CITY OF MANTECA

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2022

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CITY OF MANTECA, CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2022

Prepared by

FINANCE DEPARTMENT

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CITY OF MANTECA
Annual Comprehensive Financial Report
For the Year Ended June 30, 2022

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CITY OF MANTECA
FINANCE DEPARTMENT

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

February 20, 2024

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

The City is pleased to submit the Annual Comprehensive Financial Report (ACFR) for the City of Manteca, California, for the fiscal year (FY) ended on June 30, 2022. 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 AB X1 26, later amended by AB 1484 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 make progress in completing 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 AB X1 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 close 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 the 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 such 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

The City of Manteca successfully whethered the storm of economic uncertainty that the COVID-19 brought during 2020, and in a growing fashion. The City's recovery and growth from the COVID-19 downturn has continued throughout FY 2020-21 and FY 2021-22 in the post-pandemic era. 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 was 23.5% higher than revenues for the same period last year. The total property tax received of $21.4 million was a 1.5% increase of taxes received when compared to the prior year.

Despite the business restrictions brought on by the COVID-19 pandemic, the pace of housing construction has continued unabated, with 877 permits issued during FY 2021-22 from July 1, 2021 through June 30, 2022, and 277 permits issued during the first half of FY 2022-23 from July 1, 2022 through December 31, 2022. 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. The primary constraint to development in Manteca is lot availability and interest rate uncertainty.

However, there are several residential projects on the horizon that could result in permit ramp-ups in the near future.

As of June 30, 2022, unemployment rates in California has continued to decrease in the post-pandemic era. The U.S. Bureau of Labor Statistics listed the June 2022 statewide unemployment rate at 4.2%, San Joaquin County at 5.1% and 4.2% for Manteca. Reflective of an economy that is continuing to recover from the global pandemic, unemployment rates are 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%. The higher unemployment rates from the prior year are likely due to protective measures the state issued in response to the COVID-19 pandemic.

Budgetary Control

The City prepares a budget for each fiscal year on or before June 30. 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 department level for the general fund and at the fund level for all other 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 Budget (integrated with the annual appropriated budget). 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 evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above-stated framework. We believe the City's 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 Council[1]

Fiscal Year 2021-2022

Benjamin J. Cantu, Mayor
Gary Singh, Councilmember
Jose Nuno, Councilmember
David Breitenbucher, Councilmember
Charlie Halford, Vice Mayor

Executive Team[2]

Toni Lundgren, City Manager
Jose Jasso, Assistant City Manager
David Nefouse, City Attorney
Cassandra Candini-Tilton, Director of Legislative Services/ City Clerk
Nancy Bronstein, Interim 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
Chris Erias, Director of Development Services
Stephen Schluer, Chief of Police
Dave Marques, Chief of Fire

[1] City Councilmembers were as of June 30, 2022
[2] Executive Team is as of February 2024

199
395
5
101
80
50
Sacramento
Santa Rosa
Concord
Berkeley
Oakland
San Francisco
Stockton
Manteca
Modesto
Hayward
Fremont
Santa Clara
San Jose
Salinas
Fresno
Bakersfield
Lancaster
Palmdale
Santa Clarita
Simi Valley
Thousand Oaks
Los Angeles
Pasadena
San Bernardino
Riverside
Moreno Valley
Torrance
Anaheim
Santa Ana
Long Beach
Costa Mesa
Oceanside
Escondido
San Diego
Chula Vista
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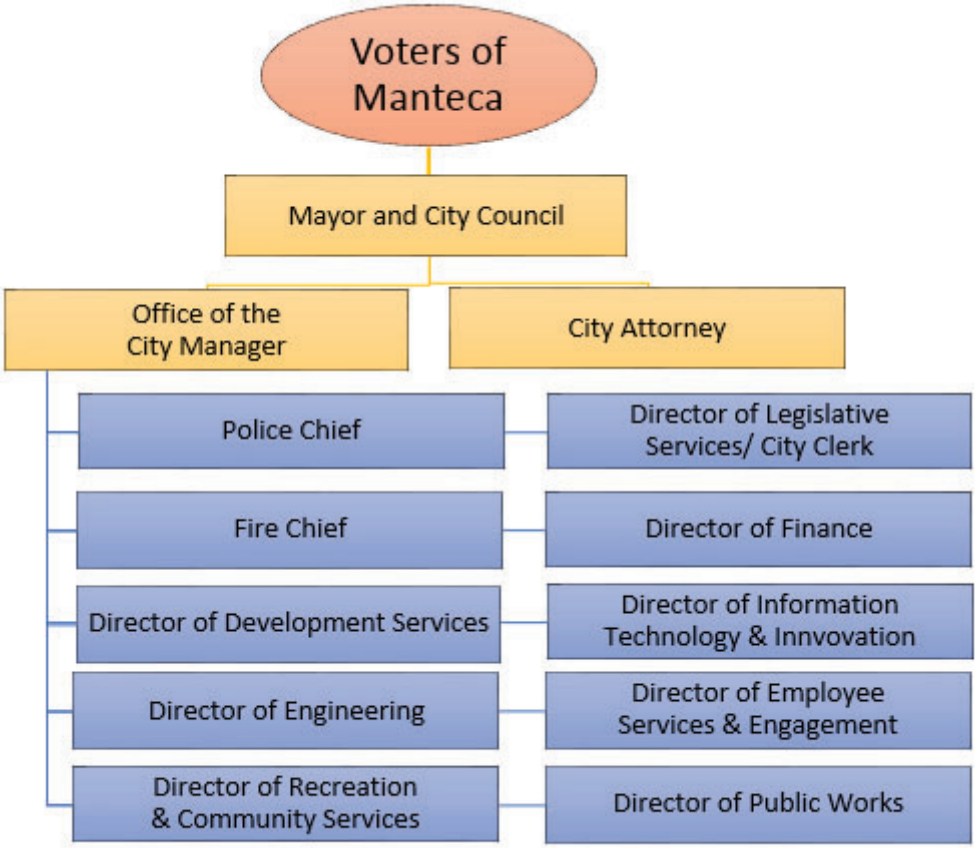
ORGANIZATIONAL CHART



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MAZE & ASSOCIATES

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, 2022, 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, 2022 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.

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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. 87 - *Leases*, which became effective during the year ended June 30, 2022 and required the restatement of certain balances as discussed in Note 9E to the financial statements.

The emphasis of these matters 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 February 8, 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.

Maze & Associates

Pleasant Hill, California
February 8, 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, 2022. 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 2021-22 fiscal year (FY) by $834.3 million (Net Position). Of this amount $642.8 million reflects investments in capital assets, debt service and legally segregated taxes, grants, and fees; $197.2 million is Restricted Net Position, of which a substantial portion is associated with the City's reserve policy; and $(5.7) million is the combined Unrestricted Net Position. The Unrestricted Net Position reflects the inclusion of a Net Pension Liability of $85.9 million and a total Other Post-Employment Benefits (OPEB) Liability of $44.1 million in accordance with the GAAP.

- As of June 30, 2022, the governmental activities reported a total net position of $552.1 million including: $422.1 million net investment in capital assets, $197.2 million in restricted net position, and a combined unrestricted balance of $(67.2) million.

- Business-type activities reported a combined net position of $282.3 million including: $220.7 million net investment in capital assets, and $61.6 in unrestricted net position.

- Governmental capital assets increased by $7.4 million in comparison to prior year assets representing additions of land, streets, storm drainage, equipment, and construction in progress. The increase is also reflected in the net investment in capital assets.

- The City's total liabilities decreased by $29.1 million over the prior year, primarily due to decreases in net pension and other post-employment benefits (OPEB). While a portion of these decreases can be attributed to changes in assumptions made by the actuaries, a majority of the decreases stem from better-than-expected investment returns. The better-than-expected investment returns are not anticipated to be reached in future years.

- As of June 30, 2022 the fund balance for the General Fund was $37.1 million including: $1.1 million for *Non-Spendable* items such as deposits, prepaid assets, advances from other funds, and inventory; $0.5 million of *Restricted*; $26.2 million *Assigned* for items such as economic revitalization and public facilities oversizing; and $9.3 million *Unassigned.*

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 of the Government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

- 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, and solid waste. 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 of the City's General Fund and other Major 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 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 27 governmental funds of which 4 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. 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. These revenues are eliminated in the City-wide financial statements and any related profits or losses are returned to the Activities which created them.

- 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 $834.3 million as of June 30, 2022. This is an increase of $42.9 million from June 30, 2021.

The following table reflects the Summary of Net Position for the Fiscal Year Ended June 30, 2022 with comparative data for the Fiscal Year Ended June 30, 2021.

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

	Governmental Activities		Business-Type Activities		Total Government	
	2022	2021*	2022	2021*	2022	2021*
Cash and Other Assets	$ 282,795	$ 249,730	$ 128,797	$ 118,357	$ 411,592	$ 368,087
Capital Assets	422,625	414,566	273,916	269,489	696,541	684,055
Total Assets	705,420	664,296	402,713	387,846	1,108,133	1,052,142
Deferred Outflows	27,842	26,719	6,308	7,427	34,150	34,146
Current Liabilities	46,365	36,160	26,639	24,841	73,004	61,001
Non-Current Liabilities	3,118	2,786	57,379	60,944	60,497	63,730
Net Pension & OPEB Liability	94,551	126,478	35,449	41,405	130,000	167,883
Total Liabilities	144,034	165,423	119,468	127,190	263,501	292,614
Deferred Inflows	37,144	1,014	7,296	1,215	44,440	2,227
Net Investment in Capital Assets	422,120	414,566	220,695	212,888	642,815	627,454
Restricted Net Position	197,203	173,389	-	-	197,203	173,389
Unrestricted Net Position	(67,239)	(63,376)	61,562	53,980	(5,677)	(9,396)
Total Net Position	$ 552,084	$ 524,579	$ 282,257	$ 266,868	$ 834,341	$ 791,447

***** Not restated for the effects of the current year implementation of GASB Statement No. 87, *Leases*

The City's Government-wide Net Position as of June 30, 2022, comprised the following:

- Cash and investments comprised $320.4 million, an increase of $46.3 million over the prior year. Restricted cash held by fiscal agents and investments totaled $28.4 million, an increase of $0.4 million.

- Total Governmental and Business-type receivables were comprised of $39.3 million in current receivables and $23.4 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 $642.8 million include the City's infrastructure in addition to all other City assets, net of the debt incurred to construct an/or acquire those assets. Net capital assets increased $15.4 million primarily from vehicles of $2.0 million, North sewer trunk line improvements of $9.0 million, 120/Union Road Interchange improvements of $2.2 million, and Springtime Estates Improvements of $1.8.

- Restricted Net Position, totaling $197.2 million, includes $131.4 million restricted for capital projects, $32.0 million restricted for redevelopment projects, and $33.8 million restricted for other projects as specified by funding source restrictions.

- The combined Unrestricted Net Position totals $(5.7) 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 $85.9 million and the Total OPEB Liability of $44.1 million.

The Change in Net Position as expressed as the change in revenues and expenses through June 30, 2022 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	
	2022	2021*	2022	2021*	2022	2021*
Program Revenues:						
Charges for Services	$ 24,032	$ 21,108	$ 65,215	$ 62,176	$ 89,246	$ 83,283
Operating Grants & Contributions	13,069	9,598	6,000	23,126	19,069	32,724
Capital Grants & Contributions	39,062	50,590	2,380	4,402	41,442	54,992
General Revenues:						
Property Taxes	21,444	21,126	-	-	21,444	21,126
Sales Taxes	28,438	23,510	-	-	28,438	23,510
Other Taxes	9,577	4,145	-	-	9,577	4,145
Interest Income	(3,237)	1,013	(1,755)	126	(4,992)	1,139
Development agreements	1,173	1,268	-	-	1,173	1,268
Other Revenue	908	598	1,354	154	2,262	753
Gain from Sale of Capital Assets	30	-	-	3	30	3
Total Revenues	134,495	132,956	73,194	89,987	207,679	222,942
Governmental Activities Expenses:						
General Government	5,494	9,079	-	-	5,494	9,079
Community Development	15,022	10,365	-	-	15,022	10,365
Public Safety	54,117	40,640	-	-	54,117	40,640
Library	124	87	-	-	124	87
Public Works	12,813	9,367	-	-	12,813	9,367
Recreation	6,821	9,047	-	-	6,821	9,047
Streets and Highways	12,042	11,463	-	-	12,042	11,463
Interest and fiscal charges	86	163	-	-	86	163
Business-Type Activities:						
Water	-	-	19,514	26,674	19,514	26,674
Sewer	-	-	21,604	19,698	21,604	19,698
Solid Waste	-	-	15,402	12,885	15,402	12,885
Golf	-	-	1,756	1,643	1,756	1,643
Total Expenses	106,519	90,213	58,277	60,900	164,796	151,113
Increase (Decrease) in Net Position Before Transfers	27,976	42,743	14,917	29,086	42,893	71,830
Transfers	(472)	95	472	(95)	-	-
Change in Net Position	27,504	42,838	15,389	28,991	42,893	71,830
Net Position - Beginning	524,579	481,741	266,868	237,877	791,448	719,618
Net Position - Ending	$ 552,084	$ 524,579	$ 282,257	$ 266,868	$ 834,341	$ 791,447

* Not restated for the effects of the current year implementation of GASB Statement No. 87, *Leases*

Revenues

Total government-wide revenues decreased by $(15.3) million, or 6.8% over the prior year to a total of $207.7 million. Governmental Activities charges for services increased by $2.9 million compared to the prior year while operating and capital grants and contributions decreased by $(8.1) million. Business-type Activities charges for services increased by $3.0 million and operating and capital grants and contributions decreased by $(19.1) million compared to the prior year.

General Revenues increased by $6.0 million including: increase in property taxes of $0.3 million, increase in sales taxes of $4.9 million, increase in other taxes of $5.4 million, decrease in interest income of $(6.1) million, a decrease in development agreements of $(0.1) million, and an increase in other revenue of $1.5 million.

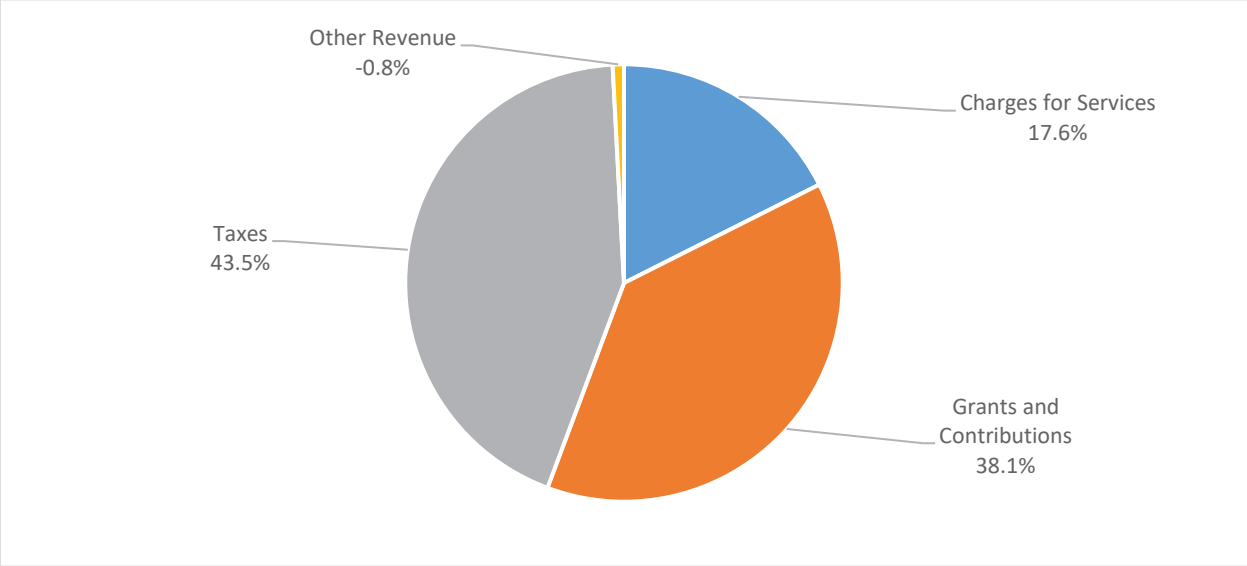
Expenses

Expenses for the City totaled $164.8 million for the fiscal year ending June 30, 2022, an increase of $16.3 million, or 18.1% over the prior year. Governmental activities incurred $106.5 million of expenses, increasing 16.3%, while business-type activities incurred $58.3 million in expenses, a 2.6% decrease over the prior year. Of the Governmental Activities, the largest expenses by activity were in Public Safety $54.1 million, Community Development $15.0 million, Public Works $12.8 million, and Streets & Highways $12 million. Of the Business-type activities, the largest expenses by activity were Sewer at $21.6 million and Water at $19.5 million for the year.

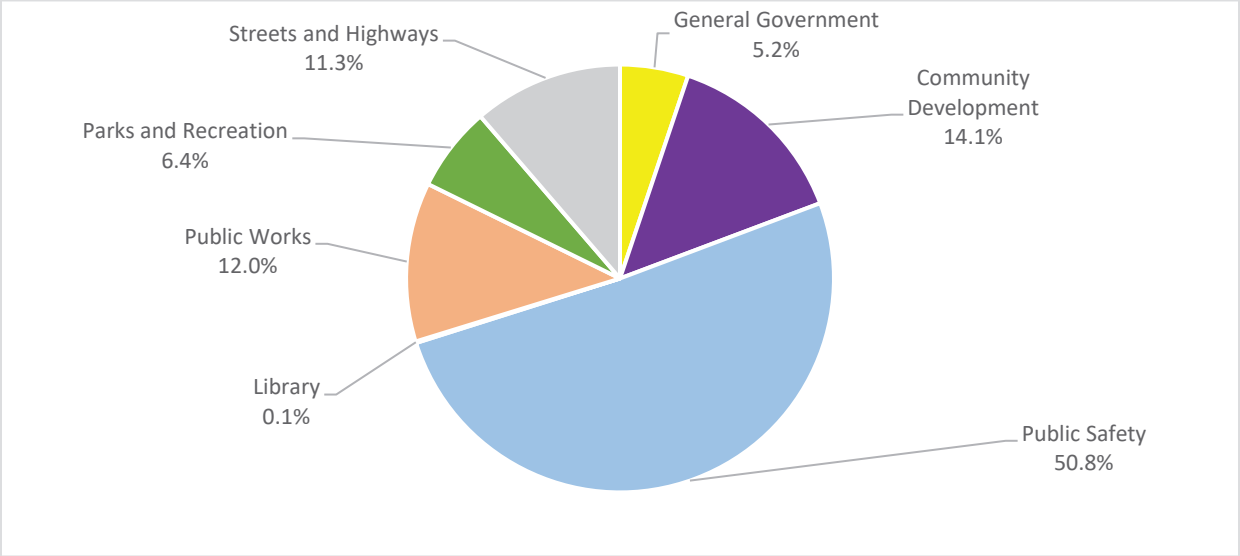
Governmental Activities

As presented in the following two graphs, the largest funding sources for governmental activities are Taxes (43.5%) and Grants and Contributions (38.1%). The largest uses of resources for the governmental activities are Public Safety (50.8%) and Community Development (14.1%).

Revenues by Source – Governmental Activities



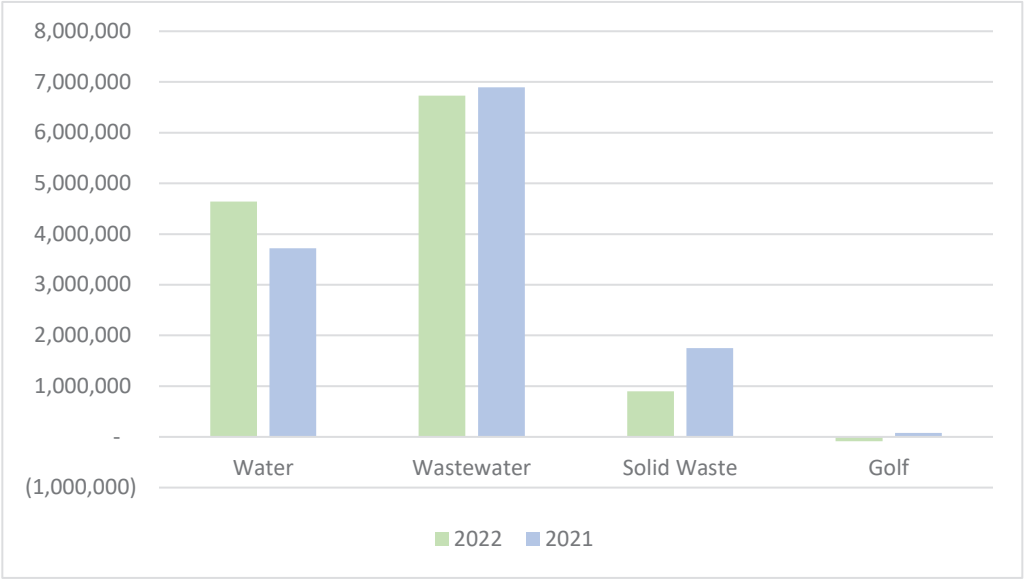
Expenditures by Program – Governmental Activities



Business-type Activities

Operating income (loss) of Business-type Activities decreased by $0.3 million. Net operating income for water increased by $0.9 million, wastewater decreased $(0.2) million, solid waste decreased $(0.8) million and golf decreased $(0.2) 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, 2022, the City's governmental funds reported combined fund balances of $197.7 million, which is an increase of $23.1 million or 13.2% compared with the prior year. Governmental fund revenues were $127.3 million this year, an increase of $12.1 million, or 10.5%. The General Fund accounted for 49.2% of this revenue total. Expenditures were $103.9 million this year. Of this total, $61.4 million was in the General Fund, $6.5 million was in other major funds and $36.0 million was in non-major funds.

General Fund

General Fund revenues increased in FY 2021-22 by $10.1 million or 19.1% as compared to FY 2020-21. Sales tax increased by 23.5%, property taxes increased 1.5%, and other taxes, primarily transient occupancy tax, increased 108.4%. The grand opening of the Great Wolf Lodge may have contributed to the substantial increase in transient occupancy tax. General Fund expenditures increased by $13.1 million or 27.1% more than the prior year expenditures.

At June 30, 2022, the General Fund balance was comprised of $1.1 million in non-spendable balances, $0.5 million in restricted balances, $26.2 million of assigned balances and $9.3 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 FY 2012-13 except for the transportation element which was completed in FY 2018-19. Total fund balance was $40.9 million at year end an increase of 21.3% over the prior year. Revenues totaled $10.6 million for the year and expenditures were $3.4 million which includes $2.8 million of capital outlay for construction projects in FY 2021-22.

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, and the Golf Fund. Proprietary Fund net position totaled $282.3 million at June 30, 2022. Proprietary operating revenues were $66.6 million and operating expenses were $54.4 million in fiscal year 2021-22.

Water Fund

The net position of the Water Fund is $101.6 million, consisting of $42.8 million unrestricted funds and a net investment in capital assets of $58.8 million at the end of the fiscal year.

Activities for the year were comprised of $21.8 million in operating revenues for the current year and $17.2 million in operating expenses. Charges for services showed an increase of 0.7% as compared to the prior year. Operating expenses decreased by 0.2% from fiscal year 2020-21. The largest operational decrease year over year was repairs and maintenance, which decreased by 14.9%.

Sewer Fund

The net position of the Sewer Fund is $179.3 million for the current year. Of the $179.3 million, $153.8 million of the fund's net position is invested in capital assets with $25.5 million unrestricted. Operating revenues for the year were $26.8 million, an increase of 7.6% from the prior year. Operating expenses increased by $2.0 million or 11.4% over the prior year. Supplies, utilities, and maintenance experienced the largest increase year over year, a combined total increase of $2.5 million, or 191.5%.

Solid Waste Fund

Operating revenues for FY 2021-22 totaled $16.3 million, an increase of 11.3% over the prior year. Operating expenses were $15.4 million an increase of 19.5% from the prior year, leaving the fund with a net operating income of $0.9 million for the year. Net position of the Solid Waste Fund is $0.7 million, of which $6.2 million is invested in capital assets and $(5.5) million is unrestricted. Long-term liabilities total $11.7 million, with $6.5 million for net pension liability and $5.2 million for total OPEB liability. These long-term liabilities result in the negative net position.

Golf Fund

The operating revenue for this fund totaled $1.7 million as of June 30, 2022, a decrease of 2.8%. Operating expenses totaled $1.8 million, an increase of 6.9% 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 $(1.2) million is unrestricted. The General Fund has subsidized this fund when necessary.

GENERAL FUND BUDGETARY HIGHLIGHTS

The final amended budget for the General Fund totaled $60.7 million in revenues, $64.2 million in expenditures, and expenditures exceeding revenues by $3.5 million. The difference in net appropriations between the original budget and the final amended budget was an increase in revenues of $10.3 million and an increase in expenditures of $11.4 million. Sales taxes and other taxes accounted for the increase in revenues, while non-departmental charges accounted for the increase in expenditures.

General Fund revenues in total exceed their final budgeted forecasts by $2.0 million. Sales taxes and other taxes exceeded their final budgeted forecasts by a combined total of $4.7 million, while property taxes and use of money were under budget forecasts by a combined total of $4.1 million. Licenses and permits, fines and forfeitures, and charges for services account for the remaining variance. At the end of the fiscal year, the total actual expenditures of the General Fund were $61.4 million which was $2.8 million less than the total amended budget.

CAPITAL ASSETS

At the end of FY 2021-22, the City had $696.0 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	
	2022	2021*	2022	2021*	2022	2021*
Land	$ 61,306	$ 61,306	$ 4,394	$ 4,394	$ 65,700	$ 65,700
Construction in Progress	50,121	74,919	26,881	33,624	77,002	108,543
Buildings & Improvements	43,510	43,260	9,411	9,411	52,921	52,671
Intangible right-to-use buildings	635	-	22	-	657	-
Machinery & Equipment	29,905	24,689	26,674	26,191	56,578	50,880
Intangible right-to-use equipment	29	-	24	-	53	-
Storm Drain	64,027	62,617	-	-	64,027	62,617
Streets	287,206	249,887	-	-	287,206	249,887
Parks	76,441	74,119	-	-	76,441	74,119
Sewer lines and improvements	-	-	74,287	72,696	74,287	72,696
Sewer plant expansion	-	-	134,388	134,327	134,388	134,327
Water wells and pipelines	-	-	149,849	132,874	149,849	132,874
Other Infrastructure	-	-	165	165	165	165
Less accumulated depreciation	(190,555)	(176,231)	(152,179)	(144,194)	(342,734)	(320,425)
Total	$ 422,625	$ 414,566	$ 273,916	$ 269,489	$ 696,541	$ 684,055

***** Not restated for the effects of the current year implementation of GASB Statement No. 87, *Leases*

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 $60.6 million in debt associated with Business-type Activities. Debt in the Business-type Activities are related to the Sewer and Water Revenue bonds.

