



ANNUAL COMPREHENSIVE FINANCIAL REPORT

City of Manteca

Fiscal Year Ended June 30, 2025



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

Prepared by
FINANCE DEPARTMENT

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CITY OF MANTECA
Annual Comprehensive Financial Report
For the Year Ended June 30, 2025

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CITY OF MANTECA
FINANCE DEPARTMENT

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

January 13, 2026

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

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) for the City of Manteca, California, for the fiscal year (FY) ended June 30, 2025. The City of Manteca annually publishes a complete set of financial statements, presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited by an independent, certified public accounting firm.

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

Reporting Entity

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

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

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

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

Government Profile

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

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

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

Profile of the City of Manteca

Located in California's Central Valley, the City of Manteca spans approximately 20 square miles and is one of the region's fastest-growing full-service cities. With a population of over 94,000, Manteca is projected to grow by 10.4% over the next five years, reflecting its strong appeal to families, businesses, and investors.

Key Demographics:

- Median Home Value: \$611,850
- Average Household Income: \$124,900
- Average Family Size (2025): 3.54
- Median Age: 37
- Education Attainment (college degree completion): 33.6%

From 2010 to 2020, Manteca experienced 24.4% population growth. Today, there are more than 11,000 single- and multifamily housing units in the development pipeline, supporting future demand for commercial services and workforce availability.

Manteca's strategic location at the intersection of Interstate 5, Highway 99, and State Route 120 is 9 miles from the Port of Stockton, 60 miles from the Port of Oakland, and within 70 miles of four international airports, which positions the city as a gateway to both local and global markets. With a trade area population of 1.7 million within a 45-minute drive, Manteca is ideal for retailers, logistics firms, and employers seeking growth opportunities.

The City Council's Strategic Priorities

Each year, the City Council sets strategic goals and priorities that shape the City's budget, operations, and work plan. These priorities are grounded in the values of both the Council and the community. For FY 2024-25, the Council adopted a new mission, vision, and values statement and five strategic priority areas in ranking order for FY2024-25:

1. Plan for updating City Infrastructure and Facilities
2. Economic Development and Vitality
3. Public Safety
4. Expand Homelessness and Housing Options and Solutions
5. Stabilize City Finances

Local Industry and Labor Force

Manteca's economy is driven by a diverse mix of industries that support both local jobs and regional economic growth. The largest employment sectors include services (42.9%), retail trade (11.6%), transportation and utilities (10.3%), and construction (10.0%), reflecting Manteca's strong position as a service-oriented community with growing commercial and logistics activity.

Other important sectors include manufacturing (9.5%), public administration (5.5%), finance, insurance, and real estate (4.3%), and agriculture (1.4%), reflecting Manteca's Central Valley roots and government presence as a full-service city.

The city has a local labor force of 43,653 and aims to expand employment opportunities in higher-paying sectors such as healthcare, manufacturing, and technology. As more jobs are created locally, the goal is to reduce commute times, improve work-life balance, and increase resident spending within Manteca to support long-term economic vitality.

Residential Development

Manteca is experiencing rapid residential growth, with thousands of new homes planned and under construction to meet the needs of our growing population. Notable residential developments include Griffin Park, Trails of Manteca, Machado Estates, Villa Ticino, Denali, Shadowbrook, Cerri, and Yosemite Square. New housing creates opportunities for local businesses, supporting workforce availability, and enhancing economic vitality, with more affordable options than the Bay Area.

The City of Manteca adopted its Housing Element on October 1, 2024, establishing a comprehensive plan to address the city's housing needs through 2031. This plan reflects community input, Manteca's housing needs, land availability, and lessons learned over the past eight years.

Downtown Manteca Improvement District

The newly formed Downtown Manteca Improvement District marks one of the most exciting transitions in our city's core. Created through the leadership and investment of local property owners, business owners, and the City of Manteca, the district is focused on revitalizing downtown with:

- Targeted business support.
- Community activation through events such as Music on Maple, Beer & Wine Stroll, and the Rooted in Community Farm to Fork event.
- Street and sidewalk improvements, and other beautification efforts.

This initiative reflects strong public-private collaboration and the commitment to restore downtown as a cultural and economic destination.

Transit and Regional Mobility

The Manteca Transit Station currently provides fixed-route bus services, ADA paratransit, dial-a-ride, and other local transit options, making it a hub for regional connectivity. A major investment is planned for an ACE train passenger platform adjacent to the Manteca Transit Station, which will further reduce commute times, improve access to higher education institutions, and feature enhanced mobility with bridges and elevator access, all without impacting Main Street traffic. This expansion strengthens workforce recruitment, supports business growth, and encourages future residential and commercial development.

