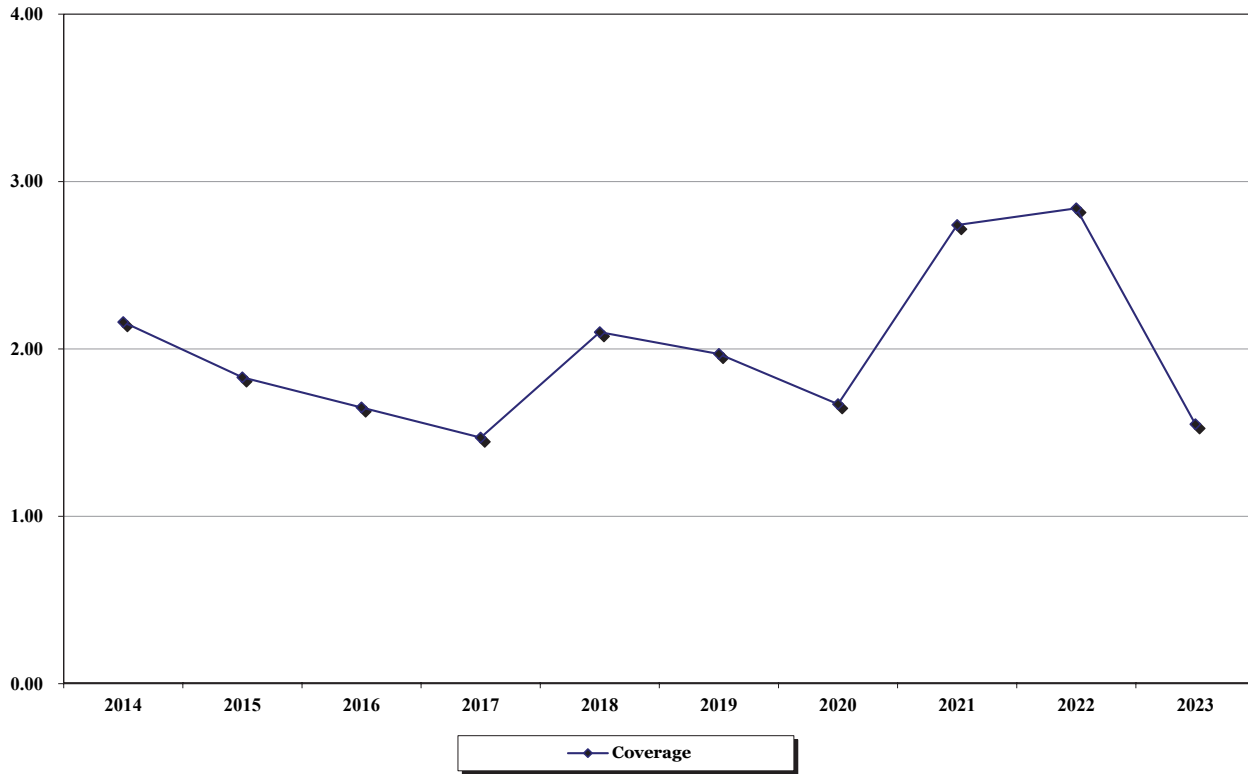
LEGAL BONDED DEBT MARGIN \$1,657,959,900

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2014	\$780,712,116	\$0	\$780,712,116	0.00%
2015	881,503,451	0	881,503,451	0.00%
2016	926,579,505	0	926,579,505	0.00%
2017	993,777,916	0	993,777,916	0.00%
2018	1,074,262,278	0	1,074,262,278	0.00%
2019	1,156,369,671	0	1,156,369,671	0.00%
2020	1,268,723,873	0	1,268,723,873	0.00%
2021	1,394,303,550	0	1,394,303,550	0.00%
2022	1,497,223,050	0	1,497,223,050	0.00%
2023	1,657,959,900	0	1,657,959,900	0.00%

NOTE:

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

**CITY OF MANTECA
REVENUE BOND COVERAGE
WATER REVENUE BONDS
LAST TEN FISCAL YEARS**



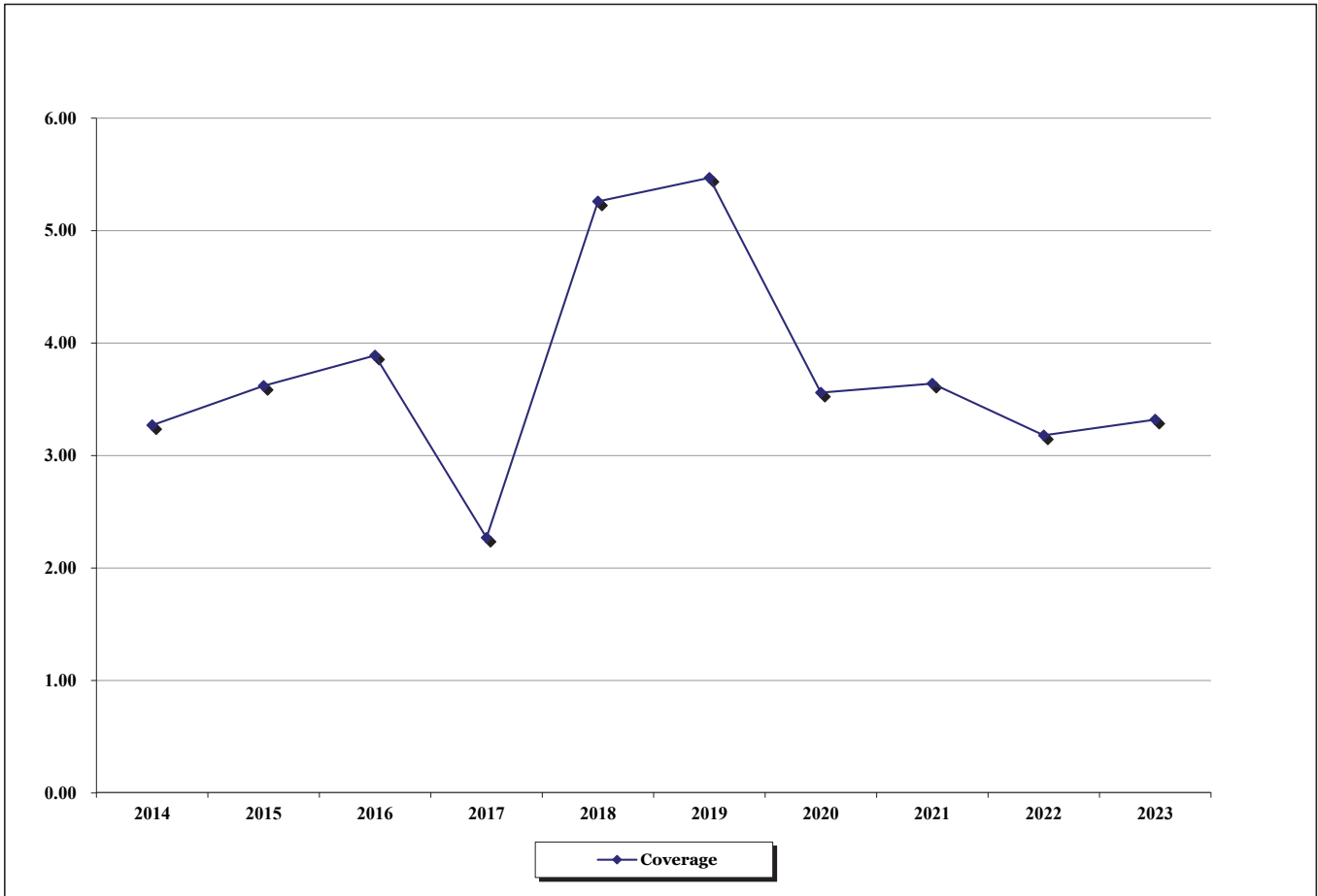
Fiscal Year	Gross Revenue	Operating Expenses	Depreciation Non-Operating Revenues (a)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
					Principal	Interest	Total	
2014	\$14,386,302	(\$12,424,475)	\$3,713,168	\$5,674,995	\$905,000	\$1,724,808	\$2,629,808	2.16
2015	14,253,339	(12,560,076)	3,394,634	5,087,897	1,125,000	1,653,100	2,778,100	1.83
2016	13,911,824	(13,569,363)	4,219,136	4,561,597	1,145,000	1,618,950	2,763,950	1.65
2017	15,475,870	(15,374,241)	3,955,645	4,057,274	1,190,000	1,572,250	2,762,250	1.47
2018	17,874,779	(16,190,492)	4,115,119	5,799,406	1,240,000	1,523,650	2,763,650	2.10
2019	16,630,981	(16,540,348)	5,353,867	5,444,500	1,290,000	1,473,050	2,763,050	1.97
2020	17,460,808	(17,781,017)	4,918,205	4,597,996	1,340,000	1,413,750	2,753,750	1.67
2021	21,103,961	(17,381,197)	3,838,008	7,560,772	1,410,000	1,345,000	2,755,000	2.74
2022	21,846,755	(17,204,712)	3,187,306	7,829,349	1,480,000	1,272,750	2,752,750	2.84
2023	18,828,384	(19,455,588)	4,905,189	4,277,985	1,555,000	1,196,875	2,751,875	1.55

Source: City of Manteca Annual Financial Statements

Note: (a) Depreciation expense is added back to exclude it from net revenues. Interest income is included the calculation of net revenues.