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

	Governmental Activities		Business-Type Activities		Total Government	
	2022	2021	2022	2021	2022	2021
Revenue Bonds	-	-	60,666	64,079	60,666	64,079
Total	$ -	$ -	$ 60,666	$ 64,079	$ 60,666	$ 64,079

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@mantecagov.com.

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, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments (Note 3)	$210,854,875	$109,583,144	$320,438,019
Restricted cash and investments (Note 3)	11,919,025	16,506,737	28,425,762
Accounts receivable, net	17,368,549	12,786,003	30,154,552
Taxes receivable	9,051,162		9,051,162
Interest receivable	67,642	2	67,644
Prepaids and deposits	12,640		12,640
Internal balances (Note 4D)	10,089,668	(10,089,668)	
Long-term notes receivable (Notes 5 and 15E)	22,682,784		22,682,784
Employee notes receivable (Note 6)	29,133		29,133
Capital assets, not being depreciated (Note 7)	111,427,480	31,274,952	142,702,432
Capital assets, being depreciated (net) (Note 7)	311,197,240	242,641,041	553,838,281
Leases receivable (Note 14)	719,513	11,265	730,778
Total Assets	705,419,711	402,713,476	1,108,133,187
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions (Note 10)	22,038,943	3,919,077	25,958,020
Deferred outflows related to OPEB (Note 11)	5,802,993	2,388,909	8,191,902
Total Deferred Outflows of Resources	27,841,936	6,307,986	34,149,922
LIABILITIES			
Accounts payable	4,962,074	3,923,234	8,885,308
Contracts payable	8,400,887	16,537,705	24,938,592
Refundable deposits	6,831,524	2,111,367	8,942,891
Accrued liabilities	4,075,243	745,070	4,820,313
Unearned revenue	16,348,586		16,348,586
Compensated absences (Note 1G):			
Due within one year	4,110,552		4,110,552
Due in more than one year	2,740,369		2,740,369
Estimated claims liability (Note 13):			
Due within one year	1,468,460		1,468,460
Due in more than one year	40,642		40,642
Long-term debt (Notes 8 and 14):			
Due within one year	167,944	3,321,967	3,489,911
Due in more than one year	336,928	57,379,193	57,716,121
Net pension liability (Note 10):			
Due in more than one year	65,487,754	20,367,998	85,855,752
Total OPEB liability (Note 11):			
Due in more than one year	29,063,057	15,080,999	44,144,056
Total Liabilities	144,034,020	119,467,533	263,501,553
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions (Note 10)	36,342,689	6,602,763	42,945,452
Deferred inflows related to OPEB (Note 11)	91,550	681,977	773,527
Deferred inflows related to leases (Note 14)	709,887	11,225	721,112
Total Deferred Inflows of Resources	37,144,126	7,295,965	44,440,091
NET POSITION (Note 9):			
Net investment in capital assets	422,119,848	220,695,835	642,815,683
Restricted for:			
Capital projects	131,418,474		131,418,474
Redevelopment projects	31,965,034		31,965,034
Special revenue projects:			
Development mitigation	11,021,976		11,021,976
Landscaping and lighting	1,507,462		1,507,462
Public safety	5,773,739		5,773,739
Other special revenue projects	15,516,227		15,516,227
Total Restricted Net Position	197,202,912		197,202,912
Unrestricted	(67,239,259)	61,562,129	(5,677,130)
Total Net Position	$552,083,501	$282,257,964	$834,341,465

See accompanying notes to basic financial statements

CITY OF MANTECA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General government	$5,493,756	$6,179,781	$528,004		$1,214,029		$1,214,029
Community development	15,021,715	8,921,025	577,561	$10,133,874	4,610,745		4,610,745
Public safety	54,117,359	3,193,265	4,237,395	1,806,603	(44,880,096)		(44,880,096)
Library	124,342				(124,342)		(124,342)
Public works	12,812,977	996,377	1,532,468	6,317,181	(3,966,951)		(3,966,951)
Parks and recreation	6,821,241	4,741,365	731	4,585,772	2,506,627		2,506,627
Streets and highways	12,042,148		6,192,877	16,218,533	10,369,262		10,369,262
Interest and fiscal charges	85,578				(85,578)		(85,578)
Total Governmental Activities	106,519,116	24,031,813	13,069,036	39,061,963	(30,356,304)		(30,356,304)
Business-type Activities:							
Water	19,513,996	21,816,772	6,000,000	1,190,974		9,493,750	9,493,750
Sewer	21,604,463	26,024,468		1,065,298		5,485,303	5,485,303
Solid waste	15,402,035	15,730,829		124,088		452,882	452,882
Golf	1,756,328	1,642,464				(113,864)	(113,864)
Total Business-type Activities	58,276,822	65,214,533	6,000,000	2,380,360		15,318,071	15,318,071
Total	$164,795,938	$89,246,346	$19,069,036	$41,442,323	(30,356,304)	15,318,071	(15,038,233)
General revenues:							
Taxes:							
Property taxes					21,443,545		21,443,545
Sales taxes					28,438,483		28,438,483
Other taxes					9,577,052		9,577,052
Interest income					(3,237,386)	(1,754,659)	(4,992,045)
Development agreements, unrestricted					1,173,042		1,173,042
Other revenue					907,892	1,354,187	2,262,079
Gain from sale of capital assets					29,762		29,762
Transfers, net (Note 4A)					(471,955)	471,955	
Total general revenues and transfers					57,860,435	71,483	57,931,918
Change in Net Position					27,504,131	15,389,554	42,893,685
Net Position-Beginning					524,579,370	266,868,410	791,447,780
Net Position-Ending					$552,083,501	$282,257,964	$834,341,465

See accompanying notes to basic financial statements

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FUND FINANCIAL STATEMENTS

MAJOR GOVERNMENTAL FUNDS

The funds described below were determined to be Major Funds by the City in fiscal 2022. 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.

COVID RELIEF FUND

The COVID Relief Special Revenue Fund was established to account for federal grant funding and expenditures dedicated to support the City's response to COVID-19.

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, 2022

	General	Low and Moderate Income Housing Assets	COVID Relief	Public Facilities Implementation Plan	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments (Note 3)	$30,761,116		$11,492,223	$33,833,936	$111,098,234	$187,185,509
Restricted cash and investments (Note 3)	455,838	$582,161		3,055,435	7,825,591	11,919,025
Accounts receivables (net of allowance for estimated uncollectible accounts)	1,171,727			2,953,837	13,237,774	17,363,338
Taxes receivable	6,172,244				2,878,918	9,051,162
Interest receivable	67,269				373	67,642
Due from other funds (Note 4B)	1,859,230					1,859,230
Prepaids and deposits					12,640	12,640
Advances to other funds (Note 4C)	1,081,780			10,529,554		11,611,334
Long-term notes receivable (Notes 5 and 15E)	607,500	22,939,614				23,547,114
Leases receivable (Note 14)					719,513	719,513
Total Assets	$42,176,704	$23,521,775	$11,492,223	$50,372,762	$135,773,043	$263,336,507
LIABILITIES						
Accounts payable	$2,854,311		$8,180	$144,239	$1,260,819	$4,267,549
Contracts payable	5			721,140	28,406	749,551
Refundable deposits	1,183,221		23,781	4,173,679	1,448,347	6,829,028
Accrued liabilities	20,518					20,518
Due to other funds (Note 4B)					1,859,230	1,859,230
Advances from other funds (Note 4C)				1,521,666		1,521,666
Unearned revenue			11,567,158			11,567,158
Total Liabilities	4,058,055		11,599,119	6,560,724	4,596,802	26,814,700
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - accounts receivable	453,918			2,951,372	11,135,307	14,540,597
Unavailable revenue - notes receivable (Notes 5 and 15E)	607,500	$22,939,614				23,547,114
Deferred inflows related to leases (Note 14)					709,887	709,887
Total Deferred Inflows of Resources	1,061,418	22,939,614		2,951,372	11,845,194	38,797,598
FUND BALANCES						
Fund balance (Note 9):						
Nonspendable	1,081,780				12,640	1,094,420
Restricted	455,838	582,161		40,860,666	119,098,869	160,997,534
Assigned	26,188,105				726,934	26,915,039
Unassigned	9,331,508		(106,896)		(507,396)	8,717,216
Total Fund Balances	37,057,231	582,161	(106,896)	40,860,666	119,331,047	197,724,209
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$42,176,704	$23,521,775	$11,492,223	$50,372,762	$135,773,043	$263,336,507

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, 2022

Total fund balances reported on the Governmental Funds Balance Sheet	$197,724,209
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.	421,932,681
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	23,669,366
Accounts receivable	5,211
Employee notes receivable	29,133
Capital assets, not being depreciated	63,739
Capital assets (net of accumulated depreciation)	628,300
Contracts and accounts payable	(459,240)
Accrued liabilities	(4,054,538)
Refundable deposits	(2,496)
Unearned revenue	(4,781,428)
Compensated absences	(6,850,921)
Estimated claims liability	(1,509,102)
Net pension liability and deferred outflows/inflows related to pensions	(2,293,493)
Total OPEB liability and deferred outflows/inflows related to OPEB	(1,155,096)
Long-term debt	(6,272)
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.	37,852,426
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	(498,600)
Net pension liability and deferred outflows/inflows related to pensions	(77,498,007)
Total OPEB liability and deferred outflows/inflows related to OPEB	(22,196,518)
Interest payable (accrued liabilities)	(187)
Contracts payable	(7,651,336)
Allowance for conditional grants	(864,330)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$552,083,501

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, 2022

	General	Low and Moderate Income Housing Assets	COVID Relief	Public Facilities Implementation Plan	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	$21,443,545					$21,443,545
Sales taxes	18,299,132				$10,139,351	28,438,483
Other taxes	11,075,340					11,075,340
Licenses and permits	960,888				11,834,261	12,795,149
Fines and forfeitures	468,601					468,601
Use of money and property	(684,243)	$839	($105,897)	($523,411)	(1,770,987)	(3,083,699)
Revenue from other agencies	1,073,083		3,096,436		13,179,299	17,348,818
Charges for current services	9,587,843			10,896,356	17,479,171	37,963,370
Other revenue	364,841	83,896		200,000	204,177	852,914
Total Revenues	62,589,030	84,735	2,990,539	10,572,945	51,065,272	127,302,521
EXPENDITURES						
Current:						
General government	7,932,106				143,275	8,075,381
Community development	90,146	4,758			4,947,573	5,042,477
Public safety	33,168,392		2,734,801		10,252,480	46,155,673
Library	135,760					135,760
Public works	7,225,542			558,336	5,573,000	13,356,878
Parks and recreation	1,234,042				3,389,592	4,623,634
Streets and highways					5,153,928	5,153,928
Nondepartmental	9,770,845					9,770,845
Capital outlay	1,831,930		387,435	2,750,000	6,374,451	11,343,816
Debt service:						
Principal	1,450				155,726	157,176
Interest and fiscal charges	14			83,025	2,352	85,391
Total Expenditures	61,390,227	4,758	3,122,236	3,391,361	35,992,377	103,900,959
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,198,803	79,977	(131,697)	7,181,584	15,072,895	23,401,562
OTHER FINANCING SOURCES (USES)						
Transfers in (Note 4A)					845,514	845,514
Transfers (out) (Note 4A)	(1,272,327)					(1,272,327)
Issuance of lease	10,474				10,358	20,832
Proceeds from sale of property	97,262					97,262
Total Other Financing Sources (Uses)	(1,164,591)				855,872	(308,719)
NET CHANGE IN FUND BALANCES	34,212	79,977	(131,697)	7,181,584	15,928,767	23,092,843
BEGINNING FUND BALANCES	37,023,019	502,184	24,801	33,679,082	103,402,280	174,631,366
ENDING FUND BALANCES (DEFICIT)	$37,057,231	$582,161	($106,896)	$40,860,666	$119,331,047	$197,724,209

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, 2022

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	$23,092,843
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	11,909,928
Depreciation expense is deducted from the fund balance (Depreciation expense is net of internal service fund depreciation of $462,919 which has already been allocated to serviced funds)	(14,335,285)
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.	10,133,874
Assets transferred from enterprise funds are added to fund balance	658
Assets transferred from internal service funds are added to fund balance	195,043
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 (leases) is deducted from fund balance	(20,832)
Repayment of debt principal is added back to fund balance	157,176
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	(2,054,708)
Contracts and accounts payable	933,650
Interest payable	(187)
Allowance for conditional grants	(39,124)
Net pension liability and deferred outflows/inflows related to pensions	(2,719,637)
Total OPEB liability and deferred outflows/inflows related to OPEB	392,061
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	(141,329)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$27,504,131

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, 2022

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual Amounts	(Negative)
REVENUES:				
Property taxes	$21,967,241	$24,556,430	$21,443,545	($3,112,885)
Sales taxes	14,100,000	16,159,000	18,299,132	2,140,132
Other taxes	4,528,500	8,511,779	11,075,340	2,563,561
Licenses and permits	906,795	1,058,795	960,888	(97,907)
Fines and forfeitures	249,780	249,780	468,601	218,821
Use of money and property	429,660	429,660	(684,243)	(1,113,903)
Revenue from other agencies	382,850	382,850	1,073,083	690,233
Charges for current services	7,285,199	8,829,586	9,587,843	758,257
Other revenue	472,650	472,650	364,841	(107,809)
Total Revenues	50,322,675	60,650,530	62,589,030	1,938,500
EXPENDITURES:				
Current:				
General government:				
Legislative	1,426,968	1,473,541	1,101,449	372,092
City Attorney	1,205,820	1,295,348	826,207	469,141
Administration	2,908,823	2,469,445	1,959,276	510,169
Human resources	1,084,576	1,059,431	1,168,836	(109,405)
Financial services	3,995,650	4,147,203	2,966,484	1,180,719
Total general government	10,621,837	10,444,968	8,022,252	2,422,716
Public safety:				
Police	18,545,754	19,617,204	20,901,955	(1,284,751)
Fire	10,392,945	11,468,885	11,803,623	(334,738)
Animal control	410,278	448,337	462,814	(14,477)
Total public safety	29,348,977	31,534,426	33,168,392	(1,633,966)
Library	135,947	142,100	135,760	6,340
Public works:				
Engineering	676,576	511,070	604,792	(93,722)
Street maintenance	128,553	129,050	25,593	103,457
Storm drain maintenance and operation	615,007	738,214	373,923	364,291
Vehicle maintenance	518,315	592,317	898,462	(306,145)
Building maintenance	4,911,539	5,063,951	5,322,772	(258,821)
Total public works	6,849,990	7,034,602	7,225,542	(190,940)

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CITY OF MANTECA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual Amounts	(Negative)
Parks and recreation:				
Park facility maintenance	559,727	729,434	770,240	(40,806)
Senior center	611,228	486,933	463,802	23,131
Total parks and recreation	1,170,955	1,216,367	1,234,042	(17,675)
Nondepartmental charges	3,433,986	11,965,307	9,770,845	2,194,462
Capital outlay	1,241,353	1,843,611	1,831,930	11,681
Debt service:				
Principal			1,450	(1,450)
Interest and fiscal charges			14	(14)
Total debt service			1,464	(1,464)
Total Expenditures	52,803,045	64,181,381	61,390,227	2,791,154
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,480,370)	(3,530,851)	1,198,803	4,729,654
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(1,541,353)	(799,714)	(1,272,327)	(472,613)
Issuance of lease			10,474	10,474
Proceeds from sale of property			97,262	97,262
Total Other Financing Sources (Uses)	(1,541,353)	(799,714)	(1,164,591)	(364,877)
NET CHANGE IN FUND BALANCE	($4,021,723)	($4,330,565)	34,212	$4,364,777
BEGINNING FUND BALANCE			37,023,019	
ENDING FUND BALANCE			$37,057,231	

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, 2022

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual Amounts	(Negative)
REVENUES:				
Use of money and property			$839	$839
Other revenue			83,896	83,896
Total Revenues			84,735	84,735
EXPENDITURES				
Community development	$100,000	$100,000	4,758	95,242
NET CHANGE IN FUND BALANCE	($100,000)	($100,000)	79,977	$179,977
BEGINNING FUND BALANCE			502,184	
ENDING FUND BALANCE			$582,161	

See accompanying notes to basic financial statements

CITY OF MANTECA
COVID RELIEF FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES:				
Use of money and property			($105,897)	($105,897)
Revenue from other agencies		$7,314,189	3,096,436	(4,217,753)
Total Revenues		7,314,189	2,990,539	(4,323,650)
EXPENDITURES:				
Current:				
Public safety:		2,422,500	2,734,801	(312,301)
Capital outlay		889,961	387,435	502,526
Total Expenditures		3,312,461	3,122,236	190,225
NET CHANGE IN FUND BALANCE		$4,001,728	(131,697)	($4,133,425)
BEGINNING FUND BALANCE			24,801	
ENDING FUND BALANCE (DEFICIT)			($106,896)	

See accompanying notes to basic financial statements

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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 2022, 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.

CITY OF MANTECA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2022

	Business-type Activities-Enterprise Funds					Governmental Activities-Internal Service Funds
	Water	Sewer	Solid Waste	Golf	Total	
ASSETS						
Current assets						
Cash and investments (Note 3)	$50,629,469	$53,071,342	$5,452,556	$429,777	$109,583,144	$23,669,366
Accounts receivables (net of allowance for estimated uncollectible accounts)	6,338,313	4,610,687	1,816,396	20,607	12,786,003	5,211
Interest receivable				2	2	
Employee notes receivable (Note 6)						29,133
Total current assets	56,967,782	57,682,029	7,268,952	450,386	122,369,149	23,703,710
Non-current assets						
Restricted cash and investments (Note 3)	5,288,107	11,218,630			16,506,737	
Advances to other funds (Note 4C)	453,082	346,567			799,649	
Capital assets not being depreciated (Note 7)	610,880	28,993,347	619,666	1,051,059	31,274,952	63,739
Capital assets (net of accumulated depreciation) (Note 7)	86,878,468	149,311,929	5,635,046	815,598	242,641,041	628,300
Leases receivable (Note 14)	24	4		11,237	11,265	
Total non-current assets	93,230,561	189,870,477	6,254,712	1,877,894	291,233,644	692,039
Total Assets	150,198,343	247,552,506	13,523,664	2,328,280	413,602,793	24,395,749
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pensions (Note 10)	1,122,931	1,416,958	1,245,297	133,891	3,919,077	357,502
Deferred outflows related to OPEB (Note 11)	652,371	755,047	757,233	224,258	2,388,909	78,991
Total deferred outflows of resources	1,775,302	2,172,005	2,002,530	358,149	6,307,986	436,493
LIABILITIES						
Current liabilities						
Accounts payable	938,347	2,184,063	777,105	23,719	3,923,234	459,240
Accrued liabilities						4,054,538
Refundable deposits	1,663,442	416,817	31,108		2,111,367	2,496
Unearned revenue						4,781,428
Interest payable	617,880	127,186	4		745,070	
Compensated absences (Note 1G)						4,110,552
Estimated claims liability (Note 13)						1,468,460
Revenue bonds (Note 8)	1,555,000	1,755,000			3,310,000	
Lease liability (Note 14)	1,555	8,857	1,555		11,967	1,555
Total current liabilities	4,776,224	4,491,923	809,772	23,719	10,101,638	14,878,269
Long-term liabilities						
Contracts payable	3,261,871	13,275,834			16,537,705	
Advances from other funds (Note 4C)	3,262,602	7,626,715			10,889,317	
Compensated absences (Note 1G)						2,740,369
Estimated claims liability (Note 13)						40,642
Revenue bonds (Note 8)	27,122,570	30,233,924			57,356,494	
Net pension liability (Note 10)	5,851,244	7,373,156	6,470,990	672,608	20,367,998	1,820,235
Total OPEB liability (Note 11)	4,102,919	4,854,498	5,223,073	900,509	15,080,999	1,223,279
Lease liability (Note 14)	4,717	13,265	4,717		22,699	4,717
Total long-term liabilities	43,605,923	63,377,392	11,698,780	1,573,117	120,255,212	5,829,242
Total Liabilities	48,382,147	67,869,315	12,508,552	1,596,836	130,356,850	20,707,511
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions (Note 10)	1,799,870	2,332,636	2,104,068	366,189	6,602,763	830,760
Deferred inflows related to OPEB (Note 11)	197,458	240,344	184,641	59,534	681,977	10,808
Deferred inflows related to leases (Note 14)	24	4		11,197	11,225	
Total deferred inflows of resources	1,997,352	2,572,984	2,288,709	436,920	7,295,965	841,568
NET POSITION (Note 9):						
Net investment in capital assets	58,805,506	153,775,232	6,248,440	1,866,657	220,695,835	685,767
Unrestricted	42,788,640	25,506,980	(5,519,507)	(1,213,984)	61,562,129	2,597,396
Total Net Position	$101,594,146	$179,282,212	$728,933	$652,673	$282,257,964	$3,283,163

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, 2022

	Business-type Activities-Enterprise Funds					Governmental Activities-Internal Service Funds
	Water	Sewer	Solid Waste	Golf	Total	
OPERATING REVENUES						
Charges for services	$21,816,772	$26,024,468	$15,730,829	$1,642,464	$65,214,533	$5,190,000
Insurance premium contribution from other funds						3,803,272
Miscellaneous	29,983	739,715	555,675	28,814	1,354,187	879,043
Total Operating Revenues	21,846,755	26,764,183	16,286,504	1,671,278	66,568,720	9,872,315
OPERATING EXPENSES						
Personnel services	4,683,347	5,816,837	6,268,530	1,362,233	18,130,947	1,896,484
Contractual services	686,016	1,303,973	4,588,148	26,921	6,605,058	135,718
Supplies	4,847,668	2,797,036	911,903	117,176	8,673,783	729,588
Utilities	997,747	2,488,475	16,001	98,585	3,600,808	210,108
Repairs and maintenance	138,392	824,073	69,702	69,153	1,101,320	1,464,678
Vehicle maintenance and operations	21,105	23,498	326,818		371,421	
Interdepartmental	1,683,130	1,881,020	1,690,105	12,970	5,267,225	308,700
Insurance	162,000	299,000	183,000	25,000	669,000	3,823,979
Claims						629,717
Depreciation (Note 7)	3,890,594	4,420,210	1,316,302	43,615	9,670,721	462,919
Miscellaneous	94,713	178,944	15,608	675	289,940	46,102
Total Operating Expenses	17,204,712	20,033,066	15,386,117	1,756,328	54,380,223	9,707,993
Operating Income (Loss)	4,642,043	6,731,117	900,387	(85,050)	12,188,497	164,322
NONOPERATING REVENUES (EXPENSES)						
Interest income	(703,288)	(955,599)	(89,371)	(6,401)	(1,754,659)	(153,687)
Gain on sale of capital assets						68,913
Loss on sale of capital assets			(15,884)		(15,884)	
Interest (expense) and fiscal charges	(1,106,706)	(1,571,397)	(34)		(2,678,137)	(34)
Intergovernmental grants			124,088		124,088	
Settlement revenue	6,000,000				6,000,000	
Settlement expenses	(1,202,578)				(1,202,578)	
Net Nonoperating Revenues (Expenses)	2,987,428	(2,526,996)	18,799	(6,401)	472,830	(84,808)
Income (Loss) Before Contributions and Transfers	7,629,471	4,204,121	919,186	(91,451)	12,661,327	79,514
Capital grants						20,000
Contributions	1,190,974	1,065,298			2,256,272	
Transfers in (Note 4A)		472,613			472,613	
Transfers in (Note 4A)	(329)	(329)			(658)	(240,843)
Net Contributions and Transfers	1,190,645	1,537,582			2,728,227	(220,843)
Change in net position	8,820,116	5,741,703	919,186	(91,451)	15,389,554	(141,329)
BEGINNING NET POSITION (DEFICIT)	92,774,030	173,540,509	(190,253)	744,124	266,868,410	3,424,492
ENDING NET POSITION	$101,594,146	$179,282,212	$728,933	$652,673	$282,257,964	$3,283,163

See accompanying notes to basic financial statements

CITY OF MANTECA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	Business-type Activities-Enterprise Funds					Governmental Activities-Internal Service Funds
	Water	Sewer	Solid Waste	Golf	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	$22,508,086	$27,004,097	$16,272,751	$1,669,917	$67,454,851	$17,103,893
Payments to suppliers	(7,203,205)	(6,603,035)	(5,748,852)	(345,410)	(19,900,502)	(6,451,823)
Payments to or on behalf of employees	(4,407,977)	(5,588,244)	(5,704,737)	(1,197,010)	(16,897,968)	(3,042,155)
Internal activity - payments to other funds	(1,683,130)	(1,881,020)	(1,690,105)	(12,970)	(5,267,225)	
Receipts from employee notes receivable						422
Claims paid						73,281
Cash Flows from Operating Activities	9,213,774	12,931,798	3,129,057	114,527	25,389,156	7,683,618
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Intergovernmental grants			124,088		124,088	
Interfund receipts	24,837	105,456			130,293	
Settlement receipts	8,500,000				8,500,000	
Settlement (expense)	(1,202,578)				(1,202,578)	
Transfers in from other funds		472,613			472,613	
Transfers out to other funds						(45,800)
Cash Flows from Noncapital Financing Activities	7,322,259	578,069	124,088		8,024,416	(45,800)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition of capital assets, net	(382,073)	(10,343,835)	(1,057,977)	(28,656)	(11,812,541)	(170,049)
Proceeds from sale of capital assets						68,913
Capital grants						20,000
Long-term debt payment - principal	(1,481,557)	(1,662,629)	(1,557)		(3,145,743)	(1,557)
Long-term debt payment - interest and fiscal charges	(1,337,018)	(1,659,621)	(30)		(2,996,669)	(34)
Cash Flows from Capital and Related Financing Activities	(3,200,648)	(13,666,085)	(1,059,564)	(28,656)	(17,954,953)	(82,727)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest	(703,288)	(955,599)	(89,371)	(6,403)	(1,754,661)	(153,687)
Cash Flows from Investing Activities	(703,288)	(955,599)	(89,371)	(6,403)	(1,754,661)	(153,687)
Net Cash Flows	12,632,097	(1,111,817)	2,104,210	79,468	13,703,958	7,401,404
Cash and investments at beginning of period	43,285,479	65,401,789	3,348,346	350,309	112,385,923	16,267,962
Cash and investments at end of period	$55,917,576	$64,289,972	$5,452,556	$429,777	$126,089,881	$23,669,366

(Continued)

CITY OF MANTECA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	Business-type Activities-Enterprise Funds					Governmental Activities-Internal Service Funds
	Water	Sewer	Solid Waste	Golf	Totals	
Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:						
Operating income (loss)	$4,642,043	$6,731,117	$900,387	($85,050)	$12,188,497	$164,322
Adjustments to reconcile operating income (loss) to cash flows from operating activities:						
Depreciation	3,890,594	4,420,210	1,316,302	43,615	9,670,721	462,919
Change in assets and liabilities:						
Accounts receivables (net of allowance for estimated uncollectible accounts)	438,370	234,299	(26,875)	(1,321)	644,473	14,115
Related party notes receivable						422
Leases receivable and related deferred inflows				(40)	(40)	
Accounts payable and other accrued expenses	(1,232)	1,317,579	375,450	(7,900)	1,683,897	156,881
Contracts payable	(31,371)				(31,371)	
Accrued liabilities						1,620,020
Unearned revenue						4,781,428
Compensated absences						(263,573)
Claims liability						702,998
Net pension liability, deferred outflows and inflows	(178,278)	(231,258)	(208,777)	(36,787)	(655,100)	(83,165)
Total OPEB liability, deferred outflows and inflows	453,648	459,851	772,570	202,010	1,888,079	127,251
Cash Flows from Operating Activities	$9,213,774	$12,931,798	$3,129,057	$114,527	$25,389,156	$7,683,618
NONCASH TRANSACTIONS:						
Contributions of capital assets, net	$1,190,974	$1,065,298			$2,256,272	
Retirement of capital assets			($15,884)		($15,884)	
Transfer of capital assets to governmental activities	($329)	($329)			($658)	($195,043)
Amortization of bond premium	$193,316	$84,094			$277,410	
Lease asset addition	$7,829	$29,751	$7,829		$45,409	$7,829
Issuance of lease liability	($7,829)	($29,751)	($7,829)		($45,409)	($7,829)

See accompanying notes to basic financial statements

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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, 2022

	Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund
ASSETS	
Cash and investments (Note 3)	$12,441,609
Restricted cash and investments (Note 3)	2,128,136
Capital assets, not being depreciated (Note 16C)	3,333,997
Capital assets, being depreciated (net) (Note 16C)	1,740,327
Total Assets	19,644,069
LIABILITIES	
Accounts payable	6,881
Interest payable	670,760
Long-term obligations (Note 16D):	
Due in one year	4,255,000
Due in more than one year	92,321,830
Total Liabilities	97,254,471
NET POSITION (DEFICIT)	
Held in trust for other purposes	($77,610,402)

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, 2022

	Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund
ADDITIONS	
Property taxes	$14,926,936
Net investment income	(82,737)
Total additions	14,844,199
DEDUCTIONS	
Community development	269,804
Depreciation (Note 16C)	125,618
Interest and fiscal charges	2,469,860
Total deductions	2,865,282
CHANGE IN NET POSITION	11,978,917
NET POSITION HELD IN TRUST FOR OTHER PURPOSES	
Beginning of year	(89,589,319)
End of year	($77,610,402)

See accompanying notes to basic financial statements

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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 2022. 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.