Healthcare Expansion

Manteca continues to expand its healthcare options to meet the needs of a growing community. Kaiser Permanente is investing \$83.4 million to expand its Emergency Department, adding 27,000 square feet, 10 new emergency bays, and enhanced medical services, while creating local healthcare jobs. Sutter Health has also opened a 17,000-square-foot medical campus at the Promenade Shops, increasing access to medical care, particularly for South Manteca residents. Alongside these facilities, Doctors Hospital of Manteca—serving the community since 1962 with 73 beds and specialized care in areas such as elder care, mental health, cancer treatment, women’s health, and advanced orthopedic procedures—provides essential healthcare services, ensuring residents have a full spectrum of medical care close to home.

Tourism & Destination Assets

Manteca continues to attract regional visitors, strengthening local business activity and generating Transient Occupancy Tax revenue that supports critical services.

- Great Wolf Lodge – 500-room resort with indoor water park, 930,000 annual visitors
- Big League Dreams Sports Park – 584,000+ annual visitors, including tournament guests
- Pumpkin Fair & Watermelon Street Fair – Combined 60,000+ visitors annually
- Bass Pro Shops, Deaf Puppy Comedy Club, Brethren Brewing Company, and the Manteca Golf Course further enrich the city's tourism portfolio.

Family Entertainment Zone (FEZ)

The 150-acre, City-owned Family Entertainment Zone (FEZ) is poised to become Northern California’s premier destination for family fun, entertainment, and recreation. This master-planned development will feature a vibrant mix of retail and dining, modern sports and entertainment venues, and parks and green spaces for community gatherings. Major projects are already in progress, including a partnership with Unrivaled Sports to upgrade and operate Big League Dreams, attracting millions in investment, and the construction of Loma Brewery, scheduled to open January 2026. Designed for both residents and visitors, the FEZ will offer walkable and bikeable pathways, public art, music and event spaces, innovative outdoor lighting, inclusive playgrounds, and a range of lodging options, creating a dynamic, year-round destination for the entire family.

Regional Collaboration

The City of Manteca actively collaborates with regional economic development partners to support business growth, workforce development, and innovation. Key partnerships include iHub San Joaquin, fostering entrepreneurship in healthcare, agri-business, and sustainable construction; the San Joaquin Partnership, focused on countywide business expansion and retention; Business Team San Joaquin, which provides coordinated public-private support for local businesses; and Team California, offering site selection and growth

acceleration services for expanding industries. Together, these partnerships help Manteca attract new investment, create jobs, and strengthen the local economy.

Business Resources

Small Business Assistance Grant Program – This program is designed to stimulate economic growth, encourage private investment, and support high-quality retail, dining, and entertainment establishments in Manteca. Funding can be used for a variety of improvements, including storefront facades, expanding outdoor dining areas, ADA compliance upgrades, and enhancing interior tenant spaces—all aimed at improving the customer experience and attracting more business.

San Joaquin County Spark Utility Grant – The Spark Relief Grant provides up to \$5,000 in reimbursements for utility expenses to help small businesses across San Joaquin County recover from the financial impacts of COVID-19. By reducing operational costs, the program helps strengthen local economic resilience and supports the long-term success of eligible businesses.

Site Selection Assistance – The City's Economic Development team works with businesses to find the ideal location by providing market data, analyzing potential sites, and connecting companies with property owners.

Business Retention and Expansion – Manteca's Economic Development team supports existing businesses through workforce development resources, training programs, and on-site outreach to identify opportunities and challenges. They also assist businesses with expansion plans, exploring new locations, and connecting to available city resources to ensure long-term success and growth.

Looking Ahead

Manteca is experiencing growth that is deliberate, opportunity-driven, and community-focused. The City is actively working to attract businesses that fill existing tenant vacancies, meet residents' desires, and provide living-wage jobs. By drawing in businesses that enrich the local tax base, we help fund city services, programs, and infrastructure while also bringing in amenities that attract visitors from across the region.

At the same time, the City is committed to supporting local small businesses and highlighting economic development efforts and community events through marketing and communications. Through careful planning, strategic investments, and strong partnerships, Manteca is building a future with more jobs, enhanced amenities, improved infrastructure, and stronger regional connections. These efforts reflect a community that is not waiting for opportunity, but actively creating it for residents, businesses, and visitors alike.