Source: City of Manteca Annual Financial Statements

**CITY OF MANTECA
REVENUE BOND COVERAGE
SEWER REVENUE BONDS
LAST TEN FISCAL YEARS**

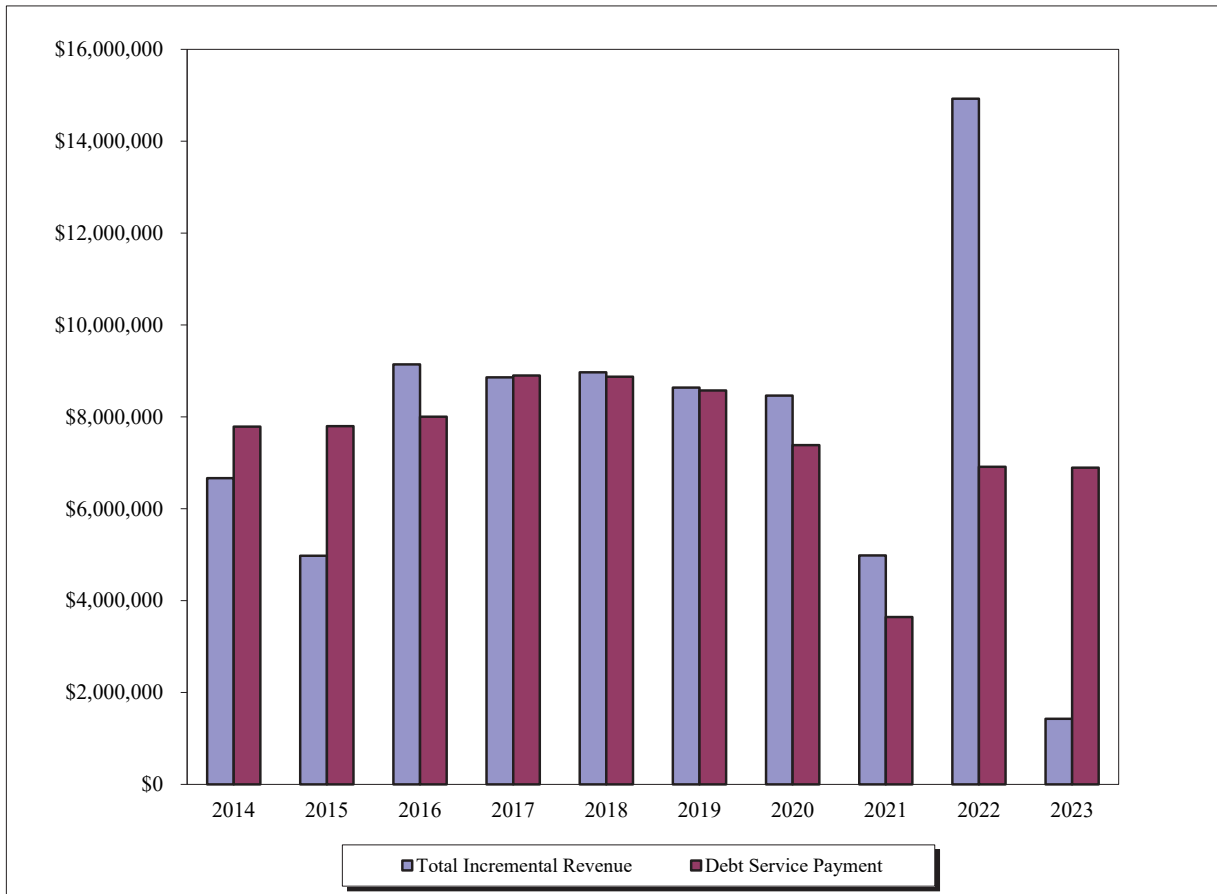


Fiscal Year	Operating Revenue	Operating Expenses	Depreciation Non-Operating Revenues (a)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
					Principal	Interest	Total	
2014	\$18,178,282	(\$11,834,974)	\$3,207,615	\$9,550,923	\$1,030,000	\$1,891,791	\$2,921,791	3.27
2015	19,358,013	(11,980,756)	3,151,337	10,528,594	1,035,000	1,871,141	2,906,141	3.62
2016	20,088,298	(12,427,362)	3,823,516	11,484,452	1,105,000	1,844,216	2,949,216	3.89
2017	23,353,626	(20,270,910)	3,693,782	6,776,498	1,180,000	1,809,941	2,989,941	2.27
2018	26,752,536	(14,696,631)	3,953,777	16,009,682	1,265,000	1,779,591	3,044,591	5.26
2019	26,407,556	(15,734,144)	5,554,762	16,228,174	1,220,000	1,744,741	2,964,741	5.47
2020	22,632,685	(16,910,860)	5,314,430	11,036,255	1,410,000	1,687,291	3,097,291	3.56
2021	24,878,743	(17,983,713)	4,527,785	11,422,815	1,525,000	1,613,916	3,138,916	3.64
2022	26,764,183	(20,033,066)	3,464,611	10,195,728	1,655,000	1,550,966	3,205,966	3.18
2023	26,115,040	(20,907,297)	5,553,416	10,761,159	1,755,000	1,482,266	3,237,266	3.32

Note (a) Depreciation expense is added back to exclude it from net revenues. Interest income is included the calculation of net revenues.

Source: City of Manteca Annual Financial Statements

CITY OF MANTECA
BONDED DEBT PLEDGED-REVENUE COVERAGE
REDEVELOPMENT AGENCY TAX ALLOCATION BONDS
LAST TEN FISCAL YEARS



Fiscal Year	Tax Increment Revenue	Debt Service Requirements			Coverage
		Principal	Interest (c)	Total	
2014	\$6,666,009 (a) (b)	\$2,750,000 (a)	\$5,037,006 (a)	\$7,787,006	0.86
2015	4,975,892 (a) (b)	2,875,000 (a)	4,923,045 (a)	7,798,045	0.64
2016	9,143,768 (a) (b)	3,000,000 (a)	5,003,356 (a)	8,003,356	1.14
2017	8,860,814 (a) (b)	3,135,000 (a)	5,765,392 (a)	8,900,392	1.00
2018	8,970,904 (a) (b)	3,275,000 (a)	5,599,995 (a)	8,874,995	1.01
2019	8,638,662 (a) (b)	3,420,000 (a)	5,155,090 (a)	8,575,090	1.01
2020	8,463,615 (a) (b)	3,570,000 (a) (d)	3,815,396 (a) (d)	7,385,396	1.15
2021	4,982,819 (a) (b)	1,985,000 (a)	1,657,216 (a)	3,642,216	1.37
2022	14,926,936 (a) (b)	4,190,000 (a)	2,723,702 (a)	6,913,702	2.16
2023	1,427,520 (a) (b)	4,255,000 (a)	2,639,891 (a)	6,894,891	0.21

Note: (a) The Redevelopment Agency was dissolved effective January 31, 2012, and its liabilities were assumed by a Successor Agency. Amounts reported here include tax revenue and debt service of both the former Redevelopment Agency and the Successor Agency.