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 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.

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.

COVID RELIEF FUND - The COVID Relief Special Revenue Fund was established to account for federal grant funding and expenditures dedicated to support the City's response to COVID-19.

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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, as well as claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Governmental capital asset acquisitions are reported as *expenditures* in governmental funds including entering into contracts giving the City the right to use leased assets. 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.

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.

All Proprietary Funds and Fiduciary Funds are accounted for using the *accrual basis* of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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	$7,114,494
Additions	4,010,913
Payments	(4,274,486)
Ending Balance	$6,850,921
Current Portion	$4,110,552

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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. 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 - 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 department level for the General Fund and at the Fund level for all other funds.

5. Budgets are adopted for all funds, except the Street Improvements Special Revenue Fund.

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.

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING (Continued)

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
General Fund:	
Human resources	$109,405
Public Safety:	
Police	1,284,751
Fire	334,738
Animal control	14,477
Engineering	93,722
Vehicle maintenance	306,145
Building maintenance	258,821
Park facility maintenance	40,806
Debt service	1,464
Special Revenue Funds:	
Recreation	119,251
Fire Grants	60,535
Public Safety Sales Tax	928,083

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.

NOTE 3 - CASH AND INVESTMENTS (Continued)

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, 2022 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	$320,438,019
Restricted cash and investments	28,425,762
Total City cash and investments of primary government	348,863,781
Cash and investments in Fiduciary Funds	12,441,609
Restricted cash and investments in Fiduciary Funds	2,128,136
Total cash and investments	$363,433,526

Cash and investments as of June 30, 2022 consist of the following:

Cash on hand	$3,575
Deposits with financial institutions	117,871,975
Investments	245,557,976
Total cash and investments	$363,433,526

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.

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	5 years	None	100%	No Limit
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.

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.

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
Held by City:					
U.S. Treasury Notes		$25,011,977	$29,639,070		$54,651,047
U.S. Government Agency Obligations					
Non-Callable	$4,398,776	17,262,041			21,660,817
Mortgage Pass Through Federal Agency Securities	2,409,198	194,168	2,422,253		5,025,619
Medium Term Corporate Notes					
Callable	221,590	6,572,911	8,483,458		15,277,959
Non-Callable	3,103,789	5,647,534	6,768,172		15,519,495
Negotiable Certificates of Deposit	1,103,097				1,103,097
California Local Agency Investment Fund	35,467,935				35,467,935
Money Market Mutual Funds (U.S. Securities)	1,002,411				1,002,411
Supranationals	2,090,074	924,447	1,375,525		4,390,046
Asset-Backed Securities		2,610,720	3,711,607	$15,334,962	21,657,289
Municipal Bonds	836,076	2,834,703	284,913	370,234	4,325,926
California Asset Management Program	8,168,428				8,168,428
Held by Trustees:					
Money Market Mutual Funds (U.S. Securities)	57,307,907				57,307,907
Total Investments	$116,109,281	$61,058,501	$52,684,998	$15,705,196	$245,557,976

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, 2022, these investments have an average maturity of 311 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, 2022, the fair value was approximate to the City's cost. At June 30, 2022 these investments had an average maturity of 28 days.

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, 2022 and have a weighted average maturity of 23 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, 2022 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 A2	Moody's A3	Total
Held by City:						
U.S. Government Agency Obligations						
Non-Callable		$21,660,817				$21,660,817
Mortgage Pass Through Federal Agency Securities		5,025,619				5,025,619
Medium Term Corporate Notes						
Callable		2,829,098	$10,764,637	$1,328,194	$356,030	15,277,959
Non-Callable		4,139,984	10,142,145	617,809	619,557	15,519,495
Money Market Mutual Funds (U.S. Securities)	$1,002,411					1,002,411
Supranationals	4,390,046					4,390,046
Asset-Backed Securities	21,657,289					21,657,289
Municipal Bonds	1,097,723	2,928,203				4,025,926
California Asset Management Program	8,168,428					8,168,428
Held by Trustees:						
Money Market Mutual Funds (U.S. Securities)	57,307,907					57,307,907
Totals	$93,623,804	$36,583,721	$20,906,782	$1,946,003	$975,587	154,035,897
Not rated:						
Negotiable Certificates of Deposit						1,103,097
California Local Agency Investment Fund						35,467,935
Municipal Bonds						300,000
Exempt from credit rating disclosure:						
U.S. Treasury Notes						54,651,047
Total Investments						$245,557,976

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, 2022:

	Level 1	Level 2	Total
Investments by Fair Value Level:			
U.S. Treasury Notes	$54,651,047		$54,651,047
U.S. Government Agency Obligations		$21,660,817	21,660,817
Mortgage Pass Through Federal Agency Securities		5,025,619	5,025,619
Medium Term Corporate Notes		30,797,454	30,797,454
Negotiable Certificates of Deposit		1,103,097	1,103,097
Supranationals		4,390,046	4,390,046
Asset-Backed Securities		21,657,289	21,657,289
Municipal Bonds		4,325,926	4,325,926
Totals	$54,651,047	$88,960,248	143,611,295
Investments Measured at Net Asset Value Per Share:			
Held by City:			
California Asset Management Program			8,168,428
Investments Measured at Amortized Cost:			
Money Market Mutual Funds (U.S. Securities)			1,002,411
Held by Trustees:			
Money Market Mutual Funds (U.S. Securities)			57,307,907
Investments Exempt from Fair Value Hierarchy:			
California Local Agency Investment Fund			35,467,935
Total Investments			$245,557,976

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.

NOTE 3 - CASH AND INVESTMENTS (Continued)

H. Concentration Risk

Significant investments in the securities of any individual issuers, other than U. S. Treasury securities, Local Agency Investment Fund, California Asset Management Program and mutual funds, are set forth below:

Reporting Unit	Issuer	Investment Type	Reported Amount
Entity Wide	Federal Home Loan Mortgage Corporation	U.S. Government Agency Obligations	$20,469,819

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, 2022 the transfers were as follows:

Fund Receiving Transfers	Fund Making Transfers	Amount Transferred	Purpose
Sewer Enterprise Fund	General Fund	$472,613	A
Non-Major Governmental Funds	General Fund	799,714	B
Non-Major Governmental Funds	Insurance Internal Service Fund	45,800	B
		$1,318,127	

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

In addition, the Water Enterprise Fund, Sewer Enterprise Fund and the Vehicle Internal Service Fund transferred capital assets with a net book value of $329, $329, and $195,043, respectively, to the governmental activities.

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, 2022, interfund balances were as follows:

Due From Funds	Due To Funds	Amount
General Fund	Non-Major Governmental Funds	$1,859,230

NOTE 4 - INTERFUND TRANSACTIONS (Continued)

C. Long-Term Interfund Advances

At June 30, 2022, 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) Fund Making Advance	(Liability) Fund Receiving Advance	Amount of Advance
General Fund	Public Facilities Implementation Plan Fund	$1,081,780
Public Facilities Implementation Plan Fund	Water Enterprise Fund	3,175,641
	Sewer Enterprise Fund	7,353,913
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	$12,410,983

Public Facilities Implementation Plan

Advances above in the amount of $12,410,983 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%.

Fire Station #5 Advance

During fiscal year 2019 the Development Mitigation Special Revenue Fund made an advance to the Government Building Facilities Capital Projects Fund in the amount of $1,850,000 for the construction of Fire Station #5. Interest on the advance will be calculated on the outstanding balance (principal and unpaid interest) each June 30, beginning on June 30, 2020, based on the LAIF interest rate plus 1%. Loan repayments began July 1, 2019 and will be complete once principal and interest are paid in full. A portion of the loan ($300,000) is expected to be repaid from proceeds from a developer's future sale of land that had previously been earmarked for the location of Fire Station #5. The advance was fully repaid during the fiscal year ended June 30, 2022.

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.

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 16, 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, 2022 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, 2022, these Notes totaled:

HOPE Shelter	$1,206,037
Habitat for Humanity	10,000
Down Payment Assistance Program	1,286,700
Residential Rehabilitation	85,133
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	22,939,614
Less: Allowance for conditional grants	(864,330)
Net long-term notes receivable	$22,075,284

In addition, the General Fund has recorded a loan receivable in the amount of $607,500 as discussed in Note 15E.

Unavailable revenue at June 30, 2022 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, 2022, HOPE had drawn down $1,206,037 of the available loan and no further drawdowns are expected.

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, 2022, 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, 2022, loans receivable under this program totaled $85,133.

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, 2022 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.

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, 2022, 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, 2022, $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, 2022, 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, 2022 is $12,750,000.

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, 2022 is $864,330.

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 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. Employees must repay the outstanding balance of their loans upon ending their employment with the City. As of June 30, 2022, 25 employees had notes totaling $29,133 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. 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
Storm Drain	50 years
Streets	30 years
Parks	15-30 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.

NOTE 7 – CAPITAL ASSETS (Continued)

A. Capital Asset Additions and Retirements

Capital assets activities for the year ended June 30, 2022 were as follows:

Governmental activities	Balance at June 30, 2021 (as Restated)	Additions	Retirements	Transfers	Balance at June 30, 2022
Capital assets not being depreciated:					
Land and improvements	$61,306,179				$61,306,179
Construction in progress	74,918,785	$8,859,811		($33,657,295)	50,121,301
Total capital assets not being depreciated	136,224,964	8,859,811		(33,657,295)	111,427,480
Capital assets being depreciated:					
Buildings and improvements	43,260,217			250,190	43,510,407
Intangible right-to-use building	634,944				634,944
Machinery and equipment	24,688,843	3,162,024	($138,157)	2,191,976	29,904,686
Intangible right-to-use equipment		28,661			28,661
Storm drain	62,616,802	1,381,873	(336,049)	363,916	64,026,542
Streets	249,887,055	8,752,001		28,567,266	287,206,322
Parks	74,118,775	37,310		2,284,605	76,440,690
Total capital assets being depreciated	455,206,636	13,361,869	(474,206)	33,657,953	501,752,252
Less accumulated depreciation for:					
Buildings and improvements	(15,361,297)	(1,259,803)			(16,621,100)
Intangible right-to-use building		(162,114)			(162,114)
Machinery and equipment	(19,605,121)	(1,840,966)	138,157		(21,307,930)
Intangible right-to-use equipment		(4,019)			(4,019)
Storm drain	(16,714,792)	(1,213,624)	336,049		(17,592,367)
Streets	(94,184,732)	(7,864,740)			(102,049,472)
Parks	(30,365,072)	(2,452,938)			(32,818,010)
Total accumulated depreciation	(176,231,014)	(14,798,204)	474,206		(190,555,012)
Net capital assets being depreciated	278,975,622	(1,436,335)		33,657,953	311,197,240
Governmental activity capital assets, net	$415,200,586	$7,423,476		$658	$422,624,720

NOTE 7 – CAPITAL ASSETS (Continued)

Business-type activities	Balance at June 30, 2021	Additions	Retirements	Transfers	Balance at June 30, 2022
Capital assets not being depreciated:					
Land and improvements	$4,394,232				$4,394,232
Construction in progress	33,624,119	$11,803,276		($18,546,675)	26,880,720
Total capital assets not being depreciated	38,018,351	11,803,276		(18,546,675)	31,274,952
Capital assets being depreciated:					
Sewer lines and improvements	72,696,420	1,065,298		525,289	74,287,007
Water wells, pipelines and water rights	132,873,612	1,190,975		15,784,842	149,849,429
Buildings and improvements	9,410,820				9,410,820
Intangible right-to-use building		21,922			21,922
Machinery and equipment	26,191,343	9,264	($1,701,515)	2,174,696	26,673,788
Intangible right-to-use equipment		23,487			23,487
Infrastructure	165,424				165,424
Sewer plant expansion	134,326,740			61,190	134,387,930
	375,664,359	2,310,946	(1,701,515)	18,546,017	394,819,807
Less accumulated depreciation for:					
Sewer lines and improvements	(23,955,591)	(1,326,527)			(25,282,118)
Water wells, pipelines and water rights	(60,280,871)	(3,537,109)			(63,817,980)
Buildings and improvements	(5,685,962)	(211,974)			(5,897,936)
Intangible right-to-use building		(6,089)			(6,089)
Machinery and equipment	(18,663,050)	(2,150,100)	1,685,631		(19,127,519)
Intangible right-to-use equipment		(3,980)			(3,980)
Infrastructure	(67,796)	(6,567)			(74,363)
Sewer plant expansion	(35,540,406)	(2,428,375)			(37,968,781)
	(144,193,676)	(9,670,721)	1,685,631		(152,178,766)
Net capital assets being depreciated	231,470,683	(7,359,775)	(15,884)	18,546,017	242,641,041
Total Business-type activity capital assets, net	$269,489,034	$4,443,501	($15,884)	($658)	$273,915,993

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.

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	$66,689
Community development	256,231
Public safety	1,239,899
Public works	2,258,060
Parks and recreation	2,785,665
Streets and highways	7,728,741
Internal Service Funds	462,919
Total Governmental Activities	$14,798,204
Business-Type Activities	
Water	$3,890,594
Sewer	4,420,210
Solid waste	1,316,302
Golf	43,615
Total Business-Type Activities	$9,670,721

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, 2021	Retirements	Balance June 30, 2022	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	12,920,000	$1,655,000	11,265,000	$1,755,000
Net premium		1,808,018	84,094	1,723,924	
Water Revenue Bonds					
Series 2012 Refunding Bonds, 2.00 - 5.00%	35,840,000	26,195,000	1,480,000	24,715,000	1,555,000
Net premium		4,155,886	193,316	3,962,570	
Total Business - Type Activity Debt	$77,530,000	$64,078,904	$3,412,410	$60,666,494	$3,310,000

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 2.00-4.00% 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 $44,129,223. The Sewer Enterprise Fund's principal and interest paid for the current year and total customer net revenues were $3,205,966 and $10,188,023, 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 it's 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.

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 $32,843,875. The Water Enterprise Fund's principal and interest paid for the current year and total customer net revenues were $2,752,750 and $7,827,762, 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
2023	$3,310,000	$2,679,141
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
2028-2032	19,530,000	7,684,772
2033-2037	19,295,000	2,506,562
Total	54,980,000	$21,993,098
Plus: Bond Premiums	5,686,494	
Gross Long Term Debt	$60,666,494	

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.

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.

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, 2022, are below:

Fund Balance Classifications	General Fund	Special Revenue Low and Moderate Income Housing Assets	Special Revenue COVID Relief	Capital Projects Public Facilities Implementation Plan	Other Governmental Funds	Total
Nonspendable:						
Items not in spendable form:						
Advance to other funds	$1,081,780					$1,081,780
Prepaids and deposits					$12,640	12,640
Total Nonspendable Fund Balances	1,081,780				12,640	1,094,420
Restricted for:						
Health Reimbursement Arrangement	455,838					455,838
Low and Moderate Income Housing Projects		$582,161				582,161
Transportation Projects					35,090,657	35,090,657
Development Services Projects					22,321,650	22,321,650
Public Safety Projects					5,773,739	5,773,739
Parks Projects					14,054,417	14,054,417
Major Equipment Purchases					907,615	907,615
Landscaping and Lighting Projects					1,507,462	1,507,462
City and Public Facilities Projects				$40,860,666	39,142,230	80,002,896
Recreation					130,065	130,065
Innovation and Technology Projects					171,034	171,034
Total Restricted Fund Balances	455,838	582,161		40,860,666	119,098,869	160,997,534
Assigned to:						
Capital Projects					726,934	726,934
Fiscal Stability	15,203,988					15,203,988
Pension	3,040,798					3,040,798
Economic Development	2,500,000					2,500,000
Public Facilities Oversizing	2,443,319					2,443,319
Capital Facilities	1,500,000					1,500,000
Technology	1,500,000					1,500,000
Total Assigned Fund Balances	26,188,105				726,934	26,915,039
Unassigned:						
General Fund	9,331,508					9,331,508
Fund balance deficits			($106,896)		(507,396)	(614,292)
Total Unassigned Fund Balances	9,331,508		(106,896)		(507,396)	8,717,216
Total Fund Balances	$37,057,231	$582,161	($106,896)	$40,860,666	$119,331,047	$197,724,209

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.

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 generate 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.

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, 2022, which are reported within the assigned fund balance of the General Fund follows:

	Minimum or Maximum Reserve	Reserve as of June 30, 2022
General Fund:		
Assigned Fund Balance:		
Fiscal Stability	$15,203,988	$15,203,988
Pension Stabilization	3,040,798	3,040,798
Economic Development	2,500,000	2,500,000
Public Facilities Oversizing	2,443,319	2,443,319
Capital Facilities	1,500,000	1,500,000
Technology	1,500,000	1,500,000
Total Assigned Fund Balance		$26,188,105

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 50% of operating expenditures in the Public Safety Sales Tax Fund 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.

NOTE 9 – NET POSITION AND FUND BALANCES (Continued)

D. Deficit Fund Balances and Accumulated Deficits

At June 30 2022, COVID Relief Special Revenue Fund, Community Development Block Grant Special Revenue Fund, Fire Grants Special Revenue Fund and the Flood Protection Capital Projects Fund had deficit fund balances of $106,896, $66,116, $438,109, and $3,171, respectively, and Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund and the Equipment Internal Service Fund had deficit net position of $77,610,402 and $500,012, respectively.

E. Restatement

The City implemented the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases*, during the year ended June 30, 2022. As a result, the City determined that beginning the balances of leases receivable and deferred inflows of resources related to leases were $869,805 and the balances of the leases payable and intangible right-to-use assets was $634,944 as of July 1, 2021 and restated and increased the balances in that amount, and the net effect on beginning net position was zero. See the Leases disclosure in Note 14.

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, 2022, total pension expense for the Miscellaneous, Safety and PARS Retirement Enhancement plans amounted to $17,606,339.

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	$10,160,923	$40,332,551	$14,799,000
Safety - Police and Fire	15,797,097	44,815,713	28,015,464
PARS Retirement Enhancement Plan		707,488	130,988
Total	$25,958,020	$85,855,752	$42,945,452

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, 2022, 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	11.380%	11.380%	11.380%
Required UAL Contribution		$5,266,867	

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 $5,266,867 in fiscal year 2022, which was made under the lump sum payment option.

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, 2020 and as of the measurement date of June 30, 2021:

	Miscellaneous	
	June 30, 2020	June 30, 2021
Inactive employees or beneficiaries currently receiving benefits	278	285
Inactive employees entitled to but not yet receiving benefits	232	251
Active employees	282	279
Total	792	815

As of June 30, 2022, the City had 311 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, 2021, using an annual actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021 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, 2020 (Measurement Date)	$189,854,436	$129,593,488	$60,260,948
Changes in the year:			
Service cost	3,711,204		3,711,204
Interest on the total pension liability	13,444,999		13,444,999
Differences between actual and expected experience	886,800		886,800
Changes in assumptions			
Changes in benefit terms			
Net Plan to Plan Resource Movement		(572)	572
Contribution - employer		6,960,408	(6,960,408)
Contribution - employees		1,533,922	(1,533,922)
Net investment income		29,607,098	(29,607,098)
Administrative expenses		(129,456)	129,456
Benefit payments, including refunds of employee contributions	(9,109,794)	(9,109,794)	
Other Miscellaneous Income/ (Expense)			
Net changes	8,933,209	28,861,606	(19,928,397)
Balance at June 30, 2021 (Measurement Date)	$198,787,645	$158,455,094	$40,332,551

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	6.15%
Net Pension Liability	$67,240,941
Current Discount Rate	7.15%
Net Pension Liability	$40,332,551
1% Increase	8.15%
Net Pension Liability	$18,179,111

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - For the year ended June 30, 2022, the City recognized pension expense of $2,984,421. At June 30, 2022, 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	$7,838,893	
Differences between actual and expected experience	2,322,030	
Changes in assumptions		
Net differences between projected and actual earnings on plan investments		($14,799,000)
Total	$10,160,923	($14,799,000)

The Miscellaneous Plan reported $7,838,893 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, 2023. 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
2023	($2,367,720)
2024	(2,649,279)
2025	(3,384,473)
2026	(4,075,498)
2026	0
Thereafter	0

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

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, 2022, are summarized as follows:

	Safety		
	Police		
	First Tier	Second Tier	PEPRA
	Prior to	After	On or after
Hire date	April 3, 2012	April 3, 2012	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	25.590%	22.470%	13.980%
Required UAL Contribution	$2,842,650	$11,051	$10,227

	Fire	
	First Tier	PEPRA
	Prior to /After	On or after
Hire date	April 3, 2012	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	23.620%	13.980%
Required UAL Contribution	$1,927,166	$8,123

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 $4,799,217 in fiscal year 2022, 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, 2022, the contributions to the Safety Plan were as follows:

Contributions - employer	$7,786,074

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, 2022, the City reported a net pension liability for its proportionate shares of the net pension liability of the Plan in the amount of $44,815,713.

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2021, 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, 2020, rolled forward to June 30, 2021 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, 2020 and 2021 was as follows:

	Total
Proportion - June 30, 2020	0.95974%
Proportion - June 30, 2021	1.27699%
Change - Increase (Decrease)	0.31725%

NOTE 10 – PENSION PLANS (Continued)

For the year ended June 30, 2022, the City recognized pension expense of $14,480,356 for the Safety Plan. At June 30, 2022, 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	$7,786,074	
Differences between actual and expected experience	7,656,726	
Changes in assumptions		
Net differences between projected and actual earnings on plan investments		($26,673,965)
Change in proportion and differences between actual contributions and proportionate share of contributions	354,297	(1,341,499)
Total	$15,797,097	($28,015,464)

The Safety Plan reported $7,786,074 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, 2023. 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
2023	($2,964,614)
2024	(4,023,767)
2025	(5,675,756)
2026	(7,340,304)

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:

	Total
1% decrease	6.15%
Net Pension Liability	$71,747,057
Current Discount Rate	7.15%
Net Pension Liability	$44,815,713
1% Increase	8.15%
Net Pension Liability	$22,694,940

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

NOTE 10 – PENSION PLANS (Continued)

D. Information Common to the Miscellaneous and Safety Plans

Actuarial Assumptions – For the measurement period ended June 30, 2021, the total pension liabilities were determined by rolling forward the June 30, 2020 total pension liability. The June 30, 2020 total pension liabilities were based on the following actuarial methods and assumptions:

	Miscellaneous and Safety (Fire and Police)
Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase	Varies by Entry Age and Service (1)
Investment Rate of Return	7.15% (2)
Mortality Rate Table	Derived using CalPERS Membership Data for all Funds (3)
Post Retirement Benefit Increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% 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 2017 CalPERS Experience Study for the period from 1997 to 2015. 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 more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CALPERS Website.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2020 valuation were based on the results of a December 2017 actuarial experience study for the period 1997 to 2015. 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 7.15%. 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.

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

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

Asset Class (a)	Assumed Asset Allocation	Real Return Years 1 - 10 (b)	Real Return Years 11+ (c)
Public Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	100.0%		

(a) In the Annual Comprehensive Financial Report, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.
(b) An expected inflation of 2.0% used for this period.
(c) An expected inflation of 2.92% used for this period.

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

NOTE 10 – PENSION PLANS (Continued)

Subsequent Event - 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 approved by the CalPERS Board in 2015, 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 will be 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

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, 2021 actuarial valuation date, the following employees were covered by the benefit terms for the Plan:

	PARS
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, 2022.

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 did not make contributions to the Plan during the fiscal year ended June 30, 2022.

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, 2021. 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, 2021, the total pension liability was determined using an actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021. The June 30, 2021 total pension liability was based on the following actuarial methods and assumptions:

	PARS Plans
Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal, Level % of pay
Amortization method	Level dollar amount
Amortization period	7-year fixed period for 2021/22
Actuarial Assumptions:	
Discount Rate	3.60% at June 30, 2020 and 3.20% at June 30, 2021
Inflation	2.50%
Investment Rate of Return	3.60% at June 30, 2020 and 3.20% at June 30, 2021
Mortality, Retirement, Disability, Termination	CalPERS 1997-2015 Experience Study
Mortality Improvement Scale	Post - retirement mortality projected fully generational with Scale MP-2020

Discount Rate - The discount rate used to measure the total pension liability for the Plan was 3.60%. 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%
REITs	0.0%	4.06%
Cash	68.0%	-0.05%
Assumed Long-Term Rate of Inflation		2.75%
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.