Budgetary Control

By June 30 of every year, the City prepares an annual budget for the subsequent fiscal year. The City maintains budgetary controls to ensure compliance with the legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the general fund, special revenue funds, and capital projects funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level for the general fund and 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 the annual City Council strategy and goal setting sessions. Through these sessions, the City develops long-term financial planning strategies designed to meet Council's goals and priorities. The City annually adopts a Capital Improvement Plan budget that supports the Council's goals and priorities. Projects are analyzed not only on the merits and benefits of the proposal, but also on the long-term financial impact on City resources resulting from anticipated maintenance.

Single Audit

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

Internal Controls

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

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

Independent Audit

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

Acknowledgments

Completion of the Annual Comprehensive Financial Report was made possible by the dedicated service of Finance Department staff, whose work has our sincere appreciation. I would like to personally thank Melissa Munoz, Interim Assistant Finance Director, Timothy Lopez, Accountant and Marlyn Pena, Accountant. 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.

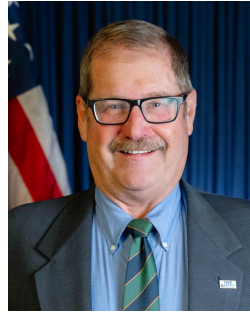
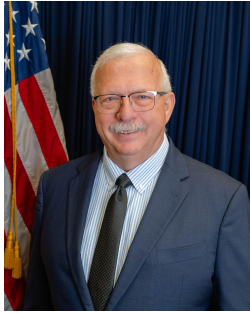
Respectfully submitted,



Matthew Boring
Finance Director

Mayor and City Council

Fiscal Year 2024-2025



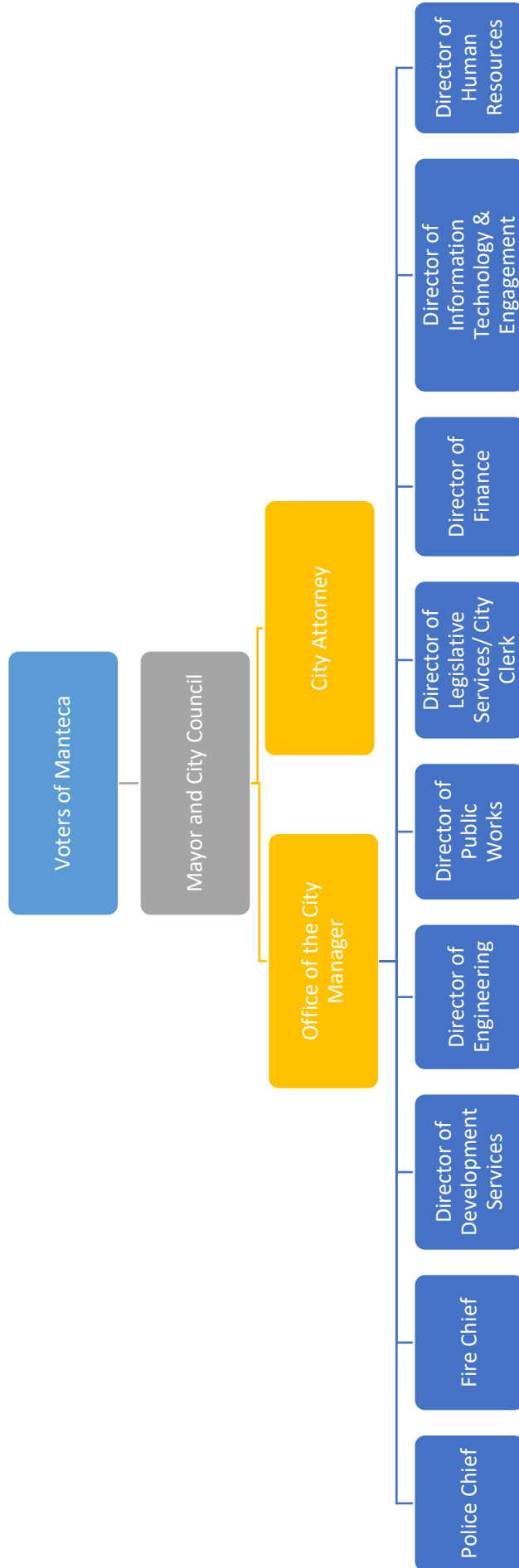
Gary Singh, Mayor
Charlie Halford, Vice Mayor
Regina Lackey, Councilmember
David Breitenbucher, Councilmember
Mike Morowit, Councilmember