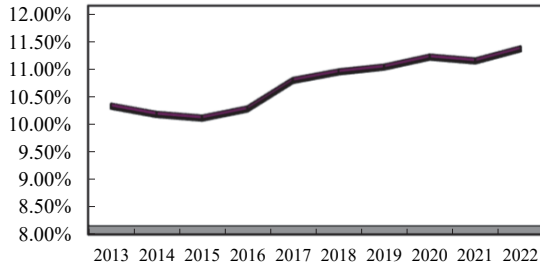
(b) Beginning in fiscal year 2012, tax increment reported in this table is the amount calculated by the County Auditor-Controller. Under the provisions of the laws dissolving the Redevelopment Agency, the Successor Agency only receives the funds necessary to fulfill its approved obligations.

(c) Excludes the letter of credit and remarketing fees on the 2005 Tax Allocation Bonds.

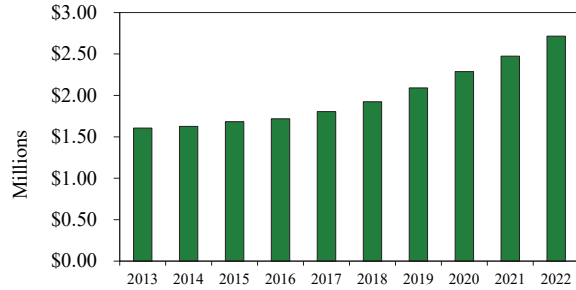
(d) Excludes principal retirements related to the issuance of the Series 2020A and 2020B Refunding Bonds.

Source: City of Manteca Annual Financial Statements

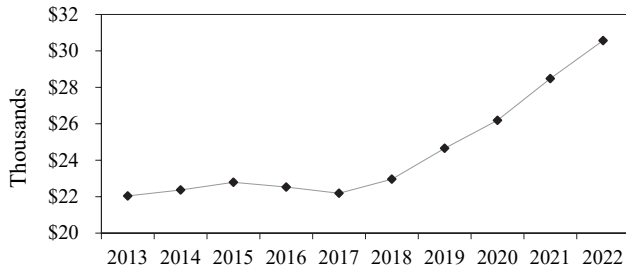
**CITY OF MANTECA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**



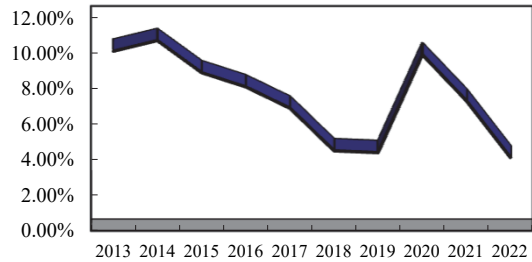
■ City Population as a % of County Population



■ Personal Income (in thousands)



◆ Per Capita Personal Income



■ Unemployment Rate

Calendar Year	City Population	Total Personal Income (in thousands)	Per Capita Personal Income (a)	Unemployment Rate (%)	San Joaquin County Population	City Population % of County
2013	72,880	\$1,606,348	\$22,041	10.1%	710,731	10.25%
2014	72,701	1,626,176	22,368	10.7%	719,511	10.10%
2015	73,841	1,682,925	22,791	8.9%	735,677	10.04%
2016	76,247	1,717,719	22,528	8.1%	747,263	10.20%
2017	81,345	1,804,801	22,187	6.9%	758,744	10.72%
2018	83,781	1,923,643	22,960	4.5%	770,385	10.88%
2019	84,800	2,091,006	24,658	4.4%	773,505	10.96%
2020	87,319	2,286,735	26,188	9.9%	783,534	11.14%
2021	86,859	2,473,733	28,480	7.3%	784,298	11.07%
2022	88,803	2,714,458	30,567	4.1%	786,145	11.30%

Source: California State Department of Finance - City Population (1/1/20)
Bureau of Labor Statistics - Unemployment Rate (Not Seasonally Adjusted)
Bureau of Economic Analysis - Per Capita (San Joaquin County)

Note: Data for Per Capita 2016 and 2017 was not available. Numbers are projections.

(a) Personal income is a product of the countywide per capita amount and the City's population

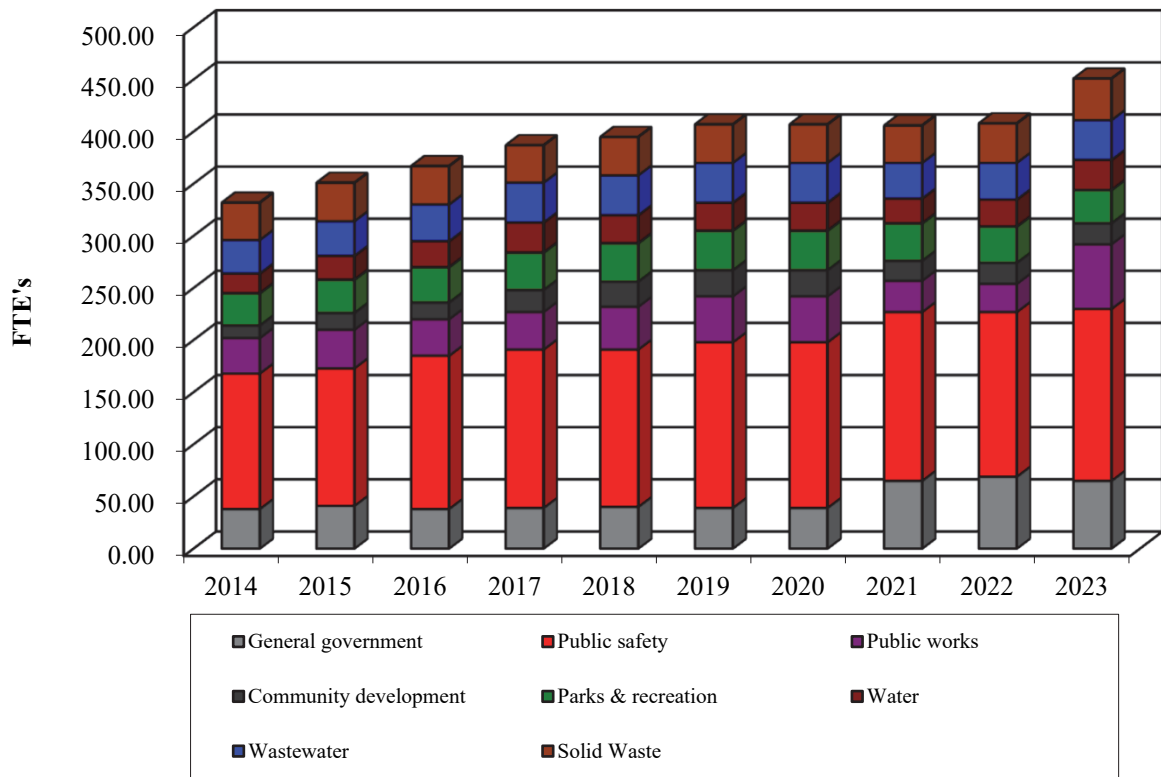
CITY OF MANTECA
Principal Employers
Current Year and Nine Years Ago