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, 2021 Measurement Date follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2020 (Measurement Date)	$2,918,046	$2,242,645	$675,401
Changes in the year:			
Service cost			
Interest on the total pension liability	102,103		102,103
Differences between actual and expected experience			
Changes in assumptions	133,365		133,365
Changes in benefit terms			
Contribution - employer			
Contribution - employee			
Net investment income		212,741	(212,741)
Administrative expenses		(9,360)	9,360
Benefit payments, including refunds of employee contributions	(163,748)	(163,748)	
Net changes	71,720	39,633	32,087
Balance at June 30, 2021 (Measurement Date)	$2,989,766	$2,282,278	$707,488

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	$1,088,952
Current Discount Rate	3.20%
Net Pension Liability	$707,488
1% Increase	4.20%
Net Pension Liability	$391,623

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

NOTE 10 – PENSION PLANS (Continued)

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - For the year ended June 30, 2022, the City recognized pension expense of $141,562 for the Plan. At June 30, 2022, 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		
Differences between actual and expected experience		
Changes in assumptions		
Net differences between projected and actual earnings on plan investments		$130,988
Total	$0	$130,988

There were no contributions subsequent to the measurement date reported as deferred outflows of resources that will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. 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
2023	($30,044)
2024	(41,745)
2025	(32,174)
2026	(27,025)

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, 2022, there were 206 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, 2022:

	Manteca Police Officers Association	Fire	Manteca Police Employees Association	Technical Support Services	General Services	Management
Benefit Types Provided	Medical only	Medical only	Medical only	Medical only	Medical only	Medical only
Duration of Benefits	Lifetime	Lifetime	Lifetime	Lifetime	Lifetime	Lifetime
Required Service:						
Basic			Retirement under CALPERS			
Supplemental						
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	$631 for single	$640 for single	$725 for single	$725 for single	$683 for single
	$1,170 for two party $1,440 for family	$1,165 for two party $1,490 for family	$1,165 for two party $1,515 for family	$1,390 for two party $1,800 for family	$1,165 for two party $1,875 for family	$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	$149	$149	$149	$149	$149	$149

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, 2022, the City's contributions to the Plan were $2,019,026.

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, 2020:

Active employees	311
Inactive employees or beneficiaries currently receiving benefit payments	206
Inactive employees entitled to but not yet receiving benefit payments	71
Total	588

B. Total OPEB Liability

Actuarial Methods and Assumptions – The City's total OPEB liability was measured as of June 30, 2021 and the total OPEB liability was determined by an actuarial valuation dated June 30, 2020, rolled forward to June 30, 2021 using standard update procedures, based on the following actuarial methods and assumptions:

	Actuarial Assumptions
Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Assumptions:	
Discount Rate	2.16% at June 30, 2021 and 2.21% at June 30, 2020 (1)
Inflation	2.75%
Payroll Growth	3% (2)
PEMHCA Minimum Increases	4.25%
Contribution Policy	No pre-funding
Cap Increases	None beyond amounts specified
Mortality Rate	CalPERS 1997-2015 Experience Study (3)
Healthcare Trend Rates	Non-Medicare - 7.0% for 2022, decreasing to an ultimate rate of 4.0% in 2076; Medicare (Non-Kaiser) - 6.1% for 2022, decreasing to an ultimate rate of 4.0% in 2076- Medicare (Kaiser) - 5% for 2022, decreasing to an ultimate rate of 4.0% 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 1997-2015 Experience Study
(3) Post-retirement mortality projected fully generational with Scale MP-2020

The underlying mortality assumptions were based on the CalPERS 1997-2015 Experience Study and all other actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period 1997-2015.

Change in Assumptions – The discount rate decreased from 2.21% at June 30, 2020 to 2.6% at June 30, 2021 based on the municipal bond rate as of the measurement date. The medical trend rate decreased for Kaiser Senior Advantage.

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

C. Changes in Total OPEB Liability

The changes in the total OPEB liability follows:

	Total OPEB Liability
Balance at June 30, 2020 Measurement Date	$43,004,893
Changes Recognized for the Measurement Period:	
Service cost	1,767,370
Interest on the total OPEB liability	968,637
Changes of assumptions	288,190
Actual vs. expected experience	
Benefit payments *	(1,885,034)
Net changes	1,139,163
Balance at June 30, 2021 Measurement Date	$44,144,056

* Includes $1,369,034 cash benefit payments and $516,000 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% (1.16%)	Discount Rate (2.16%)	Discount Rate +1% (3.16%)
$50,621,018	$44,144,056	$38,915,624

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
$41,815,068	$44,144,056	$47,718,817

NOTE 11 – POST-EMPLOYMENT HEALTH CARE BENEFITS

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

For the year ended June 30, 2022, the City recognized OPEB expense of $3,642,295. At June 30, 2022, 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	$2,019,026	
Differences between actual and expected experience	641,658	($123,259)
Changes of assumptions	5,531,218	(650,268)
Total	$8,191,902	($773,527)

$2,019,026 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, 2023. 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
2023	$901,160
2024	901,468
2025	901,672
2026	964,329
2027	1,051,188
Thereafter	679,532

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:

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.

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.

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.

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. 00 in lieu of medical coverage, provided proof of coverage is obtained. 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.

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.

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.

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, 2022 totaled $800,102.

NOTE 13 – RISK MANAGEMENT

A. Coverage

City employees are covered under a medical and prescriptions policy with coverage limited to $2,000,000 in the aggregate. The City provides group dental and vision coverage to employees through programs which are administered by a service agent. The City pays all dental and vision claims.

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)	$29,000,000
All Risk Fire and Property:	
Property ($25,000)	800,000,000
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)	5,000,000
Public Entity Pollution Liability ($250,000)	25,000,000
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 All Risk Fire and Property coverage limit declined from $1 billion in fiscal year 2020 to $800 million in fiscal year 2021.

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.

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, 2020	$505,165	$225,069	$730,234
Net change in:			
Liability for current fiscal year claims		92,265	92,265
Liability for prior fiscal years' claims and claims incurred but not reported (IBNR)	42,743	133,968	176,711
Claims paid	(99,372)	(93,734)	(193,106)
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 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
Claims liability, due within one year	$598,926	$869,534	$1,468,460

For the fiscal years ended June 30, 2022, 2021, and 2020 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.

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.

NOTE 14 – LEASES (Continued)

B. Leases Receivable

The balances related to leases receivable and deferred inflows of resources as of June 30, 2022 were:

	Lease Receivable	Deferred Inflows of Resources
Governmental Activities		
Leases Receivable (Lessor)		
Communication Site Leases	$719,513	$709,887
Total Governmental Activities Leases Receivable	$719,513	$709,887
Business-Type Activities		
Leases Receivable (Lessor)		
Municipal Golf Course - Clubhouse	$6,604	$6,581
Municipal Golf Course - Snack Bar	4,661	4,644
Total Business-Type Activities Leases Receivable	$11,265	$11,225
Total Leases Receivable	$730,778	$721,112

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, 2022, 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, 2022, the leases had 3 to 15 years remaining. The City recognized $81,343 in lease revenue and $1,285 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, 2022, the City had two leases, with original lease terms of twenty years, including the optional extension periods, and as of June 30, 2022, the leases had 1 year remaining. The City recognized $67,350 in lease revenue and $76 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.

NOTE 14 – LEASES (Continued)

C. Leases Payable

A summary of lease transactions for the fiscal year ended June 30, 2022, are as follows:

	Balance June 30, 2021 (as restated)	Additions	Deductions	Balance June 30, 2022	Current Portion
Governmental Activities:					
Building - Hensley	$634,944		$154,292	$480,652	$159,465
Equipment		$28,661	4,441	24,220	8,479
Total Governmental Activities	$634,944	$28,661	$158,733	$504,872	$167,944
Business-Type Activities:					
Building - Mobile Modular		$21,922	$6,073	$15,849	$7,302
Equipment		23,487	4,670	18,817	4,665
Total Business-Type Activities		$45,409	$10,743	$34,666	$11,967
Total Leases Payable	$634,944	$74,070	$169,476	$539,538	$179,911

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 the current fiscal year and as of June 30, 2022, the value of the lease liability was $480,652. 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 $162,114.

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 the current fiscal year and as of June 30, 2022, the value of the lease liability was $17,948. 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 $2,692.

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 the current fiscal year and as of June 30, 2022, the value of the lease liability was $25,089. 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 $5,306.

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 the current fiscal year. as of June 30, 2022, the value of the lease liability was $15,849. 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 $6,089.

NOTE 14 – LEASES (Continued)

The future principal and interest lease payments as of June 30, 2022, were as follows:

Year Ending June 30	Governmental Activities			Business-Type Activities		
	Principal Payments	Interest Payments	Total	Principal Payments	Interest Payments	Total
2023	$167,944	$1,960	$169,904	$11,967	$137	$12,104
2024	173,562	1,181	174,743	12,016	87	12,103
2025	161,787	378	162,165	5,941	45	5,986
2026	1,579	6	1,585	4,742	17	4,759
	$504,872	$3,525	$508,397	$34,666	$286	$34,952

D. Shopping Center Parking Lease Agreement

In fiscal 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 2022, payments made to the developer under the agreement were $310,958 and payments to date total $3,949,891.

NOTE 15 – 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.

NOTE 15 – COMMITMENTS AND CONTINGENCIES (Continued)

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, 2022, the City had outstanding reimbursement commitments totaling $24,938,592.

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.

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.

NOTE 15 – COMMITMENTS AND CONTINGENCIES (Continued)

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 $3,368,178 was paid to the Developer. As of June 30, 2022, the deferred fees due from the developer total $9,395,205, 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 $607,500 as of June 30, 2022.

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.

F. Construction Commitments

The City has the outstanding construction commitments totaling $33.9 million as of June 30, 2022.

NOTE 16 – 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.

NOTE 16 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)

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.

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.

NOTE 16 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)

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.

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, 2022 are discussed in Note 3. Information presented in the following footnotes represents other assets and liabilities of the Successor Agency as of June 30, 2022.

NOTE 16 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)

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, 2022 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

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, 2022, 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, 2022, 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.

NOTE 16 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)

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.

Capital assets recorded as of June 30, 2022 comprise:

	Balance at June 30, 2021	Additions	Balance at June 30, 2022
Capital assets not being depreciated:			
Land	$3,333,997		$3,333,997
Capital assets being depreciated:			
Buildings and improvements	3,788,211		3,788,211
Less accumulated depreciation	(1,922,266)	($125,618)	(2,047,884)
Net capital assets being depreciated	1,865,945	(125,618)	1,740,327
Capital assets, net	$5,199,942	($125,618)	$5,074,324

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, 2021	Retirements	Balance June 30, 2022	Current Portion
Redevelopment Agency Tax Allocation Bonds -				
Tax Allocation Refunding Bonds Series 2020A and 2020B Subordinated Tax Allocation Bonds 1.590-4.0%	$95,945,000	$4,190,000	$91,755,000	$4,255,000
Plus: Unamortized Bond Premium	5,057,041	235,211	4,821,830	
Total Successor Agency Debt	$101,002,041	$4,425,211	$96,576,830	$4,255,000

NOTE 16 – 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 $124,208,746 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 2022 calculated by the County Auditor-Controller was $24,573,824 and the total received by the Successor Agency for fiscal year 2022 debt service, was $14,926,936, which the Agency used to pay the $6,913,702 of fiscal year debt service.

3. Debt Service Requirements

Annual debt service requirements, are shown below:

For the Year Ending June 30	Principal	Interest
2023	$4,255,000	$2,639,891
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
2028-2032	24,270,000	9,300,723
2033-2037	27,075,000	5,632,314
2038-2042	15,255,000	4,894,115
2043	3,220,000	360,463
Total	91,755,000	$32,453,746
Plus Bond Premium	4,821,830	
Gross Long Term Debt	$96,576,830	

NOTE 16 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)

E. COMMITMENTS AND CONTINGENCIES

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.

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**	**6/30/2018**	**6/30/2019**	**6/30/2020**	**6/30/2021**
Total Pension Liability								
Service Cost	$2,865,004	$2,785,261	$2,929,446	$3,359,127	$3,450,233	$3,662,753	$3,713,864	$3,711,204
Interest	9,470,268	9,947,329	10,547,066	11,091,828	11,413,314	12,088,271	12,825,762	13,444,999
Differences between expected and actual experience		(606,531)	895,276	280,782	(1,730,389)	2,008,072	2,643,438	886,800
Changes in assumptions		(2,540,846)		9,610,904	(1,373,783)			
Changes in benefits								
Benefit payments, including refunds of employee contributions	(5,192,533)	(5,583,081)	(6,137,452)	(6,508,026)	(7,283,995)	(7,791,837)	(8,419,092)	(9,109,794)
Net change in total pension liability	7,142,739	4,002,132	8,234,336	17,834,615	4,475,380	9,967,259	10,763,972	8,933,209
Total pension liability - beginning	127,434,003	134,576,742	138,578,874	146,813,210	164,647,825	169,123,205	179,090,464	189,854,436
Total pension liability - ending (a)	$134,576,742	$138,578,874	$146,813,210	$164,647,825	$169,123,205	$179,090,464	$189,854,436	$198,787,645
Plan fiduciary net position								
Contributions - employer	$3,345,873	$4,021,488	$4,687,535	$4,971,846	$5,489,151	$5,845,005	$6,475,687	$6,960,408
Contributions - employee	1,159,125	1,275,356	1,337,368	1,321,071	1,484,945	1,613,156	1,571,752	1,533,922
Net investment income	14,228,681	2,149,298	530,419	10,909,900	9,098,992	7,772,814	6,213,521	29,607,098
Net Plan to Plan Resource Movement					(269)	(218)		(572)
Administrative expenses		(109,588)	(59,337)	(144,277)	(168,715)	(83,187)	(174,706)	(129,456)
Other Miscellaneous Income (Expense)					(320,393)	269		
Benefit payments, including refunds of employee contributions	(5,192,533)	(5,583,081)	(6,137,452)	(6,508,026)	(7,283,995)	(7,791,837)	(8,419,092)	(9,109,794)
Net change in plan fiduciary net position	13,541,146	1,753,473	358,533	10,550,514	8,299,716	7,356,002	5,667,162	28,861,606
Plan fiduciary net position - beginning	82,066,942	95,608,088	97,361,561	97,720,094	108,270,608	116,570,324	123,926,326	129,593,488
Plan fiduciary net position - ending (b)	$95,608,088	$97,361,561	$97,720,094	$108,270,608	$116,570,324	$123,926,326	$129,593,488	$158,455,094
Net pension liability - ending (a)-(b)	$38,968,654	$41,217,313	$49,093,116	$56,377,217	$52,552,881	$55,164,138	$60,260,948	$40,332,551
Plan fiduciary net position as a percentage of the total pension liability	71.04%	70.26%	66.56%	65.76%	68.93%	69.20%	68.26%	79.71%
Covered payroll	$14,222,604	$15,260,582	$15,917,657	$16,420,663	$17,179,599	$20,193,041	$21,471,907	$20,618,181
Net pension liability as percentage of covered payroll	273.99%	270.09%	308.42%	343.33%	305.90%	273.18%	280.65%	195.62%

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 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

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
Actuarially determined contribution	$4,021,488	$4,687,535	$4,021,488	$5,172,358
Contributions in relation to the actuarially determined contributions	(4,019,753)	(4,687,535)	(4,021,488)	(5,172,358)
Contribution deficiency (excess)	$1,735	$0	$0	$0
Covered payroll	$15,260,582	$15,917,657	$16,420,663	$17,179,599
Contributions as a percentage of covered payroll	26.35%	29.45%	24.49%	30.11%
Valuation date:	6/30/2012	6/30/2013	6/30/2014	6/30/2015

For the Fiscal Year Ended June 30,	2019	2020	2021	2022
Actuarially determined contribution	$5,842,872	$6,477,118	$7,061,971	$7,838,893
Contributions in relation to the actuarially determined contributions	(5,842,872)	(6,477,118)	(7,061,971)	(7,838,893)
Contribution deficiency (excess)	$0	$0	$0	$0
Covered payroll	$20,193,041	$21,471,907	$20,618,181	$22,822,694
Contributions as a percentage of covered payroll	28.94%	30.17%	34.25%	34.35%
Valuation date:	6/30/2016	6/30/2017	6/30/2018	6/30/2019

Notes to Schedule

Valuation date:	6/30/2020
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 and 2.50% for 2021 and 2022
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 and 7.00% for 2021 and 2022, Net of Pension Plan Investment and Administrative Expenses, includes 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.

* - 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

	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2020	6/30/2021	6/30/2022
Plan's proportion of the Net Pension Liability (Asset)	1.07938%	1.03004%	0.95974%	0.93552%	0.95843%	0.95585%	0.95974%	1.27699%
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	$59,669,242	$63,941,257	$44,815,713
Plan's Covered Payroll	11,200,196	12,280,143	12,543,342	12,807,240	13,238,467	14,330,518	17,965,730	15,113,158
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%	416.38%	355.91%	296.53%
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%	75.26%	75.10%	88.29%

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

* - 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	
Total Pension Liability									
Service Cost	$33,000	$25,000	$8,000	$9,000	$8,901				
Interest	122,000	124,000	126,000	134,000	134,821	$107,078	$108,975	$102,103	
Differences between expected and actual experience			53,000		47,056		(83,407)		
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)	
Net change in total pension liability	58,000	50,000	161,000	6,000	710,583	(115,229)	(189,308)	71,720	
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	
Total pension liability - ending (a)	$2,295,000	$2,345,000	$2,506,000	$2,512,000	$3,222,583	$3,107,354	$2,918,046	2,989,766	
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	
Administrative expenses	(7,000)	(7,000)	(8,000)	(8,000)	(9,143)	(9,920)	(9,649)	(9,360)	
Benefit payments, including refunds of employee contributions	(97,000)	(99,000)	(112,000)	(137,000)	(139,237)	(146,447)	(160,537)	(163,748)	
Net change in plan fiduciary net position	210,000	160,000	201,000	174,000	304,747	(31,653)	(64,449)	39,633	
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	
Plan fiduciary net position - ending (b)	$1,499,000	$1,659,000	$1,860,000	$2,034,000	$2,338,747	$2,307,094	$2,242,645	$2,282,278	
Net pension liability - ending (a)-(b)	$796,000	$686,000	$646,000	$478,000	$883,836	$800,260	$675,401	$707,488	
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%	
Covered payroll	$635,597	$653,039	$586,464	$182,068	$186,997				(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	

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
Actuarially determined contribution	$204,000	$280,000	$297,000	$391,000	$0	$97,000	$100,000	$100,000
Contributions in relation to the actuarially determined contributions	(246,689)	(272,689)	(290,000)	(400,000)	0	0	0	0
Contribution deficiency (excess)	($42,689)	$7,311	$7,000	($9,000)	$0	$97,000	$100,000	$100,000
Covered payroll	$653,039	$586,464	$182,068	$186,997	$0 (A)	$0 (A)	$0 (A)	$0
Contributions as a percentage of covered payroll	37.78%	46.50%	159.28%	213.91%	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

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	7-years fixed period for 2020/21
Asset valuation method	Investment gains and losses spread over a 5-year rolling period
Discount rate	##
Inflation	2.75%
Projected Salary Increase	3.00%
Mortality Rate Table	CalPERS 1997-2015 Experience Study
Mortality Improvement Scale	Post - retirement mortality projected fully generational with Scale MP-2020

* - 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**
Total OPEB Liability (1)					
Service Cost	$1,509,000	$1,263,802	$1,183,810	$1,323,555	$1,767,370
Interest	1,059,000	1,235,540	1,299,001	1,256,947	968,637
Changes of benefit terms					
Differences between expected and actual experience		(256,511)		866,800	
Changes of assumptions	(3,276,000)	(1,351,768)	1,523,401	5,876,460	288,190
Benefit payments	(1,631,000)	(1,733,000)	(1,781,930)	(1,816,214)	(1,885,034)
Net change in total OPEB liability	(2,339,000)	(841,937)	2,224,282	7,507,548	1,139,163
Total OPEB liability - beginning	36,454,000	34,115,000	33,273,063	35,497,345	43,004,893
Total OPEB liability - ending (a)	$34,115,000	$33,273,063	$35,497,345	$43,004,893	$44,144,056
Covered-employee payroll	$38,034,624	$31,729,215	$39,889,613	$36,097,420	$39,082,228
Total OPEB liability as a percentage of covered-employee payroll	89.69%	104.87%	88.99%	119.14%	112.95%

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.

SUPPLEMENTARY INFORMATION

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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
PUBLIC FACILITIES IMPLEMENTATION PLAN FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Use of money and property	$207,910	($523,411)	($731,321)
Charges for current services	6,199,842	10,896,356	4,696,514
Other revenue		200,000	200,000
Total Revenues	6,407,752	10,572,945	4,165,193
EXPENDITURES			
Current:			
Public works	965,770	558,336	407,434
Capital outlay	20,550,415	2,750,000	17,800,415
Debt service:			
Interest and fiscal charges	67,165	83,025	(15,860)
Total Expenditures	21,583,350	3,391,361	18,191,989
NET CHANGE IN FUND BALANCE	($15,175,598)	7,181,584	$22,357,182
BEGINNING FUND BALANCE		33,679,082	
ENDING FUND BALANCE		$40,860,666	

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.

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.

FEDERAL TRANSIT MANAGEMENT

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.

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.

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.

SPECIAL APPORTIONMENT STREETS

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.

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.

CITY OF MANTECA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022

	SPECIAL REVENUE FUNDS				
	Community Development Block Grant	Police Grants	Supplemental Law Enforcement Services	Recreation	Street Improvements
ASSETS					
Cash and investments			$335,765	$252,624	$54,105
Restricted cash and investments					
Accounts receivables (net of allowance for estimated uncollectible accounts)	$172,285	$23,520		3,700	
Taxes receivable					
Interest receivable					
Prepaids and deposits					
Leases receivable					
Total Assets	$172,285	$23,520	$335,765	$256,324	$54,105
LIABILITIES					
Accounts payable	$9,928	$7,454		$38,268	
Contracts payable					
Refundable deposits				87,991	
Due to other funds	155,670	1,807			
Unearned revenue					
Total Liabilities	165,598	9,261		126,259	
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - accounts receivable Related to leases	72,803				
Total Deferred Inflows of Resources	72,803				
FUND BALANCE					
Fund balance:					
Nonspendable					
Restricted		14,259	$335,765	130,065	$54,105
Assigned					
Unassigned	(66,116)				
Total Fund Balances	(66,116)	14,259	335,765	130,065	54,105
Total Liabilities and Fund Balances	$172,285	$23,520	$335,765	$256,324	$54,105

SPECIAL REVENUE FUNDS							
Major Equipment Purchase Fee	Landscape and Lighting Maintenance District	Public Safety Endowment Fee	Development Services	Development Mitigation	Federal Transit Management	Community Facilities Districts	Fire Grants
$907,615	$1,517,670	$46,997	$12,802,789	$9,629,549	$102,096	$2,851,890	
105,522			1,418,065		3,637,850		$166,188
			12,640				
$1,013,137	$1,517,670	$46,997	$14,233,494	$9,629,549	$3,739,946	$2,851,890	$166,188
	$10,208		$135,708	$309	$19,920	$12,962	
					2,250		
					1,097,456		$604,297
	10,208		135,708	309	1,119,626	12,962	604,297
$105,522			1,392,736		2,620,320		
105,522			1,392,736		2,620,320		
			12,640				
907,615	1,507,462	$46,997	12,692,410	9,629,240		2,838,928	
							(438,109)
907,615	1,507,462	46,997	12,705,050	9,629,240		2,838,928	(438,109)
$1,013,137	$1,517,670	$46,997	$14,233,494	$9,629,549	$3,739,946	$2,851,890	$166,188

(Continued)

CITY OF MANTECA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022

	SPECIAL REVENUE FUNDS		CAPITAL IMPROVEMENT FUNDS		
	Public Safety Sales Tax	Innovation and Technology	State Gasoline Tax	Regional Transportation Impact Fees	Measure K
ASSETS					
Cash and investments	$3,465,768	$160,400	$5,842,586	$19,299,752	$9,518,507
Restricted cash and investments					
Accounts receivables (net of allowance for estimated uncollectible accounts)	2,503	635	67	349,094	
Taxes receivable	1,909,987		454,013		514,918
Interest receivable		373			
Prepaids and deposits					
Leases receivable		719,513			
Total Assets	$5,378,258	$880,921	$6,296,666	$19,648,846	$10,033,425
LIABILITIES					
Accounts payable	$1,540		$275,233	$293,992	$23,032
Contracts payable					
Refundable deposits				1,034	
Due to other funds					
Unearned revenue					
Total Liabilities	1,540		275,233	295,026	23,032
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - accounts receivable				349,094	
Related to leases		$709,887			
Total Deferred Inflows of Resources		709,887		349,094	
FUND BALANCE					
Fund balance:					
Nonspendable					
Restricted	5,376,718	171,034	6,021,433	19,004,726	10,010,393
Assigned					
Unassigned					
Total Fund Balances	5,376,718	171,034	6,021,433	19,004,726	10,010,393
Total Liabilities and Fund Balances	$5,378,258	$880,921	$6,296,666	$19,648,846	$10,033,425

CAPITAL IMPROVEMENT FUNDS					
Parks	Government Building Facilities	Special Apportionment Streets	Flood Protection	Redevelopment Bonds Projects	Total Nonmajor Governmental Funds
$14,056,631	$29,848,860	$80,674	$323,956		$111,098,234
1,356,510				$6,469,081	7,825,591
	778,851	6,300,572	278,922		13,237,774
					2,878,918
					373
					12,640
					719,513
$15,413,141	$30,627,711	$6,381,246	$602,878	$6,469,081	$135,773,043
	$14,219	$90,499	$327,127	$420	$1,260,819
$2,214		26,192			28,406
1,356,510		562			1,448,347
					1,859,230
1,358,724	14,219	117,253	327,127	420	4,596,802
	778,851	5,537,059	278,922		11,135,307
					709,887
	778,851	5,537,059	278,922		11,845,194
					12,640
14,054,417	29,834,641			6,468,661	119,098,869
		726,934			726,934
			(3,171)		(507,396)
14,054,417	29,834,641	726,934	(3,171)	6,468,661	119,331,047
$15,413,141	$30,627,711	$6,381,246	$602,878	$6,469,081	$135,773,043