Employer	2022-23			2013-14		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Amazon.com Services, LLC	710	1	0.8%			
Tennant Sales and Service Co.	800	2	0.9%			
Manteca Unified School District (a)	730	3	0.8%	2,107	1	2.9%
Gardner Trucking Inc.	520	4	0.6%	357	4	0.5%
City of Manteca	492	5	0.6%	332	5	0.5%
Doctors Hospital of Manteca	399	6	0.4%	446	3	0.6%
Kaiser Permanente Medical Offices & Hospital	314	7	0.4%	625	2	0.9%
Wal-Mart	307	8	0.3%	316	6	0.4%
COSTCO Wholesale #1031	307	8	0.3%	187	9	0.3%
A.M. Stephens Construction Co., Inc.	257	9	0.3%			
C. Overaa & Co.	250	10	0.3%			
Eckert Cold Storage	250	10	0.3%	250	7	0.3%
Home Depot	205	11	0.2%	143	12	0.2%
Give Every Child a Chance	183	12	0.2%	170	10	0.2%
Target Corp.	170	13	0.2%	165	10	0.2%
BASS Pro Outdoor World	150	14	0.2%	150	11	0.2%
Karma, Inc. (DBA Manteca Care & Rehab)	125	15	0.1%	225	8	0.3%
Total Employees - Principal Employers	6,169		6.9%	5,473		7.5%
Total City Population	88,803			72,880		

Source: City of Manteca Community Development Department (Business License)

(a) FY 2013-14 MUSD employees included the entire district; FY2022-23 includes only MUSD employees in the City of Manteca.

**CITY OF MANTECA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**



	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Function										
General government	38.00	41.00	38.00	39.00	40.00	39.00	39.00	65.00	69.00	65.00
Public safety	130.00	132.00	147.00	152.00	151.00	159.00	159.00	162.00	158.00	165.00
Public works	34.00	37.00	35.00	36.00	41.00	44.00	44.00	30.00	27.00	62.00
Community development	12.00	16.00	16.00	21.00	24.00	25.00	25.00	19.00	20.00	20.00
Parks & recreation	31.00	32.00	34.00	36.00	37.00	38.00	38.00	36.00	35.00	32.00
Water	19.00	23.00	25.00	29.00	27.00	27.00	27.00	24.00	26.00	29.00
Wastewater	32.00	33.00	35.00	38.00	38.00	38.00	38.00	34.00	35.00	38.00
Solid Waste	36.00	37.00	37.00	36.00	37.00	37.00	37.00	36.00	38.00	40.00
Total	<u>332.00</u>	<u>351.00</u>	<u>367.00</u>	<u>387.00</u>	<u>395.00</u>	<u>407.00</u>	<u>407.00</u>	<u>406.00</u>	<u>408.00</u>	<u>451.00</u>

Source: City of Manteca Budget Document

This Page Left Intentionally Blank

CITY OF MANTECA
OPERATING INDICATORS AND CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	Fiscal Year				
	2014**	2015**	2016	2017	2018
Population					
Citizens	72,880	73,787	73,841	76,247	81,345
Date of Incorporation	May 28,1918	May 28,1918	May 28,1918	May 28,1918	May 28,1918
Form of Government	Council/Manager	Council/Manager	Council/Manager	Council/Manager	Council/Manager
Area	20.61 Sq Miles	20.92 Sq Miles	20.92 Sq Miles	20.92 Sq Miles	21.45
Registered Voters	30,930	30,975	33,105	36,327	37,775
Building Permits Issued	2,134	3,027	3,418	3,565	4,312
Employees from Budget Document	332	351	367	0	0
Fire Protection					
Number of Stations	4	4	4	4	4
Number of Reserve Personnel	25	25	22	20	24
Number of Sworn Fire Personnel *	40	41	49	60	48
Number of Calls Answered	5,854	6,252	6,682	7,132	7,579
Police Protection					
Number of Stations	1	1	1	1	1
Number of Police Officers	63	64	65	65	67
Number of Volunteers	115	94	87	62	71
Number of Support Personnel	23	24	29	33	33
Number of Calls Answered	33,885	35,036	42,717	43,229	42,114
Parks & Recreation					
Park Sites	56	58	65	69	69
Acres of Parks	362	367	382	382	465
Senior Centers	1	1	1	1	1
Swimming Pools	2	2	2	2	2
Tennis Courts	8	8	8	8	8
Pickle Ball Court					
Number of Park/Golf Trees	7,600	7,600	7,600	7,600	7,600
Number of Street Trees	17,000	18,000	18,500	18,700	18,700
Acres of Golf Course	111	111	111	111	111
Public Libraries	1	1	1	1	1
Landscape Maintenance Districts	29	29	29	29	29
Benefit Area District	4	4	4	4	4
Community Facility Districts	1	6	9	10	12
Public Works					
Miles of Streets	241	250	250	259	271
Number of Street Lights	4,856	5,143	5,405	5,443	5,603
Water Utility					
Number of Meters	20,876	21,161	21,696	22,380	22,920
Miles of Water Mains	259	266	280	298	299
Average Daily Consumptions (Gal)	14.06 MGD	11.11 MGD	9.89 MGD	10.498 MGD	10.498 MGD
Wastewater					
Number of Connections	24,940	20,791	21,325	21,951	22,529
Miles of Sewer Lines	227	243	250	257	258
Number of Treatment Plants	1	1	1	1	1
Average Daily Treatment	6.29 MGD	6 MGD	6.25 MGD	6.21 MGD	6.21 MGD
Treatment Capacity	9.87 MGD	9.87 MGD	9.87 MGD	9.87 MGD	9.87MGD
Solid Waste					
Number of Accounts	20,399	20,879	21,411	22,080	22,641
Education					
Elementary Schools	20	23	23	20	20
High Schools	5	5	5	5	5
Alternative Schools	3	3	3	3	3
Adult Education	2	1	1	1	1
Charter School					
Teachers	1,094	1,019	1,041	1,092	1,099
Elementary Classrooms	897	895	895	899	884
High School Classrooms	451	461	457	457	445
Adult Education Classrooms	10	42	3	3	3
Current Enrollment	23,145	22,909	23,981	23,852	23,599

Source: City of Manteca Budget Document
Manteca Fire Department Annual Report
Various Manteca Unified School District Records
City of Manteca

Note: n/a denotes information not available.

* Includes the Fire Department's Chief Officers

** Updated numbers from Muni Service Sales Tax Analysis

*** New State Mandates require reserves to be as fully trained as a full-time Firefighter, making it difficult to retain individuals as reserves when they can move on to full-time firefighter employment.

	Fiscal Year				
	2019	2020	2021	2022	2023
Population					
Citizens	83,781	84,842	87,319	86,859	88,803
Date of Incorporation	May 28,1918	May 28,1918	May 28,1918	May 28,1918	May 28,1918
Form of Government	Council/Manager	Council/Manager	Council/Manager	Council/Manager	Council/Manager
Area	21.45	21.45	21.48	21.48	21.48
Registered Voters	38,575	43,642	44,829	46,145	47,957
Building Permits Issued	3,653	3,740	4,679	4,777	4,319
Employees from Budget Document	407	407	406	408	451
Fire Protection					
Number of Stations	4	5	5	5	5
Number of Reserve Personnel	23	15	5***	5***	12
Number of Sworn Fire Personnel	48	49	49	50	50
Number of Calls Answered	8,230	9,052	10,480	10,852	10,771
Police Protection					
Number of Stations	1	1	1	1	1
Number of Police Officers	73	73	73	74	74
Number of Volunteers	65	17 (1)	56	61	65
Number of Support Personnel	40	36	38	39	41
Number of Calls Answered	50,094	46,874	44,791	45,274	43,497
Parks & Recreation					
Park Sites	69	70	71	72	72
Acres of Parks	465	470	474	480	480
Senior Centers	1	1	1	1	1
Swimming Pools	2	2	2	2	2
Tennis Courts	8	8	8	8	8
Pickle Ball Court			1	1	1
Number of Park/Golf Trees	5,000	5,000	5,000	5,000	5,000
Number of Street Trees	12,500	12,675	12,500	12,550	12,550
Acres of Golf Course	111	111	111	111	111
Public Libraries	1	1	1	1	1
Landscape Maintenance Districts	29	29	29	29	29
Benefit Area District	4	4	4	4	4
Community Facility Districts	12	16	19	23	24
Public Works					
Miles of Streets	271	275	280	290	290
Number of Street Lights	5,603	5,650	5,650	5,654	5,771
Water Utility					
Number of Meters	23,329	24,906	26,475	28,143	28,612
Miles of Water Mains	299	320	338	345	345
Average Daily Consumptions (Gal)	11.943 MGD	13.643 MGD	12.90 MGD	13.21 MGD	12.346 MGD
Wastewater					
Number of Connections	23,094	24,411	25,730	27,120	28,612
Miles of Sewer Lines	258	272	273	276	278
Number of Treatment Plants	1	1	1	1	1
Average Daily Treatment	6.21 MGD	6.83 MGD	7.30 MGD	7.50 MGD	8.1 MGD
Treatment Capacity	9.87MGD	9.87 MGD	9.87 MGD	9.87 MGD	9.87 MGD
Solid Waste					
Number of Accounts	23,215	24,541	25,867	27,264	28,764
Education					
Elementary Schools	20	19	15	15	15
High Schools	5	5	5	5	5
Alternative Schools	3	2	2	1	1
Adult Education	1	1	0	1	1
Charter School	1	1	0	0	0
Teachers	1,099	1,242	707	751	730
Elementary Classrooms	884	550	593	549	557
High School Classrooms	445	272	331	352	353
Adult Education Classrooms	3	Not Available	21	21	21
Current Enrollment	23,599	24,061	15,458	15,604	15,935

Source: City of Manteca Budget Document
Manteca Fire Department Annual Report
Various Manteca Unified School District Records
City of Manteca

Note: n/a denotes information not available.