CITY OF MANTECA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022

	SPECIAL REVENUE FUNDS				
	Community Development Block Grant	Police Grants	Supplemental Law Enforcement Services	Recreation	Street Improvements
REVENUES					
Licenses and permits					
Use of money and property			($6,139)		($970)
Revenue from other agencies	$664,431	$118,666	210,265		
Charges for current services				$1,136,679	
Other revenue		5,000			
Total Revenues	664,431	123,666	204,126	1,136,679	(970)
EXPENDITURES					
Current:					
General government	28,891				
Community development					
Public safety		245,692			
Public works					
Parks and recreation				1,626,101	
Streets and highways					
Capital outlay	500,151		318,862	11,438	
Debt service:					
Principal				1,434	
Interest and fiscal charges				14	
Total Expenditures	529,042	245,692	318,862	1,638,987	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	135,389	(122,026)	(114,736)	(502,308)	(970)
OTHER FINANCING SOURCES (USES)					
Transfers in	8,965	7,478		710,000	
Issuance of lease				10,358	
Total Other Financing Sources (Uses)	8,965	7,478		720,358	
NET CHANGE IN FUND BALANCES	144,354	(114,548)	(114,736)	218,050	(970)
BEGINNING FUND BALANCES	(210,470)	128,807	450,501	(87,985)	55,075
ENDING FUND BALANCES	($66,116)	$14,259	$335,765	$130,065	$54,105

SPECIAL REVENUE FUNDS							
Major Equipment Purchase Fee	Landscape and Lighting Maintenance District	Public Safety Endowment Fee	Development Services	Development Mitigation	Federal Transit Management	Community Facilities Districts	Fire Grants
			$4,647,235				
($17,567)	($26,095)	($6,283)	(236,155)	($154,602)	$24,389	($36,471)	
			40,327		3,357,488		$166,188
348,449	1,335,893		4,421,467	1,173,042	48,825	1,372,127	
	70		86,804			260	
330,882	1,309,868	(6,283)	8,959,678	1,018,440	3,430,702	1,335,916	166,188
			114,384				
			4,947,573				
							323,491
			2,729,054		2,272,325	544,746	
	1,251,519					335,194	
551,772	3,248	450,000	58,725	309	1,158,377	27,788	
			154,292				
			2,338				
551,772	1,254,767	450,000	8,006,366	309	3,430,702	907,728	323,491
(220,890)	55,101	(456,283)	953,312	1,018,131		428,188	(157,303)
	22,900					22,900	73,271
	22,900					22,900	73,271
(220,890)	78,001	(456,283)	953,312	1,018,131		451,088	(84,032)
1,128,505	1,429,461	503,280	11,751,738	8,611,109		2,387,840	(354,077)
$907,615	$1,507,462	$46,997	$12,705,050	$9,629,240		$2,838,928	($438,109)

(Continued)

CITY OF MANTECA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022

	SPECIAL REVENUE FUNDS		CAPITAL IMPROVEMENT FUNDS		
	Public Safety Sales Tax	Innovation and Technology	State Gasoline Tax	Regional Transportation Impact Fees	Measure K
REVENUES					
Sales taxes	$10,139,351				
Licenses and permits					
Use of money and property	(65,464)	($74)	($105,022)	($299,074)	($138,533)
Revenue from other agencies			3,793,047		3,980,202
Charges for current services				3,056,917	
Other revenue		102,345	9,697	1	
Total Revenues	10,073,887	102,271	3,697,722	2,757,844	3,841,669
EXPENDITURES					
Current:					
General government					
Community development					
Public safety	9,683,297				
Public works			20,206		818
Parks and recreation			8,453		
Streets and highways			2,236,964	24,206	51,736
Capital outlay			1,441,162	25,494	789,689
Debt service:					
Principal					
Interest and fiscal charges					
Total Expenditures	9,683,297		3,706,785	49,700	842,243
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	390,590	102,271	(9,063)	2,708,144	2,999,426
OTHER FINANCING SOURCES (USES)					
Transfers in					
Total Other Financing Sources (Uses)					
NET CHANGE IN FUND BALANCES	390,590	102,271	(9,063)	2,708,144	2,999,426
BEGINNING FUND BALANCES	4,986,128	68,763	6,030,496	16,296,582	7,010,967
ENDING FUND BALANCES	$5,376,718	$171,034	$6,021,433	$19,004,726	$10,010,393

CAPITAL IMPROVEMENT FUNDS					
Parks	Government Building Facilities	Special Apportionment Streets	Flood Protection	Redevelopment Bonds Projects	Total Nonmajor Governmental Funds
					$10,139,351
	$7,187,026				11,834,261
($194,979)	(456,661)	($53,080)	($6,664)	$8,457	(1,770,987)
		848,685			13,179,299
4,585,772					17,479,171
					204,177
4,390,793	6,730,365	795,605	(6,664)	8,457	51,065,272
					143,275
					4,947,573
					10,252,480
	5,851				5,573,000
168,325					3,389,592
		2,841,022			5,153,928
97,614	657,314	179,505		103,003	6,374,451
					155,726
					2,352
265,939	663,165	3,020,527		103,003	35,992,377
4,124,854	6,067,200	(2,224,922)	(6,664)	(94,546)	15,072,895
					845,514
					10,358
					855,872
4,124,854	6,067,200	(2,224,922)	(6,664)	(94,546)	15,928,767
9,929,563	23,767,441	2,951,856	3,493	6,563,207	103,402,280
$14,054,417	$29,834,641	$726,934	($3,171)	$6,468,661	$119,331,047

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, 2022

	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	$401,865	$664,431	$262,566	$242,614	$118,666	($123,948)
Charges for current services						
Other revenue					5,000	5,000
Total Revenues	401,865	664,431	262,566	242,614	123,666	(118,948)
EXPENDITURES						
Current:						
General government	886,083	28,891	857,192			
Community development						
Public safety				440,253	245,692	194,561
Public works						
Parks and recreation						
Streets and highways						
Capital outlay	44,694	500,151	(455,457)			
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	930,777	529,042	401,735	440,253	245,692	194,561
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(528,912)	135,389	664,301	(197,639)	(122,026)	75,613
OTHER FINANCING SOURCES (USES)						
Transfers in	8,965	8,965		7,478	7,478	
Transfers out						
Issuance of lease						
Total Other Financing Sources (Uses)	8,965	8,965		7,478	7,478	
NET CHANGE IN FUND BALANCES	($519,947)	144,354	$664,301	($190,161)	(114,548)	$75,613
BEGINNING FUND BALANCES (DEFICIT)		(210,470)			128,807	
ENDING FUND BALANCES (DEFICIT)		($66,116)			$14,259	

SUPPLEMENTAL LAW ENFORCEMENT SERVICES			RECREATION			MAJOR EQUIPMENT PURCHASE FEE		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
$100	($6,139)	($6,239)				$280	($17,567)	($17,847)
150,000	210,265	60,265						
			$423,450	$1,136,679	$713,229	250,000	348,449	98,449
150,100	204,126	54,026	423,450	1,136,679	713,229	250,280	330,882	80,602
15,922		15,922						
			1,518,656	1,626,101	(107,445)			
316,397	318,862	(2,465)	1,080	11,438	(10,358)	551,772	551,772	
				1,434	(1,434)	58,500		58,500
				14	(14)	1,040		1,040
332,319	318,862	13,457	1,519,736	1,638,987	(119,251)	611,312	551,772	59,540
(182,219)	(114,736)	67,483	(1,096,286)	(502,308)	593,978	(361,032)	(220,890)	140,142
			1,135,000	710,000	(425,000)			
				10,358	10,358			
			1,135,000	720,358	(414,642)			
($182,219)	(114,736)	$67,483	$38,714	218,050	$179,336	($361,032)	(220,890)	$140,142
	450,501			(87,985)			1,128,505	
	$335,765			$130,065			$907,615	

(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, 2022

	LANDSCAPE AND LIGHTING MAINTENANCE DISTRICT			PUBLIC SAFETY ENDOWMENT FEE		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Sales taxes						
Licenses and permits						
Use of money and property	$700	($26,095)	($26,795)		($6,283)	($6,283)
Revenue from other agencies						
Charges for current services	1,205,655	1,335,893	130,238			
Other revenue		70	70			
Total Revenues	1,206,355	1,309,868	103,513		(6,283)	(6,283)
EXPENDITURES						
Current:						
General government						
Community development						
Public safety						
Public works						
Parks and recreation	1,706,412	1,251,519	454,893			
Streets and highways						
Capital outlay	90,048	3,248	86,800	$450,000	450,000	
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	1,796,460	1,254,767	541,693	450,000	450,000	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(590,105)	55,101	645,206	(450,000)	(456,283)	(6,283)
OTHER FINANCING SOURCES (USES)						
Transfers in	22,900	22,900				
Transfers out						
Issuance of lease						
Total Other Financing Sources (Uses)	22,900	22,900				
NET CHANGE IN FUND BALANCES	($567,205)	78,001	$645,206	($450,000)	(456,283)	($6,283)
BEGINNING FUND BALANCES		1,429,461			503,280	
ENDING FUND BALANCES (DEFICIT)		$1,507,462			$46,997	

DEVELOPMENT SERVICES			DEVELOPMENT MITIGATION			FEDERAL TRANSIT MANAGEMENT		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
$4,296,936	$4,647,235	$350,299						
7,990	(236,155)	(244,145)	$13,800	($154,602)	($168,402)	$3,050	$24,389	$21,339
10,000	40,327	30,327				4,463,728	3,357,488	(1,106,240)
3,160,000	4,421,467	1,261,467	775,000	1,173,042	398,042	81,550	48,825	(32,725)
5,000	86,804	81,804				226,000		(226,000)
7,479,926	8,959,678	1,479,752	788,800	1,018,440	229,640	4,774,328	3,430,702	(1,343,626)
100,000	114,384	(14,384)						
6,832,690	4,947,573	1,885,117						
4,582,443	2,729,054	1,853,389				2,896,353	2,272,325	624,028
	58,725	(58,725)	71,954	309	71,645	2,030,653	1,158,377	872,276
	154,292	(154,292)						
	2,338	(2,338)						
11,515,133	8,006,366	3,508,767	71,954	309	71,645	4,927,006	3,430,702	1,496,304
(4,035,207)	953,312	4,988,519	716,846	1,018,131	301,285	(152,678)		152,678
($4,035,207)	953,312	$4,988,519	$716,846	1,018,131	$301,285	($152,678)		$152,678
	11,751,738			8,611,109				
	$12,705,050			$9,629,240				

(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, 2022

	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		($36,471)	($36,471)			
Revenue from other agencies				$222,902	$166,188	($56,714)
Charges for current services	$1,213,507	1,372,127	158,620			
Other revenue		260	260			
Total Revenues	1,213,507	1,335,916	122,409	222,902	166,188	(56,714)
EXPENDITURES						
Current:						
General government						
Community development						
Public safety				262,956	323,491	(60,535)
Public works	947,004	544,746	402,258			
Parks and recreation	399,170	335,194	63,976			
Streets and highways						
Capital outlay	281,483	27,788	253,695			
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	1,627,657	907,728	719,929	262,956	323,491	(60,535)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(414,150)	428,188	842,338	(40,054)	(157,303)	(117,249)
OTHER FINANCING SOURCES (USES)						
Transfers in	22,900	22,900		73,271	73,271	
Transfers out						
Issuance of lease						
Total Other Financing Sources (Uses)	22,900	22,900		73,271	73,271	
NET CHANGE IN FUND BALANCES	($391,250)	451,088	$842,338	$33,217	(84,032)	($117,249)
BEGINNING FUND BALANCES		2,387,840			(354,077)	
ENDING FUND BALANCES (DEFICIT)		$2,838,928			($438,109)	

PUBLIC SAFETY SALES TAX			INNOVATION AND TECHNOLOGY			STATE GASOLINE TAX		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
$9,356,000	$10,139,351	$783,351						
29,180	(65,464)	(94,644)		($74)	($74)	$14,250	($105,022)	($119,272)
						3,289,700	3,793,047	503,347
			$63,000	102,345	39,345		9,697	9,697
9,385,180	10,073,887	688,707	63,000	102,271	39,271	3,303,950	3,697,722	393,772
8,757,708	9,683,297	(925,589)						
						29,000	20,206	8,794
							8,453	(8,453)
						2,514,869	2,236,964	277,905
(2,494)		(2,494)				2,254,360	1,441,162	813,198
8,755,214	9,683,297	(928,083)				4,798,229	3,706,785	1,091,444
629,966	390,590	(239,376)	63,000	102,271	39,271	(1,494,279)	(9,063)	1,485,216
$629,966	390,590	($239,376)	$63,000	102,271	$39,271	($1,494,279)	(9,063)	$1,485,216
	4,986,128			68,763			6,030,496	
	$5,376,718			$171,034			$6,021,433	

(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, 2022

	REGIONAL TRANSPORTATION IMPACT FEES			MEASURE K		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Licenses and permits						
Use of money and property	$71,330	($299,074)	($370,404)	$33,900	($138,533)	($172,433)
Revenue from other agencies				2,966,650	3,980,202	1,013,552
Charges for current services	1,992,000	3,056,917	1,064,917			
Other revenue		1	1			
Total Revenues	2,063,330	2,757,844	694,514	3,000,550	3,841,669	841,119
EXPENDITURES						
Current:						
General government						
Community development						
Public safety						
Public works					818	(818)
Parks and recreation						
Streets and highways		24,206	(24,206)	59,525	51,736	7,789
Capital outlay	19,132,927	25,494	19,107,433	8,941,799	789,689	8,152,110
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	19,132,927	49,700	19,083,227	9,001,324	842,243	8,159,081
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(17,069,597)	2,708,144	19,777,741	(6,000,774)	2,999,426	9,000,200
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers out						
Issuance of lease						
Total Other Financing Sources (Uses)						
NET CHANGE IN FUND BALANCES	($17,069,597)	2,708,144	$19,777,741	($6,000,774)	2,999,426	$9,000,200
BEGINNING FUND BALANCES		16,296,582			7,010,967	
ENDING FUND BALANCES (DEFICIT)		$19,004,726			$10,010,393	

PARKS			GOVERNMENT BUILDING FACILITIES			SPECIAL APPORTIONMENT STREETS		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
			$4,550,000	$7,187,026	$2,637,026			
$40,630	($194,979)	($235,609)	145,170	(456,661)	(601,831)	$49,780	($53,080)	($102,860)
						5,385,632	848,685	(4,536,947)
2,395,559	4,585,772	2,190,213						
2,436,189	4,390,793	1,954,604	4,695,170	6,730,365	2,035,195	5,435,412	795,605	(4,639,807)
			70,360	5,851	64,509			
168,325	168,325							
						3,427,115	2,841,022	586,093
187,492	97,614	89,878	1,900,640	657,314	1,243,326	12,805,013	179,505	12,625,508
			300,000		300,000			
			55,000		55,000			
355,817	265,939	89,878	2,326,000	663,165	1,662,835	16,232,128	3,020,527	13,211,601
2,080,372	4,124,854	2,044,482	2,369,170	6,067,200	3,698,030	(10,796,716)	(2,224,922)	8,571,794
$2,080,372	4,124,854	$2,044,482	$2,369,170	6,067,200	$3,698,030	($10,796,716)	(2,224,922)	$8,571,794
	9,929,563			23,767,441			2,951,856	
	$14,054,417			$29,834,641			$726,934	

(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, 2022

	FLOOD PROTECTION			REDEVELOPMENT BOND PROJECTS		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Sales taxes						
Licenses and permits						
Use of money and property		($6,664)	($6,664)	$15,000	$8,457	($6,543)
Revenue from other agencies						
Charges for current services	$230,000		(230,000)			
Other revenue						
Total Revenues	230,000	(6,664)	(236,664)	15,000	8,457	(6,543)
EXPENDITURES						
Current:						
General government						
Community development						
Public safety						
Public works						
Parks and recreation						
Streets and highways						
Capital outlay				401,880	103,003	298,877
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures				401,880	103,003	298,877
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	230,000	(6,664)	(236,664)	(386,880)	(94,546)	292,334
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers out						
Issuance of lease						
Total Other Financing Sources (Uses)						
NET CHANGE IN FUND BALANCES	$230,000	(6,664)	($236,664)	($386,880)	(94,546)	$292,334
BEGINNING FUND BALANCES		3,493			6,563,207	
ENDING FUND BALANCES (DEFICIT)		($3,171)			$6,468,661	

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, 2022

	Vehicle	Equipment	Payroll Tax Benefit Allocation	Insurance	Total
ASSETS					
Current Assets:					
Cash and investments	$472,550	$2,101,092	$15,763,240	$5,332,484	$23,669,366
Accounts receivable			5,211		5,211
Employee notes receivable			29,133		29,133
Total Current Assets	472,550	2,101,092	15,797,584	5,332,484	23,703,710
Non-Current Assets:					
Capital assets not being depreciated	34,162	29,577			63,739
Capital assets (net of accumulated depreciation)	245,708	382,592			628,300
Total Non-Current Assets	279,870	412,169			692,039
Total Assets	752,420	2,513,261	15,797,584	5,332,484	24,395,749
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions		271,132		86,370	357,502
Deferred outflows related to OPEB		56,920		22,071	78,991
Total Deferred Outflows of Resources		328,052		108,441	436,493
LIABILITIES					
Current Liabilities:					
Accounts payable	37,639	302,920	48,292	70,389	459,240
Accrued liabilities		4	4,054,534		4,054,538
Refundable deposits				2,496	2,496
Unearned revenue			4,781,428		4,781,428
Compensated absences			4,110,552		4,110,552
Estimated claims liability				1,468,460	1,468,460
Lease liability		1,555			1,555
Total Current Liabilities	37,639	304,479	12,994,806	1,541,345	14,878,269
Long-term Liabilities:					
Compensated absences			2,740,369		2,740,369
Estimated claims liability				40,642	40,642
Net pension liability		1,367,089		453,146	1,820,235
Total OPEB Liability		946,626		276,653	1,223,279
Lease liability		4,717			4,717
Total Long-Term Liabilities		2,318,432	2,740,369	770,441	5,829,242
Total Liabilities	37,639	2,622,911	15,735,175	2,311,786	20,707,511
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions		711,077		119,683	830,760
Deferred inflows related to OPEB		7,111		3,697	10,808
Total Deferred Inflows of Resources		718,188		123,380	841,568
NET POSITION					
Investment in capital assets	279,870	405,897			685,767
Unrestricted	434,911	(905,683)	62,409	3,005,759	2,597,396
Total Net Position	$714,781	($499,786)	$62,409	$3,005,759	$3,283,163

CITY OF MANTECA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022

	Vehicle	Equipment	Payroll Tax Benefit Allocation	Insurance	Total
OPERATING REVENUES					
Charges for services		$5,190,000			$5,190,000
Insurance premium contribution from other funds				$3,803,272	3,803,272
Miscellaneous		538,930	$263,573	76,540	879,043
Total Operating Revenues		5,728,930	263,573	3,879,812	9,872,315
OPERATING EXPENSES					
Personnel services		1,546,412	62,312	287,760	1,896,484
Contractual services		89,020	26,805	19,893	135,718
Supplies	$22,986	655,843		50,759	729,588
Utilities		203,153		6,955	210,108
Repairs and maintenance		1,464,678			1,464,678
Interdepartmental		273,440		35,260	308,700
Insurance		32,000		3,791,979	3,823,979
Claims				629,717	629,717
Depreciation	144,626	318,293			462,919
Miscellaneous		4,238		41,864	46,102
Total Operating Expenses	167,612	4,587,077	89,117	4,864,187	9,707,993
Total Operating Income (Loss)	(167,612)	1,141,853	174,456	(984,375)	164,322
NONOPERATING REVENUES (EXPENSES)					
Interest income	(1,088)	(3,560)	(99,475)	(49,564)	(153,687)
Interest expense		(34)			(34)
Gain on sale of capital assets	68,913				68,913
Total Nonoperating Revenues (Expenses)	67,825	(3,594)	(99,475)	(49,564)	(84,808)
Income (Loss) Before Contributions and Transfers	(99,787)	1,138,259	74,981	(1,033,939)	79,514
Capital grants	20,000				20,000
Transfers out	(195,043)			(45,800)	(240,843)
Net Contributions and Transfers	(175,043)			(45,800)	(220,843)
Change in Net Position	(274,830)	1,138,259	74,981	(1,079,739)	(141,329)
BEGINNING NET POSITION	989,611	(1,638,045)	(12,572)	4,085,498	3,424,492
ENDING NET POSITION	$714,781	($499,786)	$62,409	$3,005,759	$3,283,163

CITY OF MANTECA
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	Vehicle	Equipment	Payroll Tax Benefit Allocation	Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		$5,728,930	$7,475,825	$3,899,138	$17,103,893
Payments to suppliers	($19,191)	(2,516,806)		(3,915,826)	(6,451,823)
Payments to or on behalf of employees		(1,522,344)	(1,252,073)	(267,738)	(3,042,155)
Receipts from employee notes receivable			422		422
Claims paid				73,281	73,281
Cash Flows from (used by) Operating Activities	(19,191)	1,689,780	6,224,174	(211,145)	7,683,618
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers out to other funds				(45,800)	(45,800)
Cash flows from (used by) Noncapital Financing Activities				(45,800)	(45,800)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(64,939)	(105,110)			(170,049)
Proceeds from sale of capital assets	68,913				68,913
Capital grants	20,000				20,000
Lease liability - principal		(1,557)			(1,557)
Lease liability - interest		(34)			(34)
Cash Flows from (used by) Capital and Related Financing Activities	23,974	(106,701)			(82,727)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest earnings	(1,088)	(3,560)	(99,475)	(49,564)	(153,687)
Cash Flows from Investing Activities	(1,088)	(3,560)	(99,475)	(49,564)	(153,687)
Net Cash Flows	3,695	1,579,519	6,124,699	(306,509)	7,401,404
Cash and investments at beginning of period	468,855	521,573	9,638,541	5,638,993	16,267,962
Cash and investments at end of period	$472,550	$2,101,092	$15,763,240	$5,332,484	$23,669,366
Reconciliation of operating income (loss) to net cash flows from operating activities:					
Operating income (loss)	($167,612)	$1,141,853	$174,456	($984,375)	$164,322
Adjustments to reconcile operating income to net cash flows from operating activities:					
Depreciation	144,626	318,293			462,919
Change in assets and liabilities:					
Receivables, net			(5,211)	19,326	14,115
Related party notes receivable			422		422
Accounts and other payables	3,795	205,566	(81,847)	29,367	156,881
Accrued liabilities		4	1,618,499	1,517	1,620,020
Unearned revenue			4,781,428		4,781,428
Compensated absences			(263,573)		(263,573)
Claims liability				702,998	702,998
Net pension liability, deferred outflows and inflows		(71,374)		(11,791)	(83,165)
Total OPEB liability, deferred outflows and inflows		95,438		31,813	127,251
Cash Flows from (used by) Operating Activities	($19,191)	$1,689,780	$6,224,174	($211,145)	$7,683,618
NONCASH TRANSACTIONS:					
Transfer of capital assets to governmental activities	($195,043)				($195,043)
Lease asset addition		$7,829			$7,829
Issuance of lease liability		($7,829)			($7,829)

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 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

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 by Function/Program

Sources

Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

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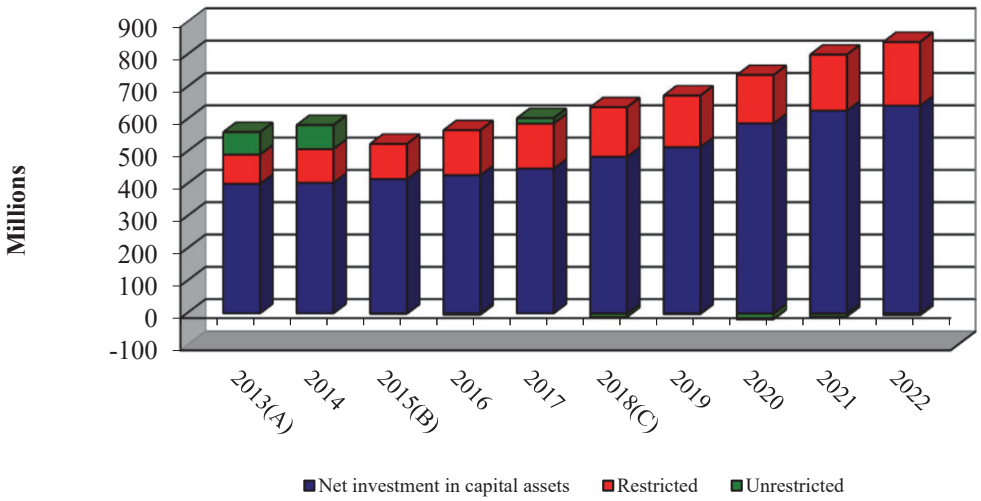
CITY OF MANTECA
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)



	June 30,				
	2013(A)	2014	2015(B)	2016	2017
Governmental activities					
Net investment in capital assets	$272,862,137	$271,754,541	$278,800,432	$282,954,575	$311,611,351
Restricted	90,527,590	104,193,296	108,825,262	139,014,904	139,177,788
Unrestricted	16,479,375	19,495,181	(41,846,484)	(42,549,501)	(35,156,678)
Total governmental activities net position	$379,869,102	$395,443,018	$345,779,210	$379,419,978	$415,632,461
Business-type activities					
Net investment in capital assets	$128,003,081	$132,768,445	$136,876,673	$144,968,629	$136,859,563
Unrestricted	53,338,111	54,770,104	40,706,859	38,202,656	51,856,903
Total business-type activities net position	$181,341,192	$187,538,549	$177,583,532	$183,171,285	$188,716,466
Primary government					
Net investment in capital assets	$400,865,218	$404,522,986	$415,677,105	$427,923,204	$448,470,914
Restricted	90,527,590	104,193,296	108,825,262	139,014,904	139,177,788
Unrestricted	69,817,486	74,265,285	(1,139,625)	(4,346,845)	16,700,225
Total primary government net position	$561,210,294	$582,981,567	$523,362,742	$562,591,263	$604,348,927

(A) The City implemented the provisions of GASB Statement 63 in fiscal year 2013, which replaced the term "net assets" with the term "net position".
(B) The City implemented the provisions of GASB Statement 68 in fiscal year 2015. Amounts prior to 2015 have not been restated.
(C) The City implemented the provisions of GASB Statement 75 in fiscal year 2018. Amounts prior to 2018 have not been restated.

2018(C)	2019	2020	2021	2022
$327,232,512	$346,055,728	$395,180,359	$414,565,642	$422,119,848
153,222,783	159,370,865	149,336,987	173,389,648	197,202,912
(54,265,195)	(54,138,733)	(62,776,206)	(63,375,920)	(67,239,259)
$426,190,100	$451,287,860	$481,741,140	$524,579,370	$552,083,501
$157,529,677	$168,685,323	$193,144,500	$212,888,678	$220,695,835
43,293,291	52,128,274	44,732,619	53,979,732	61,562,129
$200,822,968	$220,813,597	$237,877,119	$266,868,410	$282,257,964
$484,762,189	$514,741,051	$588,324,859	$627,454,320	$642,815,683
153,222,783	159,370,865	149,336,987	173,389,648	197,202,912
(10,971,904)	(2,010,459)	(18,043,587)	(9,396,188)	(5,677,130)
$627,013,068	$672,101,457	$719,618,259	$791,447,780	$834,341,465

CITY OF MANTECA
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,				
	2013(1)	2014	2015(2)	2016	2017
Expenses:					
Governmental Activities:					
General Government	$3,471,459	$3,662,065	$3,312,873	$3,629,365	$3,483,457
Community Development	4,723,211	4,811,707	4,987,786	6,616,224	6,196,786
Public Safety	23,555,968	23,663,325	25,166,890	25,193,524	22,357,675
Library	156,209	99,369	114,291	118,809	124,185
Public Works	3,828,636	4,166,837	5,094,875	4,843,276	5,274,495
Parks and Recreation	6,827,567	7,083,257	7,403,446	8,331,503	9,295,263
Streets and Highways	7,258,013	8,359,402	7,969,409	10,856,381	9,817,010
Interest and Fiscal Charges	148,895	105,935	87,096	101,562	89,384
Total Governmental Activities Expenses	49,969,958	51,951,897	54,136,666	59,690,644	56,638,255
Business-Type Activities:					
Water	14,818,353	13,936,206	14,009,670	14,996,267	16,753,545
Sewer	14,658,322	13,720,540	13,853,066	14,274,230	22,082,085
Solid Waste	8,949,815	9,591,309	9,900,313	10,566,029	12,126,537
Golf	1,179,120	1,197,545	1,154,179	1,178,770	1,347,568
Total Business-Type Activities Expenses	39,605,610	38,445,600	38,917,228	41,015,296	52,309,735
Total Primary Government Expenses	$89,575,568	$90,397,497	$93,053,894	$100,705,940	$108,947,990
Program Revenues:					
Governmental Activities:					
Charges for Services:					
General Government	$3,851,426	$3,482,110	$4,513,841	$4,337,680	$5,136,836
Community Development	1,724,184	2,263,202	2,575,570	2,877,168	4,624,314
Public Safety	1,120,531	1,380,990	1,621,244	1,360,473	1,542,872
Public Works	57,103	177,929	41,889	183,422	273,903
Parks and Recreation	2,003,973	2,373,422	2,263,443	2,772,184	3,458,096
Streets and Highways					
Operating Grants and Contributions	10,700,485	7,862,956	6,991,694	6,085,529	6,698,385
Capital Grants and Contributions	10,979,228	20,231,150	20,220,600	41,118,815	33,113,697
Total Government Activities Program Revenues	30,436,930	37,771,759	38,228,281	58,735,271	54,848,103
Business-Type Activities:					
Charges for Services:					
Water	13,400,887	14,300,665	14,240,103	13,901,722	15,396,799
Sewer	17,432,082	18,095,530	19,270,009	19,969,107	22,953,356
Solid Waste	8,446,006	8,443,817	8,827,211	9,131,837	10,483,066
Golf	1,084,478	1,040,365	1,009,100	978,427	908,639
Operating Grants and Contributions					
Capital Grants and Contributions	1,751,102	1,447,128	2,401,413	935,948	6,660,347
Total Business-Type Activities Program Revenue	42,114,555	43,327,505	45,747,836	44,917,041	56,402,207
Total Primary Government Program Revenues	$72,551,485	$81,099,264	$83,976,117	$103,652,312	$111,250,310
Net (Expense)/Revenue:					
Governmental Activities	($19,533,028)	($14,180,138)	($15,908,385)	($955,373)	($1,790,152)
Business-Type Activities	2,508,945	4,881,905	6,830,608	3,901,745	4,092,472
Total Primary Government Net Expense	($17,024,083)	($9,298,233)	($9,077,777)	$2,946,372	$2,302,320
General Revenues and Other Changes in Net Position:					
Governmental Activities:					
Taxes:					
Property Taxes	$10,674,783	$11,051,871	$13,054,963	$12,633,502	$14,476,480
Sales Taxes	11,566,467	12,361,731	13,271,312	14,552,582	17,550,799
Other Taxes	4,493,507	4,792,936	5,109,652	5,006,171	3,012,505
Interest Income	31,395	897,034	744,569	1,635,220	850,024
Other Revenue	1,219,181	775,632	1,484,667	937,712	1,327,689
Developer Contributions	64,158	40,000	69,231	72,154	326,216
Gain From Sale of Capital Assets					
Transfers, net			(1,606,375)	(241,200)	(300,488)
Special Item					759,410
Extraordinary item	(43,670,205)				
Total Government Activities	(15,620,714)	29,919,204	32,128,019	34,596,141	38,002,635
Business-Type Activities:					
Interest Income	166,835	617,958	606,799	1,167,858	472,012
Other Revenue	499,913	532,344	462,941	276,950	680,209
Gain From Sale of Capital Assets					
Transfers, net			1,606,375	241,200	300,488
Total Business-Type Activities	666,748	1,150,302	2,676,115	1,686,008	1,452,709
Total Primary Government	($14,953,966)	$31,069,506	$34,804,134	$36,282,149	$39,455,344
Change in Net Position:					
Governmental Activities	($35,153,742)	$15,739,066	$16,219,634	$33,640,768	$36,212,483
Business-Type Activities	3,175,693	6,032,207	9,506,723	5,587,753	5,545,181
Total Primary Government	($31,978,049)	$21,771,273	$25,726,357	$39,228,521	$41,757,664

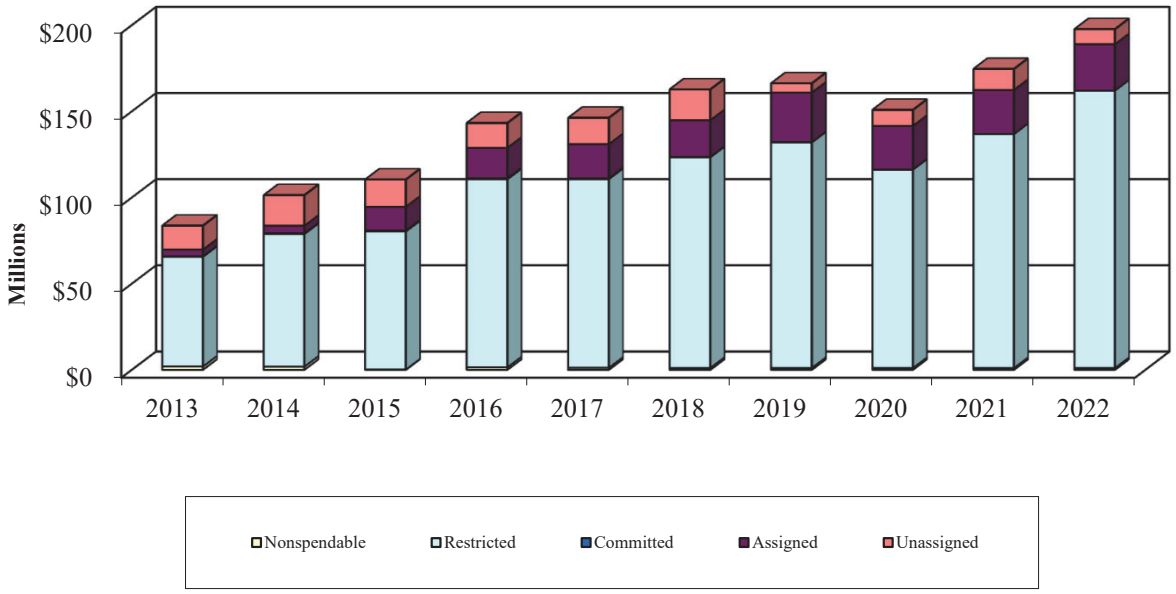
(1) The City implemented the provisions of GASB Statement 63 in fiscal year 2013, which replaced the term "net assets" with the term "net position".

(2) The City implemented the provisions of GASB Statement 68 in fiscal year 2015. Amounts prior to 2015 have not been restated.

(3) The City implemented the provisions of GASB Statement 75 in fiscal year 2018. Amounts prior to 2018 have not been restated.

2018(3)	2019	2020	2021	2022
$5,906,891	$6,053,229	$7,054,126	$9,079,274	$5,493,756
9,669,910	7,701,286	8,242,158	10,364,833	15,021,715
34,883,973	36,204,202	42,395,447	40,640,436	54,117,359
120,222	134,006	145,310	87,185	124,342
7,091,236	8,645,927	7,137,403	9,367,355	12,812,977
10,651,329	10,125,867	11,710,512	9,047,085	6,821,241
8,850,328	11,513,804	10,268,116	11,463,230	12,042,148
84,784	80,021	129,403	163,409	85,578
77,258,673	80,458,342	87,082,475	90,212,807	106,519,116
17,520,196	17,818,593	18,967,868	26,674,047	19,513,996
16,478,268	17,479,631	18,596,722	19,697,865	21,604,463
11,491,357	12,622,724	12,752,503	12,884,734	15,402,035
1,121,928	1,284,914	1,327,641	1,643,383	1,756,328
46,611,749	49,205,862	51,644,734	60,900,029	58,276,822
$123,870,422	$129,664,204	$138,727,209	$151,112,836	$164,795,938
$5,994,217	$6,266,735	$6,038,904	$6,172,866	$6,179,781
7,306,692	7,640,377	6,545,381	7,062,924	8,921,025
1,874,561	3,232,381	1,580,738	2,969,457	3,193,265
288,452	398,437	239,053	1,056,285	996,377
3,337,139	4,247,649	4,173,698	3,846,159	4,741,365
	2,925,863			
8,695,800	9,575,549	9,952,561	9,597,652	13,069,036
33,768,730	26,345,923	38,154,802	50,590,297	39,061,963
61,265,591	60,632,914	66,685,137	81,295,640	76,162,812
17,841,323	16,620,397	17,576,060	21,103,821	21,816,772
26,572,846	26,305,512	22,510,081	24,757,696	26,024,468
12,593,379	13,429,983	13,875,762	14,624,464	15,730,829
1,193,170	1,112,976	1,044,323	1,689,785	1,642,464
			23,126,463	6,000,000
4,487,162	3,577,598	10,233,700	4,401,716	2,380,360
62,687,880	61,046,466	65,239,926	89,703,945	73,594,893
$123,953,471	$121,679,380	$131,925,063	$170,999,585	$149,757,705
($15,993,082)	($19,825,428)	($20,397,338)	($8,917,167)	($30,356,304)
16,076,131	11,840,604	13,595,192	28,803,916	15,318,071
$83,049	($7,984,824)	($6,802,146)	$19,886,749	($15,038,233)
$15,511,281	$17,158,387	$19,385,771	$21,126,114	$21,443,545
18,971,755	20,298,214	22,292,924	23,509,852	28,438,483
3,325,769	3,761,139	3,434,933	4,144,750	9,577,052
1,175,293	5,026,389	4,501,680	1,012,967	(3,237,386)
1,867,047	848,738	215,694	598,244	907,892
209,612	350,696	1,144,141	1,268,286	1,173,042
	1,675,000	457,360		29,762
(468,073)	(4,195,375)	(581,885)	95,184	(471,955)
40,592,684	44,923,188	50,850,618	51,755,397	57,860,435
810,465	3,528,311	2,679,191	125,791	(1,754,659)
389,176	426,339	207,254	154,268	1,354,187
			2,500	
468,073	4,195,375	581,885	(95,184)	471,955
1,667,714	8,150,025	3,468,330	187,375	71,483
$42,260,398	$53,073,213	$54,318,948	$51,942,772	$57,931,918
$24,599,602	$25,097,760	$30,453,280	$42,838,230	$27,504,131
17,743,845	19,990,629	17,063,522	28,991,291	15,389,554
$42,343,447	$45,088,389	$47,516,802	$71,829,521	$42,893,685

CITY OF MANTECA
Fund Balance of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)



	June 30,				
	2013	2014	2015	2016	2017
General Fund:					
Nonspendable	$1,914,952	$1,926,248	$227,542	$1,140,121	$1,236,685
Restricted					496,896
Assigned	38,600	22,092	7,921,152	10,860,353	12,167,528
Unassigned	13,897,866	17,736,555	15,792,889	14,362,743	15,313,223
Total General Fund	$15,851,418	$19,684,895	$23,941,583	$26,363,217	$29,214,332
All Other Governmental Funds:					
Nonspendable	$60,930			$367,368	
Restricted	63,581,446	$76,888,357	$80,121,549	109,084,616	$108,951,883
Committed	347,995	443,166	542,435	566,659	513,754
Assigned	3,835,995	4,364,455	5,852,064	6,873,122	7,593,864
Unassigned	(1,168)				
Total All Other Governmental Funds	$67,825,198	$81,695,978	$86,516,048	$116,891,765	$117,059,501

(a) The change in total fund balance for the General Fund and other governmental funds is explained in Management's Discussion and Analysis.

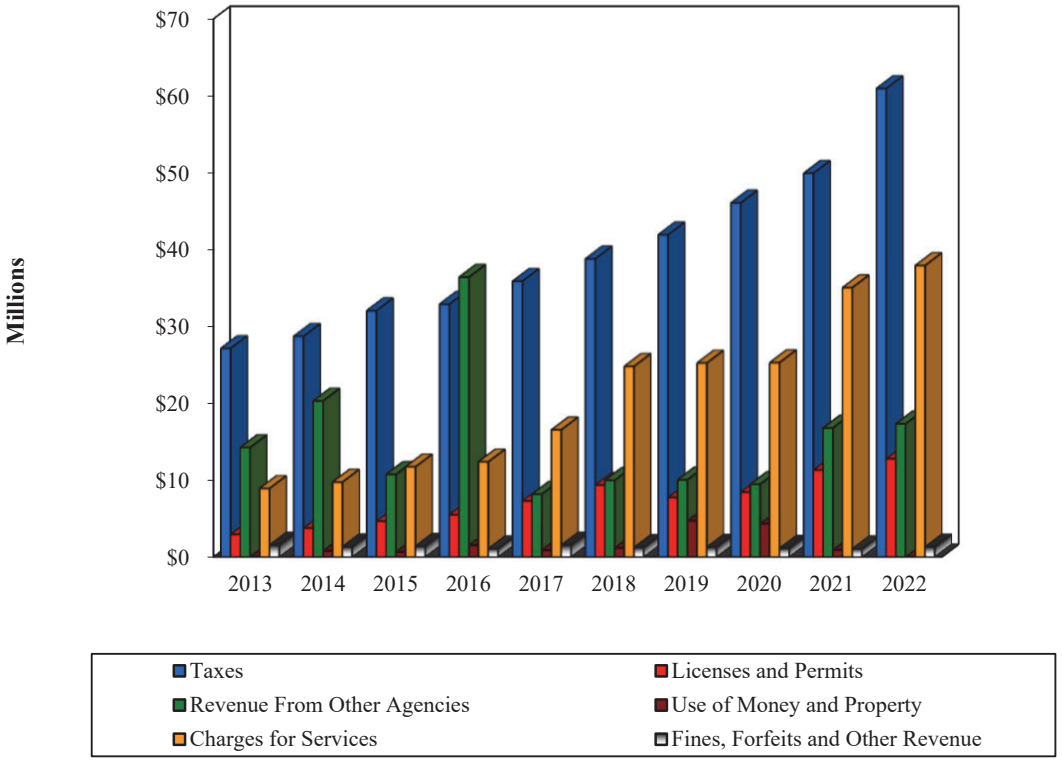
2018	2019	2020	2021	2022	
$1,174,248	$1,167,635	$1,081,780	$1,081,780	$1,081,780	
493,423	497,968	468,942	463,902	455,838	
12,242,789	22,234,205	22,845,194	22,693,202	26,188,105	
17,864,670	5,365,691	9,498,731	12,784,135	9,331,508	
$31,775,130	$29,265,499	$33,894,647	$37,023,019	$37,057,231	(a)
				$12,640	
$121,695,103	$130,317,107	$114,589,894	$135,284,222	160,541,696	
315,126	128,901	151,617			
8,993,799	6,595,121	2,464,870	2,951,856	726,934	
		(217,246)	(627,731)	(614,292)	
$131,004,028	$137,041,129	$116,989,135	$137,608,347	$160,666,978	(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,				
	2013	2014	2015	2016	2017
Revenues					
Taxes	$27,184,087	$28,753,641	$32,094,372	$32,947,680	$35,923,482
Licenses and permits	2,934,737	3,731,526	4,662,438	5,500,733	$7,297,736
Fines and forfeitures	296,262	337,288	283,690	251,348	242,370
Use of money and property	24,727	775,017	657,340	1,524,560	887,642
Revenue from other agencies	14,262,235	20,324,768	10,759,079	36,458,520	8,181,175
Charges for services	8,928,001	9,755,068	11,740,989	12,393,596	16,563,471
Other revenue	1,268,428	1,010,619	1,136,856	840,611	1,310,923
Total Revenues	54,898,477	64,687,927	61,334,764	89,917,048	70,406,799
Expenditures					
Current:					
General government	2,667,341	2,585,212	3,179,851	3,426,132	4,213,380
Community development	2,022,147	2,076,066	2,186,882	3,969,714	3,427,208
Public safety	22,237,001	22,661,015	24,376,036	26,515,201	28,149,443
Library	105,483	104,939	115,182	119,733	124,621
Public works	3,116,806	3,074,652	2,936,956	2,943,548	3,437,585
Parks and recreation	5,098,332	5,303,386	5,820,120	6,447,370	6,811,941
Streets and highways	2,486,394	1,903,753	1,944,873	3,657,370	3,911,368
Nondepartmental	2,323,236	2,602,469	2,745,157	2,620,108	2,853,407
Supplemental Educational Revenue Augmentation Fund payment					
Capital outlay	22,003,541	5,963,377	7,098,897	6,582,238	13,440,297
Debt service:					
Principal repayment	2,181,486	450,222	310,581	277,308	129,708
Interest and fiscal charges	148,895	105,935	87,096	101,562	89,384
Total Expenditures	64,390,662	46,831,026	50,801,631	56,660,284	66,588,342
Excess (deficiency) of revenues over (under) expenditures	(9,492,185)	17,856,901	10,533,133	33,256,764	3,818,457
Other Financing Sources (Uses)					
Transfers in	5,271,444	2,015,513	431,526	4,773,733	346,972
Transfers (out)	(5,271,444)	(2,180,663)	(2,037,901)	(5,814,933)	(1,147,460)
Issuance of long-term debt			150,000	580,000	
Proceeds from sale of property	721,883	12,506		1,787	882
Extraordinary item	(43,670,205)				
Total other financing sources (uses)	(42,948,322)	(152,644)	(1,456,375)	(459,413)	(799,606)
Net Change in Fund Balances	($52,440,507)	$17,704,257	$9,076,758	$32,797,351	$3,018,851
Debt service as a percentage of noncapital expenditures	5.5%	1.4%	0.9%	0.7%	0.4%

2018	2019	2020	2021	2022
$38,836,074	$41,952,454	$46,095,783	$49,951,360	$60,957,368
$9,361,925	7,741,377	8,434,426	11,329,285	12,795,149
274,079	495,618	592,613	478,460	468,601
1,178,617	4,702,952	4,322,549	906,839	(3,083,699)
9,979,594	10,055,955	9,472,396	16,804,068	17,348,818
24,833,693	25,269,605	25,323,831	35,093,633	37,963,370
978,783	792,282	547,619	589,850	852,914
85,442,765	91,010,243	94,789,217	115,153,495	127,302,521
3,908,666	4,489,437	5,257,415	6,546,850	8,075,381
6,062,166	4,642,422	5,057,407	5,547,248	5,042,477
29,913,998	32,607,974	36,853,715	38,759,432	46,155,673
116,993	128,069	130,899	75,421	135,760
4,235,394	4,805,032	5,093,797	7,738,420	13,356,878
7,619,147	8,074,112	8,142,074	6,351,451	4,623,634
2,406,785	6,976,028	4,553,139	4,278,286	5,153,928
3,087,315	2,996,435	2,624,979	3,828,297	9,770,845
11,593,401	19,115,918	41,854,768	17,306,911	11,343,816
134,307	139,070	144,002	115,961	157,176
84,784	80,021	129,403	163,409	85,391
69,162,956	84,054,518	109,841,598	90,711,686	103,900,959
16,279,809	6,955,725	(15,052,381)	24,441,809	23,401,562
753,989	217,000	540,000	496,000	845,514
(1,117,564)	(4,645,255)	(1,451,875)	(1,190,225)	(1,272,327)
				20,832
589,091	1,000,000	541,410		97,262
225,516	(3,428,255)	(370,465)	(694,225)	(308,719)
$16,505,325	$3,527,470	($15,422,846)	$23,747,584	$23,092,843
0.4%	0.3%	0.4%	0.4%	0.3%

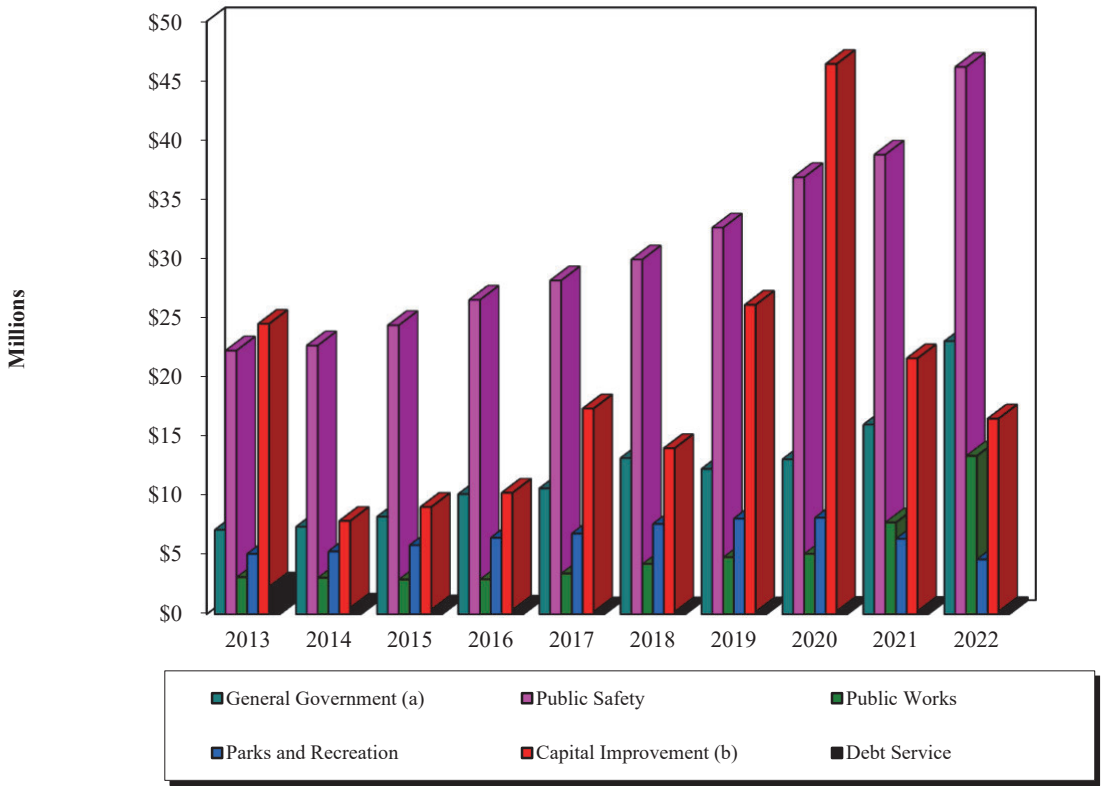
CITY OF MANTECA
GENERAL REVENUES BY SOURCE
ALL GOVERNMENTAL FUND TYPES
LAST TEN FISCAL YEARS



Fiscal Year	Taxes	Licenses and Permits	Revenue From Other Agencies	Use of Money and Property	Charges for Services	Fines, Forfeits and Other Revenue	Total
2013	$27,184,087	$2,934,737	$14,262,235	$24,727	$8,928,001	$1,564,690	$54,898,477
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

Source: City Operating Budget and City Annual Financial Report

CITY OF MANTECA
GENERAL EXPENDITURES BY FUNCTION
ALL GOVERNMENTAL FUND TYPES
LAST TEN FISCAL YEARS

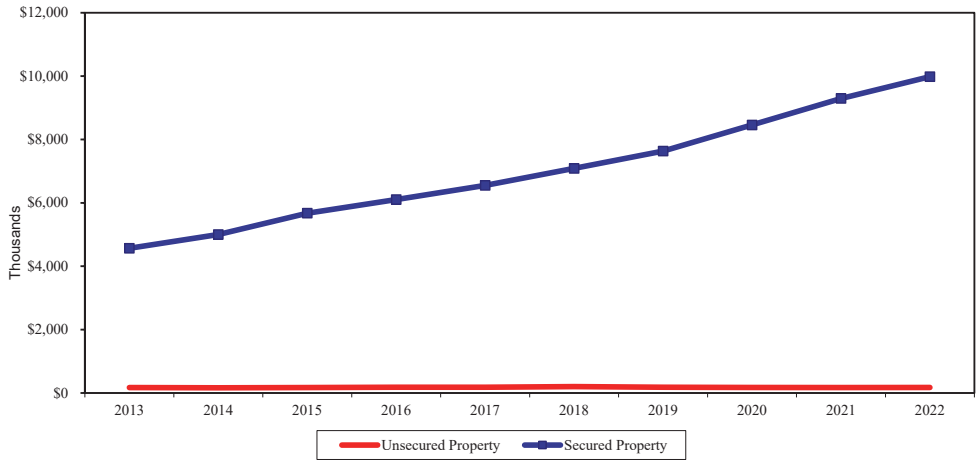


Fiscal Year	General Government (a)	Public Safety	Public Works	Parks and Recreation	Capital Improvement (b)	Debt Service	Total
2013	$7,118,207	$22,237,001	$3,116,806	$5,098,332	$24,489,935	$2,330,381	$64,390,662
2014	7,368,686	22,661,015	3,074,652	5,303,386	7,867,130	556,157	46,831,026
2015	8,227,072	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

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 Land Property	Real Property Improvements Property	Real Property Personal 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)
2013	$1,303,784	$3,227,682	$41,881	$4,573,347	($180,202)	$1,536	$4,394,681	$171,505	$4,566,186	$4,566,186	1%
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%

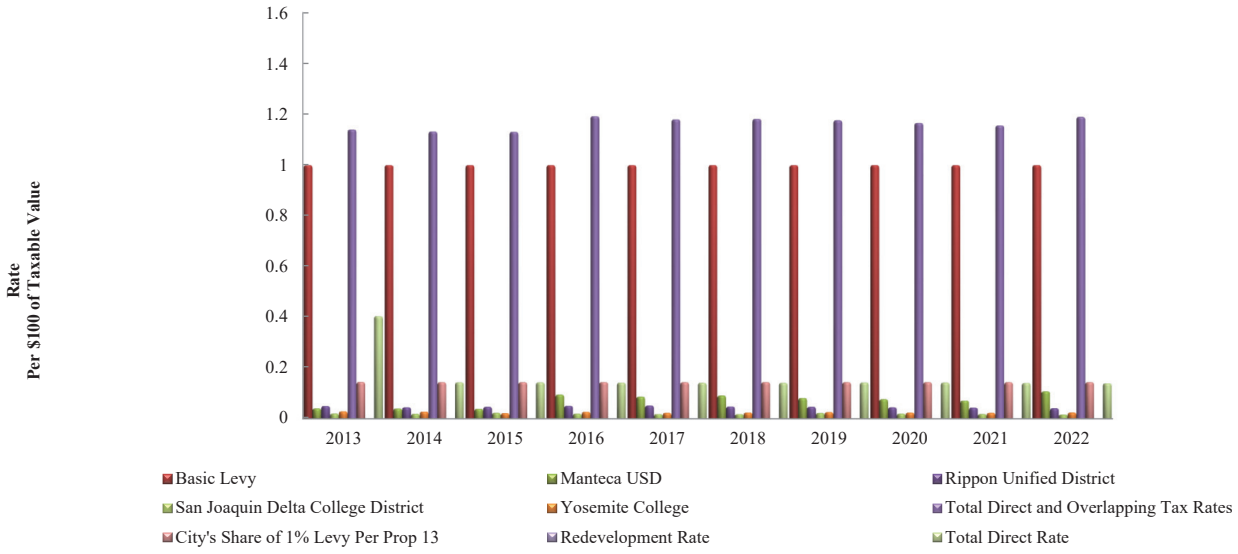
Source: San Joaquin County Auditor Controller Office Certificate of Assessed Valuations

(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	Ripon 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)	Redevelopment Rate (4)	Total Direct Rate (5)
2013	1.00000	0.04080	0.05020	0.02020	0.02880	1.14000	0.14488		0.40477
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

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) Redevelopment Rate is based on the largest RDA tax rate area and only includes rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and the years thereafter.