* Includes the Fire Department's Chief Officers

** Updated numbers from Muni Service Sales Tax Analysis

*** New State Mandates require reserves to be as fully trained as a full-time Firefighter, making it difficult to retain individuals as reserves when they can move on to full-time firefighter employment.

This Page Left Intentionally Blank

**MANTECA FINANCING AUTHORITY
BASIC COMPONENT UNIT
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

This Page Left Intentionally Blank

INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the
Board of Directors of the Manteca Financing Authority
Manteca, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the 2009 Sewer Revenue Bonds Fund (Fund) of the Manteca Financing Authority (Authority), a component unit of the City of Manteca, California, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority'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 financial position of the 2009 Sewer Revenue Bonds Fund of the Authority, as of June 30, 2023, and the change in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 Authority'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 opinion. 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 Authority'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 Authority'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

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2024, 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.

Maye & Associates

Pleasant Hill, California
October 14, 2024

This Page Left Intentionally Blank

MANTECA FINANCING AUTHORITY

**STATEMENT OF NET POSITION AND
STATEMENT OF REVENUES AND
CHANGES IN NET POSITION**

The purpose of The Statement of Net Position and the Statement of Revenues and Changes in Net Position is to summarize the entire Authority's financial activities and financial position. They are prepared on the same basis as is used by most businesses, which means they include all the Authority's assets and deferred outflows of resources and all its liabilities and deferred inflows of resources, as well as all its revenues and expenses.

The Statement of Net Position reports the difference between the Authority's total assets and deferred outflows of resources and the Authority's total liabilities and deferred inflows of resources, including all the Authority's long-term debt. The Statement of Net Position summarizes the financial position of all the Authority's activities in a single column.

The Statement of Revenues, Expenses, and Changes in Net Position reports increases and decreases in the Authority's net position. It is also prepared on the full accrual basis, which means it includes all the Authority's revenues and all its expenses, regardless of when cash changes hands.

MANTECA FINANCING AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2023

	<u>2009 Sewer Revenue Bonds</u>
ASSETS	
Current Assets:	
Investments held by trustee (Note 2)	\$1,950,531
Interest receivable	<u>88,230</u>
Total Current Assets	2,038,761
Receivable from the City of Manteca (Note 3)	<u>17,049,469</u>
Total Assets	<u>19,088,230</u>
LIABILITIES	
Current Liabilities:	
Accrued interest payable	<u>88,230</u>
Total Current Liabilities	<u>88,230</u>
Non-Current Liabilities:	
Lease revenue bonds payable (Note 4)	
Due in more than one year	<u>19,000,000</u>
Total Liabilities	<u>19,088,230</u>
NET POSITION	
Restricted for Debt Service	<u> </u>
Total Net Position	<u><u> </u></u>

See accompanying notes to financial statements

MANTECA FINANCING AUTHORITY
STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

	<u>2009 Sewer Revenue Bonds</u>
OPERATING REVENUE	
Interest on base rental payments	<u>\$993,208</u>
Operating Revenue	<u>993,208</u>
OPERATING EXPENSES	
Interest and fiscal fees	<u>1,058,763</u>
Total Operating Expenses	<u>1,058,763</u>
Operating Loss	<u>(65,555)</u>
NONOPERATING INCOME	
Interest on investments	<u>65,555</u>
Net Nonoperating Income	<u>65,555</u>
Change in net position	
Net position at beginning of year	<u> </u>
Net position at end of year	<u><u> </u></u>

See accompanying notes to financial statements

MANTECA FINANCING AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	<u>2009 Sewer Revenue Bonds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from the City	\$1,043,161
Payments to bond trustees	<u>(1,058,763)</u>
Cash Flows from Operating Activities	<u>(15,602)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment interest received	<u>65,555</u>
Cash Flows from Investing Activities	<u>65,555</u>
Net Cash Flows	49,953
Cash and investments at beginning of period	<u>1,900,578</u>
Cash and investments at end of period	<u><u>\$1,950,531</u></u>
Reconciliation of operating loss to net cash flows from operating activities:	
Operating loss	(\$65,555)
Change in assets:	
Receivables, net	<u>49,953</u>
Cash Flows from Operating Activities	<u><u>(\$15,602)</u></u>

See accompanying notes to financial statements

MANTECA FINANCING AUTHORITY
NOTES TO BASIC COMPONENT UNIT FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. *Organization and Purpose*

The Manteca Financing Authority is a Joint Powers Authority organized by the City of Manteca and the Manteca Redevelopment Agency on May 1, 1991 under the laws of the State of California. The Authority was organized to provide assistance to the City and Agency in financing public improvements for the benefit of the residents of the City and surrounding areas. Administrative and related normal business expenses incurred in the day-to-day operations of the Authority are provided by the City and are not included in the accompanying financial statements. Such expenses are insignificant to the Authority's operations.

The Authority is an integral part of the City and the accompanying financial statements are included as a component of the basic financial statements prepared by the City. A component unit is a separate governmental unit, agency, or nonprofit corporation which, when combined with all other component units, constitutes the reporting entity as defined in the City's basic financial statements.

B. *Basis of Presentation*

The Authority's Basic Component Unit 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 U.S.A.

These Standards require that the financial statements described below be presented.

Fund Financial Statements: The fund financial statements provide information about the Authority's funds. The emphasis of fund financial statements is on major individual funds, each of which is displayed in a separate column. The Authority considers its only fund to be a major fund.

C. *Basis of Accounting*

The Authority accounts for all transactions in a single enterprise fund (proprietary fund type). A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific governmental activity. The activities of enterprise funds closely resemble those of the private sector in which the purpose is to conserve and add to economic resources. Enterprise funds account for operations that provide services on a continuous basis and are substantially financed by revenues derived from user charges.

The financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

D. *Major Fund*

The Authority's only fund is required to be identified as a major fund and presented in the fund financial statements. Major funds are defined as funds that have either assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenses equal to ten percent of their fund-type total and five percent of the grand total.

MANTECA FINANCING AUTHORITY
NOTES TO BASIC COMPONENT UNIT FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Authority reported its only fund, the 2009 Sewer Revenue Bonds Enterprise Fund as a major enterprise fund in the accompanying financial statements, and the fund is used to account for Bond transactions.

E. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

F. Estimates and Assumptions

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - INVESTMENTS HELD BY TRUSTEE

The Authority invests in individual investments and in investment pools. Individual investments are evidenced by specific identifiable pieces of paper called *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system.

The Authority's investments are carried at fair value, as required by generally accepted accounting principles. The Authority adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

MANTECA FINANCING AUTHORITY
NOTES TO BASIC COMPONENT UNIT FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 2 - INVESTMENTS HELD BY TRUSTEE (Continued)

A. Investments Authorized by Debt Agreements

In accordance with the Lease Revenue Bond Indenture of Trust, a Trustee holds the portion of Bond proceeds established as reserves for debt service on these Bonds. The California Government Code requires these funds to be invested in accordance with bond indentures or State statutes. The table below identifies the investment types and their minimum credit ratings that are authorized for investments held by trustee and certain provisions of the debt agreement. The bond indenture contains no limitations for the maximum investment in any one issuer or the maximum percentage of the portfolio that may be invested in any one investment type.

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality
United States Treasury Bill, Bonds, Notes	5 years	N/A
United States Government Agency Obligations	5 years	N/A
Bankers' Acceptances	30 days to 1 year	A-1
Commercial Paper	270 days to 1 year	A-1
Certificates of Deposit	30 days to 5 years	None to A
Repurchase Agreements	None to 30 days	A-1
Local Agency Investment Fund	n/a	Not rated
Money Market Funds	n/a	AA-m
Investment Agreements	None	None to AA
State and Municipal Bonds, Notes	None	Two Highest Categories

B. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the Authority's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Authority's investments by maturity:

Investment Type	12 Months or Less
Held by Trustees:	
Money Market Funds (U.S. Securities)	<u>\$1,950,531</u>

C. 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 actual rating as of June 30, 2023 for the Money Market Funds was AAAM as provided by Standard & Poor's investment rating system. Money market funds are available for withdrawal on demand and at June 30, 2023 have an average maturity of 20 days.

MANTECA FINANCING AUTHORITY
NOTES TO BASIC COMPONENT UNIT FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 2 - INVESTMENTS HELD BY TRUSTEE (Continued)

D. Fair Value Hierarchy

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Authority's money market funds are measured at amortized cost as of June 30, 2023.

NOTE 3 - RECEIVABLE FROM THE CITY OF MANTECA

The Authority used the proceeds from its Bond issues to finance capital improvements throughout the City. The City leases these improvements from the Authority under the terms of the lease agreement that expires in 2037.

Anticipated receipts of the base rental payments, net of cash and investments held by trustee, capitalized interest proceeds and interest expense net of anticipated interest earned on the investments, are as follows:

Year ending June 30	Principal	Interest	Total
2024		\$997,163	\$997,163
2025	\$560,000	983,512	1,543,512
2026	640,000	953,862	1,593,862
2027	720,000	919,862	1,639,862
2028	810,000	881,106	1,691,106
2028-2032	5,050,000	3,645,595	8,695,595
2033-2037	11,220,000	1,189,419	12,409,419
	<u>\$19,000,000</u>	<u>\$9,570,519</u>	<u>28,570,519</u>
		<u>Less:</u>	
		Investments held by trustee	1,950,531
		Amount representing interest	9,570,519
			<u>17,049,469</u>
Receivable from the City of Manteca at June 30, 2023			<u>\$17,049,469</u>

MANTECA FINANCING AUTHORITY
NOTES TO BASIC COMPONENT UNIT FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 4 - LONG TERM DEBT

On May 27, 2009 the Authority issued the Sewer Revenue Bonds Series 2009 in the amount of \$19,000,000 to finance the City's expansion and upgrade of its Wastewater Quality Control Facility. The 2009 Revenue Bonds are secured by installment payments payable by the City of Manteca under the Installment Sales Agreement dated December 1, 2003, as amended by Amendment 1 dated June 1, 2009. The installment payments are special limited obligations of the City and are secured by a pledge of and lien on the net revenues of the City's sewer system.

On July 5, 2023, Moody's Investors Service withdrew the City's issuer rating and also withdrew its rating of the 2009 Revenue Bonds, due to the City's delay in issuing the audited financial statements. In addition, Fitch Ratings withdrew its AA- rating for the 2009 Revenue Bonds for the same reason.

Annual debt service requirements are shown below for the long-term debt:

Year	Principal	Interest	Total
2024		\$1,058,763	\$1,058,763
2025	\$560,000	1,045,112	1,605,112
2026	640,000	1,015,462	1,655,462
2027	720,000	981,462	1,701,462
2028	810,000	942,706	1,752,706
2029-2033	5,050,000	3,953,595	9,003,595
2034-2037	11,220,000	1,497,419	12,717,419
Total	<u>\$19,000,000</u>	<u>\$10,494,519</u>	<u>\$29,494,519</u>

This Page Left Intentionally Blank