(5) 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

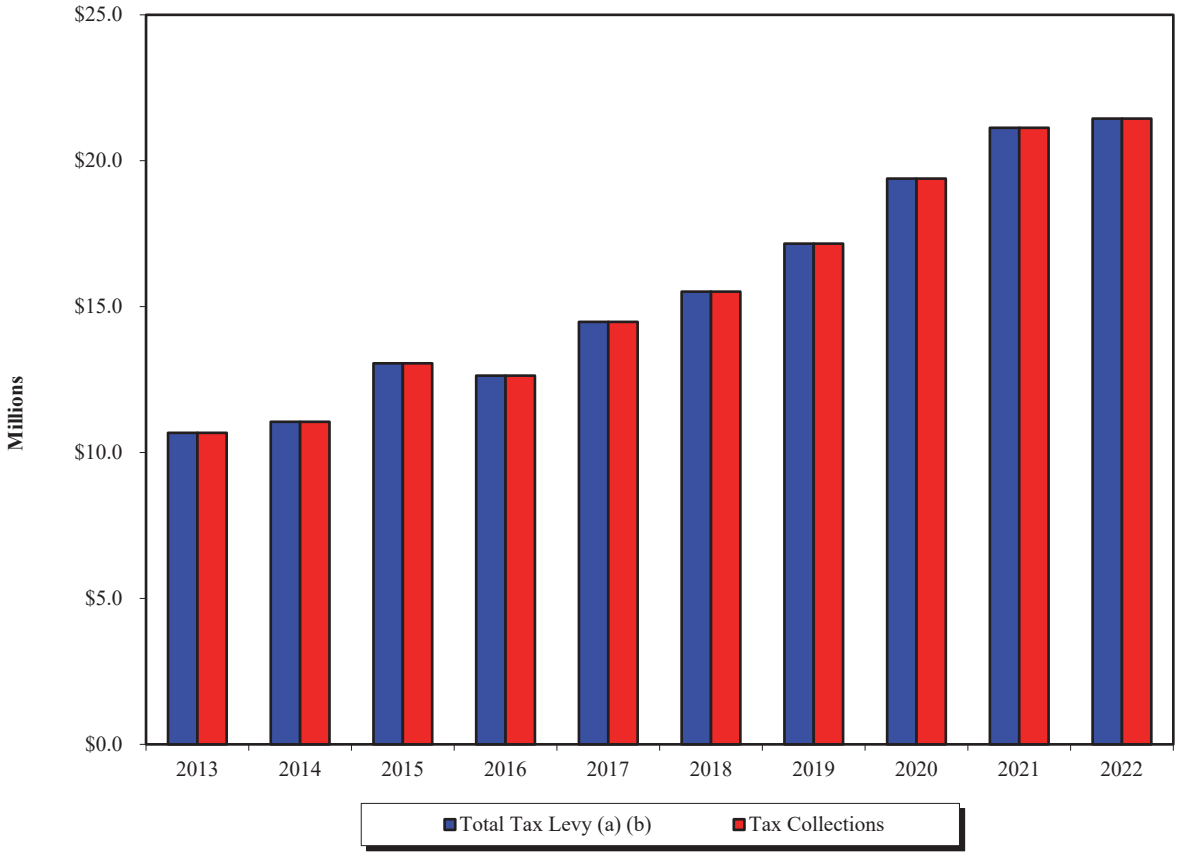
Data Source:
San Joaquin County Assessor 2012/13-2021/22 Tax Rate Table

CITY OF MANTECA
Principal Property Taxpayers
Current Year and Nine Years Ago

	2021-2022		2012-2013	
Taxpayer	**Type of Business**	**Percentage of Total City Taxable Assessed Value**	**Type of Business**	**Percentage of Total City Taxable Assessed Value**
Centerpoint Properties Trust	Industrial	1.77%		
GWR Manteca LLC	Water Park/Resort	1.27%		
Anson Logistics Assets LLC	Warehouse	0.60%		
Manteca Lifestyle Center LLC	Shopping Center	0.53%	Shopping Center	1.92%
DP & DK Investment Inc.	Shopping Center	0.51%		
Tesoro Apartments LLC	Apartments	0.48%		
LLH MRS Master RE LLC	Cold Storage	0.48%		
Paseo Apartments LLC	Apartments	0.46%	Apartments	0.65%
Tilden-Laurel Glen LLC	Apartments	0.37%		
Stonegate Apartments LLC	Apartments	0.33%	Apartments	0.28%
Colfin 2019 2E Industrial Owner	Warehouse	0.33%		
Prologis	Warehouse	0.31%	Warehouse	0.49%
Edward J & Dolores M Cardoza Trust	Shopping Center	0.28%	Shopping Center	0.54%
Duke Realty LP	Warehouse	0.28%		
Costco Wholesale Corporation	Commercial Store	0.26%	Commercial Store	0.54%
Valencia Place Apartments	LLC Apartments	0.25%		
Doctors Hospital of Manteca Inc.	Hospital	0.23%	Hospital	0.43%
MP Core Fairway LLC	Apartments	0.23%		
KB HOME Sacto Inc.	Residential Development	0.22%		
Pillsbury Road Partners	LLC Residential Development	0.21%		
Pulte Home Corp			Residential Development	1.23%
Pivotal 650 California St LLC			Shopping Center	0.83%
Millard Refrigerated Services Inc.			Cold Storage	0.76%
Metropolitan Life Insurance Co.			Warehouse	0.52%
Ryba Real Estate Inc.			Shopping Center	0.42%
Wal Mart Realty Company			Commercial Store	0.33%
WL Property LLC			Office Building	0.32%
John J & Eleanor L Vierra			Residential Properties	0.30%
430 North Union Road LLC			Office Building	0.28%
Mission Ridge Plaza LP			Shopping Center	0.27%
Kohl's Department Stores, Inc.			Shopping Center	0.26%
Target Corp.			Shopping Center	0.25%
Daniel M. Sarich			Industrial	0.24%
Total		9.40%		10.86%

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
2013	$10,674,783	$10,674,783	100.00%	$0	$10,674,783	100.00%
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%

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, 2022

2021-22 Total Local Secured Assessed Valuation Project Area No. 1		$892,755,824

	Property Owner	Primary Land Use	2021-22 Assessed Valuation	% Total of Assessed Valuation
1	Tilden-Laurel Glen LLC	Apartments	$35,876,828	4.02%
2	Stonegate Apartments LLC	Apartments	24,422,342	2.74%
3	Doctors Hospital of Manteca Inc.	Hospital	22,681,014	2.54%
4	Edward J. and Dolores M. Cardoza Trust	Shopping Center	17,245,277	1.93%
5	Wal Mart Realty Company	Commercial Stores	14,251,292	1.60%
6	B.R. Funsten & Co. Corp.	Warehouse	13,529,148	1.52%
7	VFT Properties LLC	Apartments	13,395,639	1.50%
8	MP Core Sienna Place LLC	Apartments	11,269,671	1.26%
9	Khatri Brothers Ptp.	Hotel/Motel	9,779,179	1.10%
10	North Main Storage LLC	Public Storage	6,803,831	0.76%
11	Brocchini Family Partnership	Commercial	6,193,759	0.69%
12	KDDC Properties LLC	Commercial	6,034,624	0.68%
13	Store Master Funding XVI	Bowling Alley & Sports Bar	5,565,061	0.62%
14	JEN California 19 LLC	Commercial Land	5,544,000	0.62%
15	Eckert Engineering Corp.	Warehouse	5,463,432	0.61%
16	MN Gianni LLC	Commercial	5,342,208	0.60%
17	Hensley Investment Company	Office Building	5,000,000	0.56%
18	SFP B Ltd. Ptp.	Commercial	4,672,102	0.52%
19	A.E. Kline, Trust	Office Building	4,589,654	0.51%
20	Professional Maint. Co. Inc.	Shopping Center	4,500,000	0.50%
			$222,159,061	24.88%

Source: California Municipal Statistics, Inc

CITY OF MANTECA
MANTECA REDEVELOPMENT PROJECT AREA NO. 2
TOP TWENTY ASSESSED VALUES
June 30, 2022

2021-22 Total Local Secured Assessed Valuation Project Area No. 2		$1,652,852,261

	Property Owner	Primary Land Use	2021-22 Assessed Valuation	% of Total Assessed Valuation
1	DP & DK Investments Inc.	Shopping Center	$50,497,787	3.06%
2	LLH MRS Master RE LLC	Cold Storage	46,918,575	2.84%
3	Colfin 2019 2E Industrial Owner	Warehouse	31,947,582	1.93%
4	Prologis	Warehouse	30,773,420	1.86%
5	Duke Realty LP	Warehouse	27,303,323	1.65%
6	Costco Wholesale Corporation	Commercial Store	25,341,695	1.53%
7	Yip Holdings Five LLC	Shopping Center	14,630,025	0.89%
8	Argo Manteca LLC	Shopping Center	14,333,231	0.87%
9	Target Corp.	Shopping Center	13,665,837	0.83%
10	Manteca Associates LP	Light Industrial	13,647,280	0.83%
11	HD Development of Maryland Inc.	Commercial Store	11,888,237	0.72%
12	Manteca Corners LLC	Shopping Center	11,645,408	0.70%
13	Kohl's Department Stores Inc.	Shopping Center	11,500,000	0.70%
14	Cranbrook Realty Invest Fund LP	Warehouse	10,947,794	0.66%
15	Brocchini Family Partnership LP	Office Building	9,841,076	0.60%
16	Daniel M. & Belinda A. Sarich, Trust	Light Industrial	9,815,544	0.59%
17	277 Commerce Ave. LLC	Shopping Center	8,750,000	0.53%
18	Nestle Dreyer's Ice Cream Co.	Cold Storage	8,500,000	0.51%
19	VFT Family Partnership LP	Apartments	8,310,637	0.50%
20	Realty Income Properties 23	Commercial Store	8,218,299	0.50%
			$368,475,750	22.30%

Source: California Municipal Statistics, Inc

CITY OF MANTECA
MANTECA REDEVELOPMENT MERGED PROJECT AREA
TOP TWENTY ASSESSED VALUES
June 30, 2022

2021-22 Total Local Secured Assessed Valuation $23,180,363
2005 Merged Project Amended Area

	Property Owner	Primary Land Use	2021-22 Assessed Valuation	% of Total Assessed Valuation
1	AGS Gasoline LLC	Service Station	$3,059,907	13.20%
2	Jaswant S. Pannu	Commercial Land	998,619	4.31%
3	National San Joaquin LLC	Assisted Living	959,841	4.14%
4	Major Singh Brar	Commercial Land	940,000	4.06%
5	Gian S and Ghangu Sandeep Bhangu	Residential	782,491	3.38%
6	Andrew & Ashley Candelario	Residential	767,873	3.31%
7	Chattarpal S. Pabla	Multi-Family Residential	700,000	3.02%
8	David L. Peters	Truck Terminal	693,112	2.99%
9	Gustavo and Marthea Ramirez	Residential	625,000	2.70%
10	Jasvir and Sarbjit K. Singh Trust	Light Industrial	619,644	2.67%
11	Robert L. and Dorothy F. Mack	Residential	566,999	2.45%
12	Natalyn J. and Thomas E. Bergman, Jr.	Residential	517,000	2.23%
13	James H. Zimmerman	Residential	459,000	1.98%
14	Alfredo Valenzuela Felix	Residential	449,610	1.94%
15	Hiway Farm LLC	Commercial Land	398,171	1.72%
16	Kyung Han and Mi Jwa Yoon	Residential	387,069	1.67%
17	Ranjit and Jaswinder Khangura	Residential	384,000	1.66%
18	Nicolas and Heather D. Hernandez	Residential	376,052	1.62%
19	Taurino Sanchez Chavez	Residential	358,244	1.55%
20	Ramirez Arturo Vargas	Residential	346,000	1.49%
			$14,388,632	62.09%

Source: California Municipal Statistics, Inc

CITY OF MANTECA
MANTECA REDEVELOPMENT AMENDED MERGED PROJECT AREA
TOP TWENTY ASSESSED VALUES
June 30, 2022

2021-22 Total Local Secured Assessed Valuation 2004 Amended Area	$350,066,380	

	Property Owner	Primary Land Use	2021-22 Assessed Valuation	% of Total Assessed Valuation
1	GWR Manteca LLC	Water Park/Resort	$124,358,978	35.52%
2	Anson Logistics Assets LLC	Warehouse	58,742,330	16.78%
3	Manteca Lifestyle Center LLC	Shopping Center	51,852,677	14.81%
4	Valencia Place Apartments LLC	Apartments	24,584,390	7.02%
5	Big Box Property Owner A LLC	Light Industrial	12,084,783	3.45%
6	DTST2 Holdings LLC	RV Sales	11,760,727	3.36%
7	Cedar Real Estate Group IV LLC	Truck Terminal	10,000,000	2.86%
8	Manteca Lodging LLC	Shopping Center	9,683,255	2.77%
9	JC Penney Properties Inc.	Shopping Center	7,903,087	2.26%
10	Andreetta Properties LP	Food Processing	7,158,042	2.04%
11	Tesoro Commons LLC	Residential Properties	3,400,000	0.97%
12	Manteca Truck Terminal LLC	Industrial Land	2,287,859	0.65%
13	Ergonis Land Co. LP	Light Industrial	2,274,380	0.65%
14	Sunnybacon 1 LLC	Truck Terminal	2,020,719	0.58%
15	Jarnail Singh Kamboj	Vacant	1,859,766	0.53%
16	Rajinder Aulakh	Commercial Land	1,471,318	0.42%
17	RLD Partners	Vacant	1,400,000	0.40%
18	Johnny R. Gibson	Light Industrial	1,313,468	0.38%
19	SKV Holdings LLC	Vacant	1,046,119	0.30%
20	West Yosemite Properties LLC	Light Industrial	870,285	0.25%
			$336,072,183	96.00%

Source: California Municipal Statistics, Inc

CITY OF MANTECA
TAXABLE SALES BY CATEGORY
LAST TEN CALENDAR YEARS
(in thousands of dollars)

	2012	2013	2014	2015	2016
Apparel Stores	$34,079	$38,644	$39,906	$42,537	$44,158
General Merchandise	184,040	187,691	191,787	198,554	203,016
Food Stores	26,844	26,425	27,533	28,535	30,245
Eating and Drinking Places	85,342	91,574	98,018	107,809	116,177
Building Materials	98,439	107,576	109,006	113,578	121,128
Auto Dealers and Supplies	100,576	119,884	125,807	151,717	163,496
Service Stations	104,083	103,613	106,855	90,313	89,246
Other Retail Stores	114,149	124,666	125,611	128,152	130,676
All Other Outlets	173,673	181,589	213,270	226,773	245,295
Total	$921,225	$981,662	$1,037,793	$1,087,968	$1,143,437

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.

2017	2018	2019	2020	2021
$46,781	$50,143	$51,211	$38,668	$62,539
212,248	214,730	220,108	213,182	262,639
30,401	31,540	32,195	38,458	37,431
125,661	130,613	140,213	131,768	177,421
128,925	129,723	135,369	138,684	162,761
168,973	179,318	179,014	188,657	238,976
102,907	122,935	130,431	111,817	165,463
126,974	126,018	126,131	134,618	171,905
263,859	294,936	322,087	333,889	452,350
$1,206,729	$1,279,956	$1,336,759	$1,329,741	$1,731,485

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	
2012-13	1.00	0.50	0.50	6.50	(a)
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	(b)
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	

Source: California State Board of Equalization

(a) On both July 1, 2012 and April 1, 2013 the State increased the State Rate 0.125%

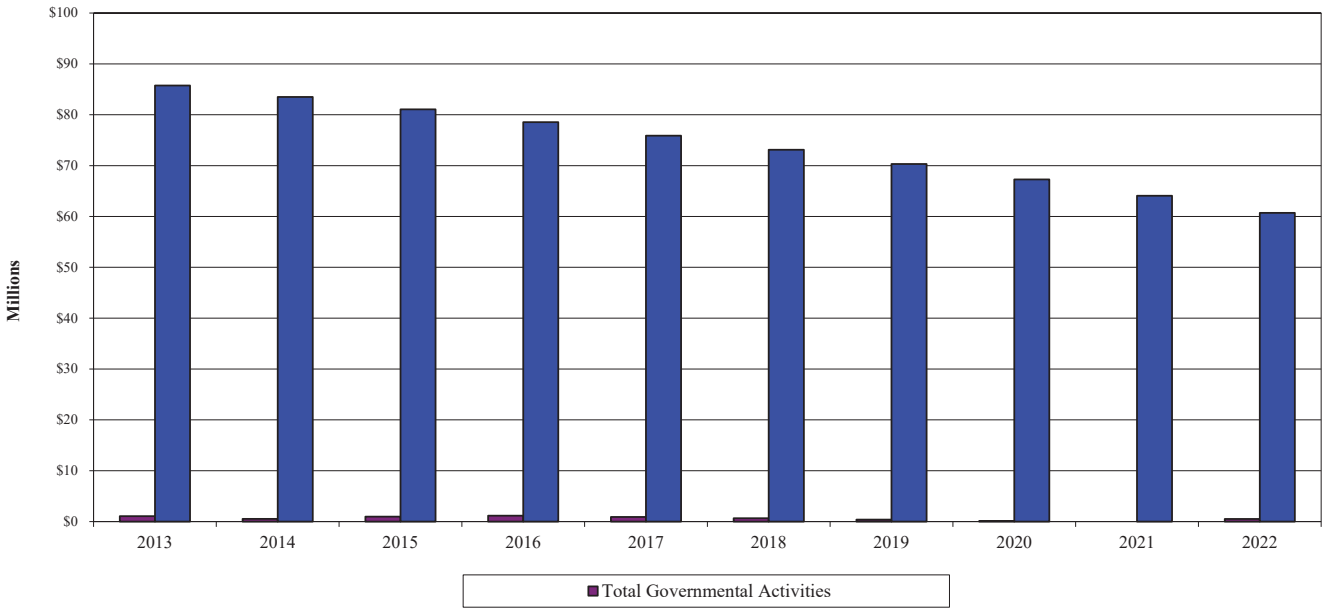
(b) On January 1, 2017, the State decreased the the State Rate 0.25%

CITY OF MANTECA
PRINCIPAL SALES TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
IN ALPHABETICAL ORDER

2021-2022	2012-2013
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
Burlington	Country Kia
Cabral Chrysler Jeep Dodge Ram Fiat	Cruisers Manteca
Chevron	Global Hvac Distributors Inc.
Chick Fil A	Home Depot
Core & Main LP	J. M. Equipment Company
Costco	J C Penney
County Kia	Kmart
Great Wolf Lodge	Kohls
Home Depot	Manteca Arco
J. M. Equipment Company	Manteca Ford
Living Spaces Furniture	Manteca Trailer & Camper
Manteca Ford	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:	
53.92%	55.22%

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	Total
2013	$1,054,948		$1,054,948
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

	Business-Type Activities							
Fiscal Year	Water Revenue Bonds	Sewer Revenue Bonds	Leases Financing	Leases Liabilities	Total	Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
2013	$41,542,809	$44,170,769	$34,773		$85,748,351	$86,803,299	5.51%	1,220
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

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.
(b) Due to the dissolution of the Redevelopment Agency the City's previous advance with the Agency became a loan payable to the Successor Agency.

CITY OF MANTECA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 2022

2021-22 Assessed Valuation:	$9,981,487,066

JURISDICTION	Total Debt 6/30/2022	% Applicable (1)	City's Share of Debt 6/30/22	
OVERLAPPING TAX AND ASSESSMENT DEBT				
San Joaquin Delta Community College District	$188,480,000	9.884%	$18,629,363	
Yosemite Community College District	263,621,373	0.322%	848,861	
Manteca Unified School District	225,734,885	52.649%	118,847,160	
Ripon Unified School District	28,700,291	7.276%	2,088,233	
Manteca Unified School District Community Facilities District No. 1989-2	19,520,000	79.150%	15,450,080	
Manteca Unified School District Community Facilities District No. 2000-3	20,015,000	100.000%	20,015,000	
California Statewide Communities Development Authority CFD No. 2012-2	5,905,000	100.000%	5,905,000	
California Statewide Communities Development Authority 1915 Act Bonds	51,394,377	100.000%	51,394,377	
Reclamation District No 17 Assessment District	21,086,256	6.969%	1,469,501	
TOTAL OVERLAPPING DEBT	$824,457,182		$234,647,575	
DIRECT AND OVERLAPPING GENERAL FUND DEBT				
San Joaquin County Certificates of Participation	$60,400,000	10.988%	$6,636,752	
Manteca Unified School District Certificates of Participation	15,976,000	52.649%	8,411,204	
CITY OF MANTECA GENERAL FUND OBLIGATIONS	**0**	**100.000%**	**0**	
Total Gross Direct and Overlapping General Fund Debt	$76,376,000		15,047,956	
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			$15,047,956	(2)
OVERLAPPING TAX INCREMENT DEBT:	$91,755,000	100.000%	$91,755,000	
TOTAL DIRECT DEBT			$0	(2)
TOTAL OVERLAPPING DEBT			$341,450,531	(2)
COMBINED TOTAL DEBT			$341,450,531	(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 2021-22 Assessed Valuation:	
Total Overlapping Tax and Assessment Debt	3.42%
Total Direct Debt	0.00%
Combined Total Debt	3.42%

Ratios to Redevelopment Incremental Valuation ($2,601,577,484)	
Total Overlapping Tax Increment Debt	3.53%

Source: California Municipal Statistics, Inc.

CITY OF MANTECA
COMPUTATION OF LEGAL BONDED DEBT MARGIN
June 30, 2022

ASSESSED VALUATION:

Assessed Value	$9,981,487,000
Add back: Exempt real property	0
Total Assessed Valuation	$9,981,487,000

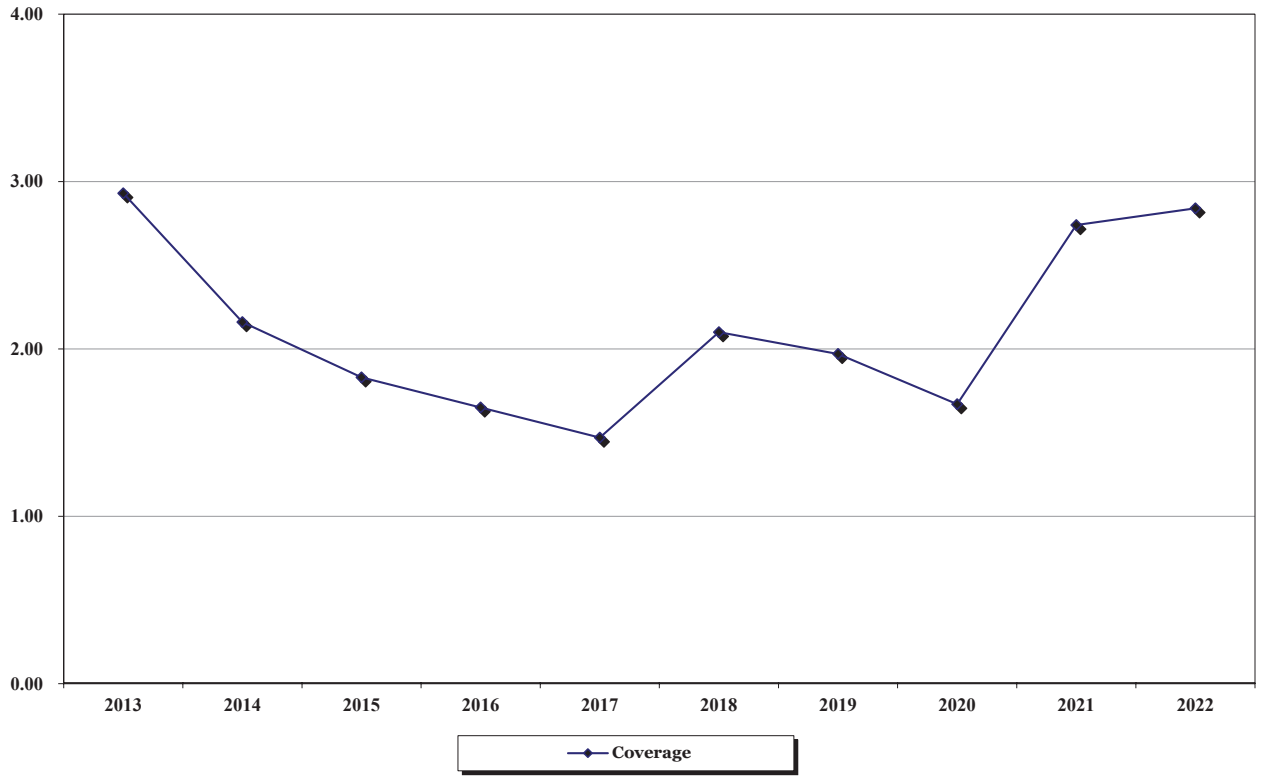
BONDED DEBT LIMIT (15.0% OF ASSESSED VALUE) (a)	$1,497,223,050
AMOUNT OF DEBT SUBJECT TO LIMIT:	0
LEGAL BONDED DEBT MARGIN	$1,497,223,050

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
2013	$711,958,278	$0	$711,958,278	0.00%
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%

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



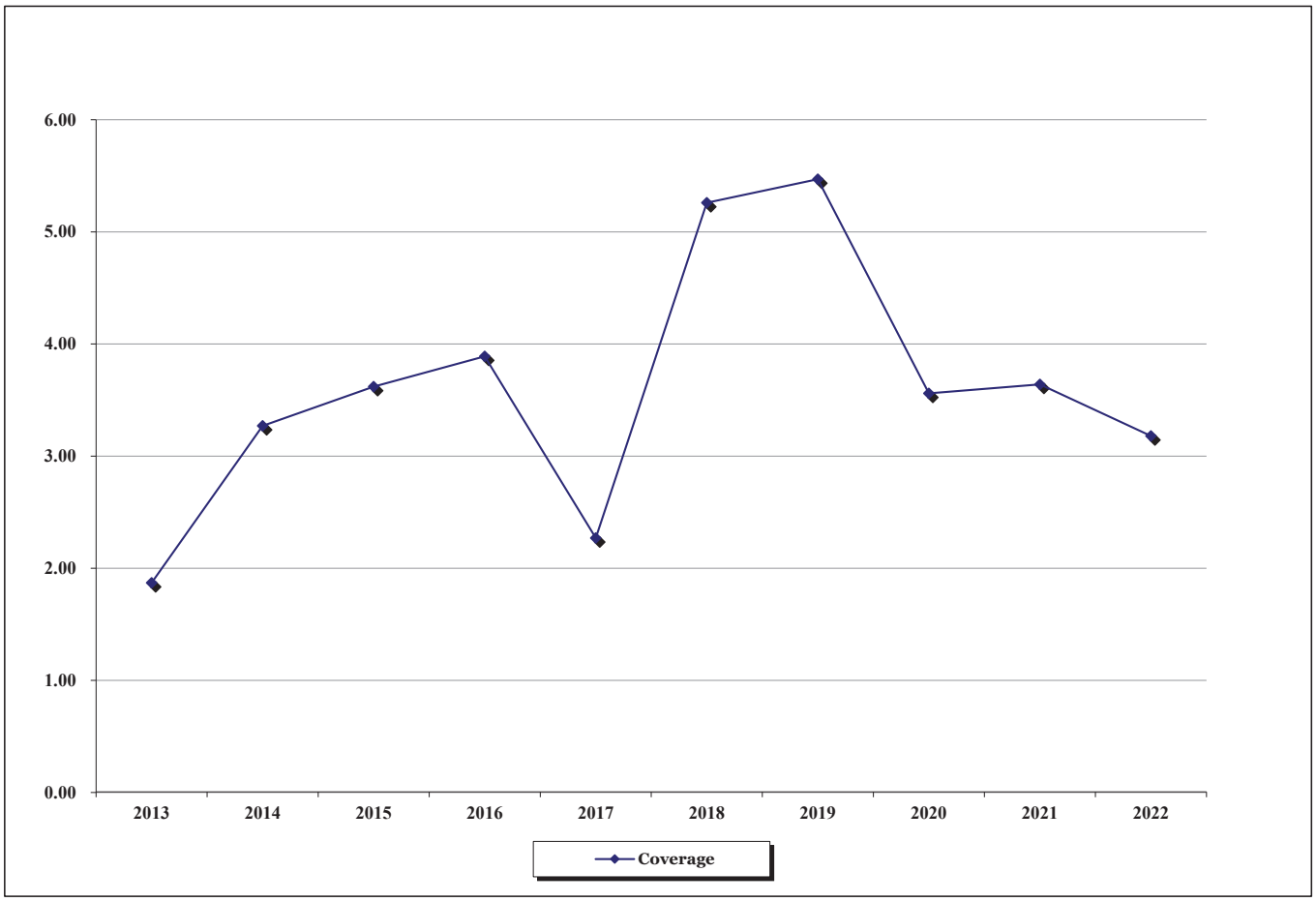
Fiscal Year	Gross Revenue	Operating Expenses	Depreciation Non-Operating Revenues (b)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
					Principal	Interest	Total	
2013	$13,534,427	($11,824,834)	$3,293,169	$5,002,762	$750,000 (a)	$955,974	$1,705,974	2.93
2014	14,386,302	(12,424,475)	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

Source: City of Manteca Annual Financial Statements

Note: (a) The 2003A Water Revenue Bonds were refunded and defeased by the 2012 Water Revenue Refunding Bonds during the fiscal year. Retirements exclude the refunded bond principal of $40,875,000.
(b) 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

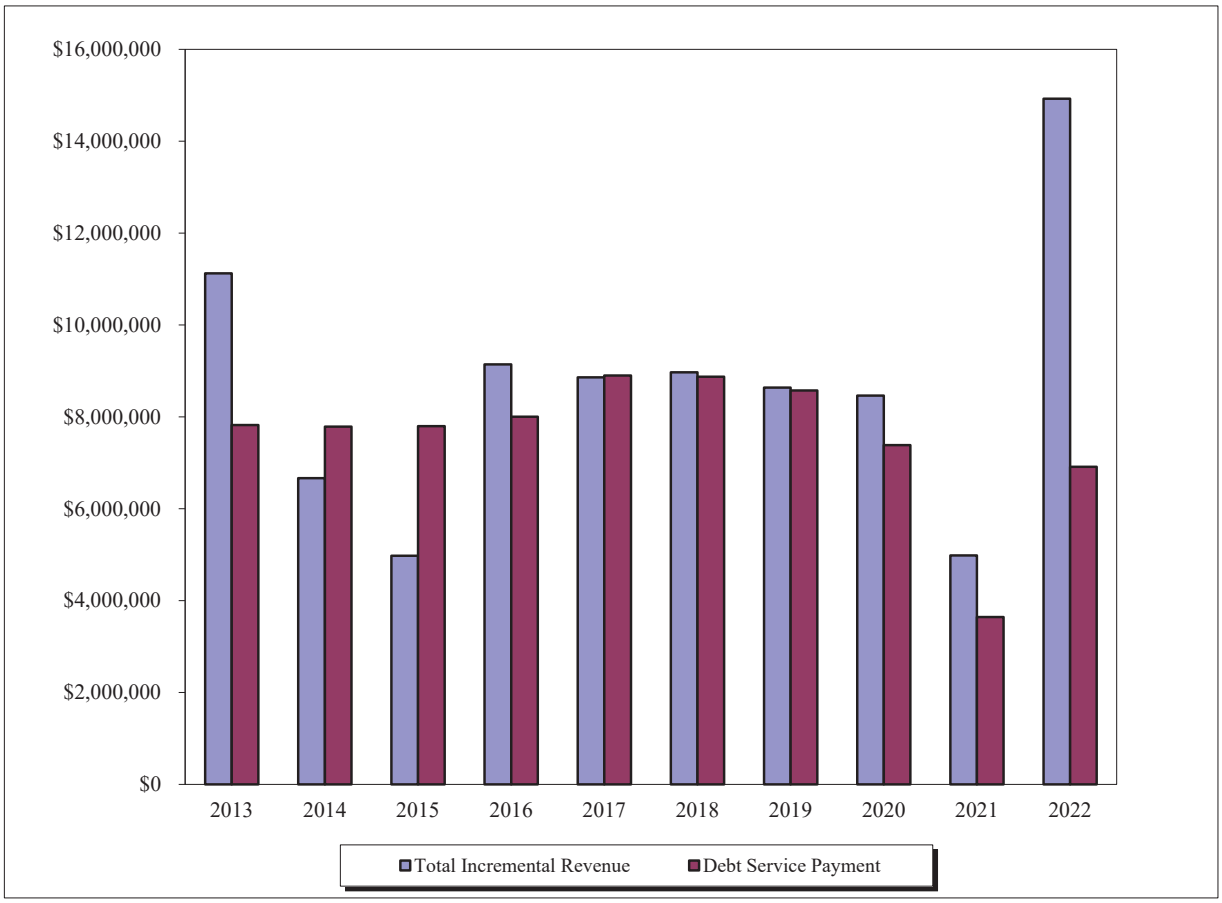


Fiscal Year	Operating Revenue	Operating Expenses	Depreciation Non-Operating Revenues (c)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
					Principal	Interest	Total	
2013	$17,506,393	($11,104,886)	$3,108,517	$9,510,024	$3,020,000 (a)(b)	$2,066,197	$5,086,197	1.87
2014	18,178,282	(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

Note (a) Principal includes early redemption payment for bonds called during the fiscal year.
(b) The 2003 A&B Sewer Revenue Bonds were refunded and defeased by the 2012 Sewer Revenue Refunding Bonds during the fiscal year. Retirements exclude the refunded bond principal of $23,835,000.
(c) 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	
2013	$11,125,234 (a) (b)	$2,640,000 (a)	$5,181,408 (a)	$7,821,408	1.42
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

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.

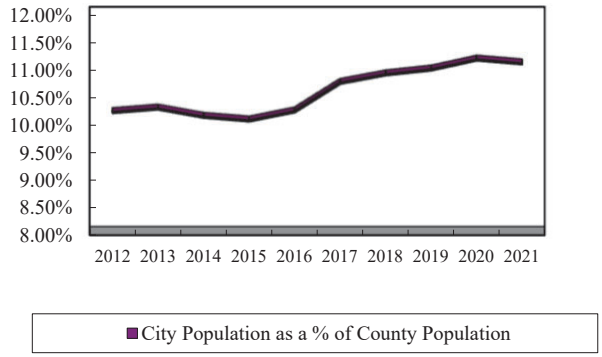
(b) Beginning in fiscal year 2012, tax increment reported in this table is the amount calculated by the County Auditor-Controller. Under the provisions of the laws dissolving the Redevelopment Agency, the Successor Agency only receives the funds necessary to fulfill its approved obligations.

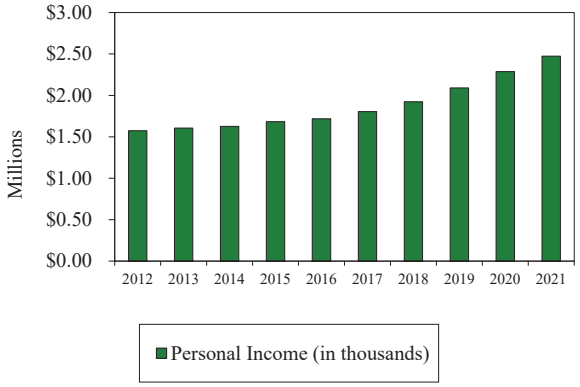
(c) Excludes the letter of credit and remarketing fees on the 2005 Tax Allocation Bonds.

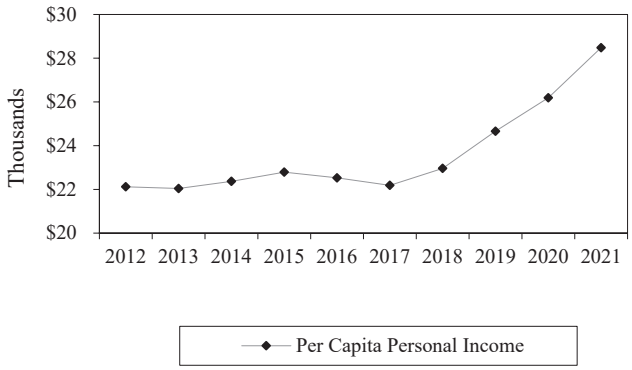
(d) Excludes principal retirements related to the issuance of the Series 2020A and 2020B Refunding Bonds.

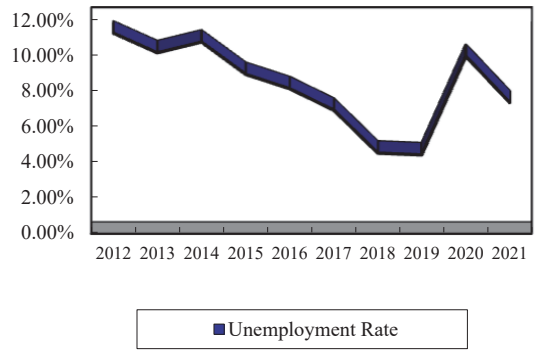
Source: City of Manteca Annual Financial Statements

CITY OF MANTECA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS









Calendar Year	City Population	Total Personal Income (in thousands)	Per Capita Personal Income (a)	Unemployment Rate (%)	San Joaquin County Population	City Population % of County
2012	71,164	$1,574,219	$22,121	11.2%	698,414	10.19%
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%

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)

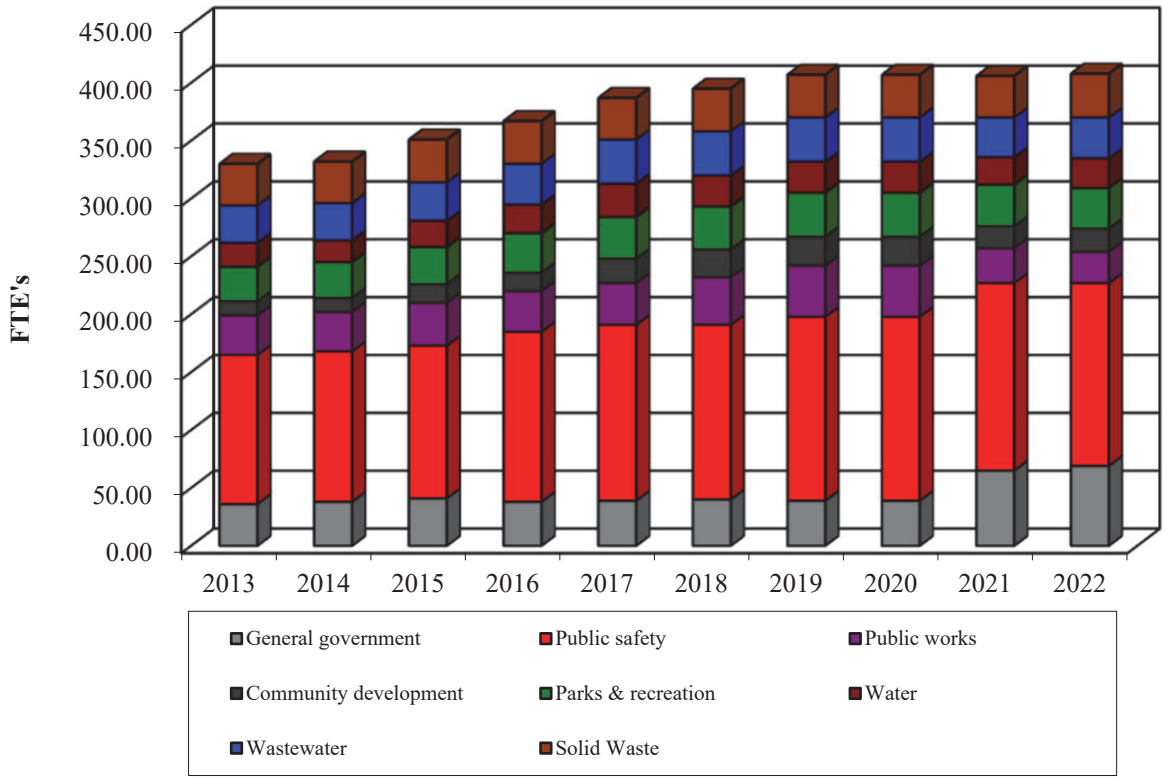
Note: Data for Per Capita 2016 and 2017 was not available. Numbers are projections.
(a) Personal income is a product of the countywide per capita amount and the City's population

CITY OF MANTECA
Principal Employers
Current Year and Nine Years Ago

	2021-22			2012-13		
Employer	**Number of Employees**	**Rank**	**Percentage of Total City Employment**	**Number of Employees**	**Rank**	**Percentage of Total City Employment**
Amazon.com Services, LLC	1,139	1	1.3%			
Tennant Sales and Service Co.	800	2	0.9%			
Manteca Unified School District (a)	751	3	0.9%	1,908	1	2.7%
City of Manteca	408	4	0.5%	330	5	0.5%
Doctors Hospital of Manteca	401	5	0.5%	395	3	0.6%
Kaiser Permanente Medical Offices & Hospital	351	6	0.4%	623	2	0.9%
Wal-Mart	316	7	0.4%	316	6	0.4%
COSTCO Wholesale #1031	312	8	0.4%	187	9	0.3%
BASS Pro Outdoor World	301	9	0.4%	150	11	0.2%
A.M. Stephens Construction Co., Inc.	250	10	0.3%			
C. Overaa & Co.	250	10	0.3%			
Eckert Cold Storage	250	10	0.3%	250	7	0.4%
Home Depot	207	11	0.2%	143	12	0.2%
Give Every Child a Chance	182	12	0.2%	170	10	0.2%
Target Corp.	137	13	0.2%	170	10	0.2%
Karma Inc, (DBA Manteca Care & Rehab)	125	14	0.1%	225	8	0.3%
Gardner Trucking Inc.	n/a			357	4	0.5%
Total Employees - Principal Employers	**6,180**		**7.3%**	**5,224**		**7.3%**
Total City Population	**84,800**			**71,164**		

Source: City of Manteca Community Development Department (Business License)

CITY OF MANTECA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Function										
General government	36.00	38.00	41.00	38.00	39.00	40.00	39.00	39.00	65.00	69.00
Public safety	129.00	130.00	132.00	147.00	152.00	151.00	159.00	159.00	162.00	158.00
Public works	34.00	34.00	37.00	35.00	36.00	41.00	44.00	44.00	30.00	27.00
Community development	12.00	12.00	16.00	16.00	21.00	24.00	25.00	25.00	19.00	20.00
Parks & recreation	30.00	31.00	32.00	34.00	36.00	37.00	38.00	38.00	36.00	35.00
Water	21.00	19.00	23.00	25.00	29.00	27.00	27.00	27.00	24.00	26.00
Wastewater	32.00	32.00	33.00	35.00	38.00	38.00	38.00	38.00	34.00	35.00
Solid Waste	36.00	36.00	37.00	37.00	36.00	37.00	37.00	37.00	36.00	38.00
Total	330.00	332.00	351.00	367.00	387.00	395.00	407.00	407.00	406.00	408.00

Source: City of Manteca Budget Document

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CITY OF MANTECA
OPERATING INDICATORS AND CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	Fiscal Year				
	2013	**2014****	**2015****	**2016**	**2017**
Population					
Citizens	71,164	72,880	73,787	73,841	76,247
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	20.61 Sq Miles	20.92 Sq Miles	20.92 Sq Miles	20.92 Sq Miles
Registered Voters	30,731	30,930	30,975	33,105	36,327
Building Permits Issued	1,891	2,134	3,027	3,418	3,565
Employees from Budget Document	330	332	351	367	0
Fire Protection					
Number of Stations	3	4	4	4	4
Number of Reserve Personnel	13	25	25	22	20
Number of Sworn Fire Personnel *	39	40	41	49	60
Number of Calls Answered	5,937	5,854	6,252	6,682	7,132
Police Protection					
Number of Stations	1	1	1	1	1
Number of Police Officers	63	63	64	65	65
Number of Volunteers	124	115	94	87	62
Number of Support Personnel	23	23	24	29	33
Number of Calls Answered	37,161	33,885	35,036	42,717	43,229
Parks & Recreation					
Park Sites	55	56	58	65	69
Acres of Parks	357	362	367	382	382
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	7,520	7,600	7,600	7,600	7,600
Number of Street Trees	10,980	17,000	18,000	18,500	18,700
Acres of Golf Course	111	111	111	111	111
Public Libraries	1	1	1	1	1
Landscape Maintenance Districts	27	29	29	29	29
Benefit Area District	4	4	4	4	4
Community Facility Districts	1	1	6	9	10
Public Works					
Miles of Streets	238	241	250	250	259
Number of Street Lights	4,822	4,856	5,143	5,405	5,443
Water Utility					
Number of Meters	20,675	20,876	21,161	21,696	22,380
Miles of Water Mains	258	259	266	280	298
Average Daily Consumptions (Gal)	13.25 MGD	14.06 MGD	11.11 MGD	9.89 MGD	10.498 MGD
Wastewater					
Number of Connections	24,178	24,940	20,791	21,325	21,951
Miles of Sewer Lines	226	227	243	250	257
Number of Treatment Plants	1	1	1	1	1
Average Daily Treatment	6.25 MGD	6.29 MGD	6 MGD	6.25 MGD	6.21 MGD
Treatment Capacity	9.87 MGD	9.87 MGD	9.87 MGD	9.87 MGD	9.87 MGD
Solid Waste					
Number of Accounts	20,066	20,399	20,879	21,411	22,080
Education					
Elementary Schools	20	20	23	23	20
High Schools	5	5	5	5	5
Alternative Schools	3	3	3	3	3
Adult Education	2	2	1	1	1
Charter School			1	1	1
Teachers	978	1,094	1,019	1,041	1,092
Elementary Classrooms	903	897	895	895	899
High School Classrooms	438	451	461	457	457
Adult Education Classrooms	27	10	42	3	3
Current Enrollment	22,061	23,145	22,909	23,981	23,852

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				
	2018	2019	2020	2021	2022
Population					
Citizens	81,345	83,781	84,842	87,319	86,859
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	21.45	21.48	21.48
Registered Voters	37,775	38,575	43,642	44,829	46,145
Building Permits Issued	4,312	3,653	3,740	4,679	4,777
Employees from Budget Document	395	407	407	406	408
Fire Protection					
Number of Stations	4	4	5	5	5
Number of Reserve Personnel	24	23	15	5***	5***
Number of Sworn Fire Personnel	48	48	49	49	50
Number of Calls Answered	7,579	8,230	9,052	10,480	10,852
Police Protection					
Number of Stations	1	1	1	1	1
Number of Police Officers	67	73	73	73	74
Number of Volunteers	71	65	17 (1)	56	61
Number of Support Personnel	33	40	36	38	39
Number of Calls Answered	42,114	50,094	46,874	44,791	45,274
Parks & Recreation					
Park Sites	69	69	70	71	72
Acres of Parks	465	465	470	474	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
Number of Park/Golf Trees	7,600	5,000	5,000	5,000	5,000
Number of Street Trees	18,700	12,500	12,675	12,500	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	12	16	19	23
Public Works					
Miles of Streets	271	271	275	280	290
Number of Street Lights	5,603	5,603	5,650	5,650	5,654
Water Utility					
Number of Meters	22,920	23,329	24,906	26,475	28,143
Miles of Water Mains	299	299	320	338	345
Average Daily Consumptions (Gal)	10.498 MGD	11.943 MGD	13.643 MGD	12.90 MGD	13.21 MGD
Wastewater					
Number of Connections	22,529	23,094	24,411	25,730	27,120
Miles of Sewer Lines	258	258	272	273	276
Number of Treatment Plants	1	1	1	1	1
Average Daily Treatment	6.21 MGD	6.21 MGD	6.83 MGD	7.30 MGD	7.50 MGD
Treatment Capacity	9.87MGD	9.87MGD	9.87 MGD	9.87 MGD	9.87 MGD
Solid Waste					
Number of Accounts	22,641	23,215	24,541	25,867	27,264
Education					
Elementary Schools	20	20	19	15	15
High Schools	5	5	5	5	5
Alternative Schools	3	3	2	2	1
Adult Education	1	1	1	0	1
Charter School	1	1	1	0	0
Teachers	1,099	1,099	1,242	707	751
Elementary Classrooms	884	884	550	593	549
High School Classrooms	445	445	272	331	352
Adult Education Classrooms	3	3	Not Available	21	21
Current Enrollment	23,599	23,599	24,061	15,458	15,604

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.

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MANTECA FINANCING AUTHORITY
BASIC COMPONENT UNIT
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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MAZE & ASSOCIATES

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, 2022, 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, 2022, 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 February 8, 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.

Maze & Associates

Pleasant Hill, California
February 8, 2024

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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, 2022

	2009 Sewer Revenue Bonds
ASSETS	
Current Assets:	
Investments held by trustee (Note 2)	$1,900,578
Interest receivable	88,230
Total Current Assets	1,988,808
Receivable from the City of Manteca (Note 3)	17,099,422
Total Assets	19,088,230
LIABILITIES	
Current Liabilities:	
Accrued interest payable	88,230
Total Current Liabilities	88,230
Non-Current Liabilities:	
Lease revenue bonds payable (Note 4)	
Due in more than one year	19,000,000
Total Liabilities	19,088,230
NET POSITION	
Restricted for Debt Service	
Total Net Position	

See accompanying notes to financial statements

MANTECA FINANCING AUTHORITY
STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022

	2009 Sewer Revenue Bonds
OPERATING REVENUE	
Interest on base rental payments	$1,058,031
Operating Revenue	1,058,031
OPERATING EXPENSES	
Interest and fiscal fees	1,058,763
Total Operating Expenses	1,058,763
Operating Loss	(732)
NONOPERATING INCOME	
Interest on investments	732
Net Nonoperating Income	732
Change in net position	
Net position at beginning of year	
Net position at end of year	

See accompanying notes to financial statements

MANTECA FINANCING AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	2009 Sewer Revenue Bonds
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from the City	$1,058,782
Payments to bond trustees	(1,058,763)
Cash Flows from Operating Activities	19
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment interest received	732
Cash Flows from Investing Activities	732
Net Cash Flows	751
Cash and investments at beginning of period	1,899,827
Cash and investments at end of period	$1,900,578
Reconciliation of operating loss to net cash flows from operating activities:	
Operating loss	($732)
Change in assets:	
Receivables, net	751
Cash Flows from Operating Activities	$19

See accompanying notes to financial statements

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.

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.

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)	$1,900,578

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, 2022 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, 2022 have an average maturity of 23 days.

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, 2022.

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
2023		$1,057,835	$1,057,835
2024		1,057,835	1,057,835
2025	$560,000	1,044,184	1,604,184
2026	640,000	1,014,534	1,654,534
2027	720,000	980,534	1,700,534
2028-2032	4,740,000	4,216,493	8,956,493
2033-2037	12,340,000	2,167,947	14,507,947
	$19,000,000	$11,539,362	30,539,362
		Less:	
		Investments held by trustee	1,900,578
		Amount representing interest	11,539,362
		Receivable from the City of Manteca at June 30, 2022	$17,099,422

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 it's 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
2023		$1,058,763	$1,058,763
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
2028-2032	4,740,000	4,221,133	8,961,133
2033-2037	12,340,000	2,172,587	14,512,587
Total	$19,000,000	$11,553,282	$30,553,282

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