Executive Team¹

Toni Lundgren, City Manager
Jose Jasso, Assistant City Manager
David Nefouse, City Attorney
Cassandra Candini-Tilton, Director of Legislative
Services/City Clerk
Stephanie Van Steyn, Director of Human
Resources
Pennie Arounsack, Director of Information
Technology & Innovation
Matt Boring, Interim Director of Finance
Jose Jasso, Interim Director of Public Works
Kevin Jorgensen, Director of Engineering
Brad Wungluck, Director of Development Services
Stephen Schluer, Chief of Police
David Rudat, Interim Chief of Fire

¹ Executive Team is as of June 30, 2025





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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 (City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2025 and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons listed in the Table of Contents as part of the basic financial statements for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Emphasis of Matter

As discussed in Note 9E, the City restated the net position of governmental activities, business-type activities, the Sewer, Solid Waste, Golf and Transit Enterprise Funds and the Vehicle and Equipment Internal Service Funds related to the correction of capital asset balances. The emphasis of this matter does not constitute a modification to our opinions.

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Maze & Associates". The script is cursive and fluid, with the ampersand being particularly stylized.

Pleasant Hill, California
January 13, 2026

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, 2025. 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 2024-25 fiscal year (FY) by \$1,064.6 million (Net Position). Of this amount, \$722.6 million reflects investments in capital assets, debt service and legally segregated taxes, grants, and fees; \$305.9 million is Restricted Net Position, of which a substantial portion is associated with the City’s reserve policy; and \$36.1 million is the combined Unrestricted Net Position. The combined Unrestricted Net Position reflects the inclusion of a Net Pension Liability of \$144.2 million and a total Other Post-Employment Benefits (OPEB) Liability of \$37.4 million in accordance with the GAAP.

- As of June 30, 2025, the governmental activities reported a total net position of \$726.6 million including: \$482 million net investment in capital assets, \$305.9 million in restricted net position, and a combined unrestricted balance of \$(61.3) million.
- Business-type activities reported a combined net position of \$338 million including: \$240.6 million net investment in capital assets, and \$97.4 million in unrestricted net position.
- Governmental capital assets increased by \$17.8 million in comparison to prior year assets representing additions such as land, streets, storm drainage, equipment, and construction in progress. The increase is also reflected in the governmental activities’ net investment in capital assets.
- The City’s total liabilities decreased by \$7.6 million over the prior year, primarily due to decreases in net pension and other post-employment benefits (OPEB). This decrease can be attributed to changes in assumptions made by the actuaries.
- As of June 30, 2025, the fund balance for the General Fund was \$54.9 million including: \$1.1 million for *Non-Spendable* items such as deposits, prepaid assets, advances from other funds, and inventory; \$0.4 million of *Restricted*; \$33.4 million *Assigned* for items such as economic revitalization and public facilities oversizing; and \$20 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 Government-wide financial statements distinguish the functions of the City that are principally supported by taxes, fees and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

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

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

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

Fund Financial Statements

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

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

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

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

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

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

- **Fiduciary Funds** – These funds are used to account for resources held for the benefit of parties outside the government. Fiduciary Funds are not reflected in the Government-wide Financial Statements because the resources of those funds are not available to support the City's own programs. The accounting used for Fiduciary Funds is similar to that used for Proprietary Funds. With the dissolution of the RDA per ABX1 26 and AB 1484, the activities of the SA are reported as a Private Purpose Trust Fund in the Fiduciary Fund section. The custodial fund accounts for the Community Facilities District 2023-1 special assessment collections and debt service payments. The City added the Public Business Improvement District (PBID) fund used to account for the improvement of general areas within Manteca's downtown business community.

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's pension and OPEB plans.

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 \$1,064.6 million as of June 30, 2025. This is an increase of \$95.5 million from June 30, 2024.

The following table reflects the Summary of Net Position for the Fiscal Year Ended June 30, 2025 with comparative data for the Fiscal Year Ended June 30, 2024.

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

	Governmental Activities		Business-Type Activities		Total Government	
	2025	2024	2025	2024	2025	2024
Cash and Other Assets	\$ 417,961	\$ 354,967	\$ 169,192	\$ 155,424	\$ 587,153	\$ 510,391
Capital Assets	484,818	466,964	290,654	284,405	775,472	751,369
Total Assets	902,779	821,931	459,846	439,829	1,362,625	1,261,760
Deferred Outflows	38,092	48,415	8,257	11,679	46,349	60,094
Current Liabilities	57,784	62,070	38,284	37,373	96,068	99,443
Non-Current Liabilities	7,270	3,295	48,644	51,131	55,914	54,426
Net Pension & OPEB Liability	142,345	143,896	39,259	43,390	181,604	187,286
Total Liabilities	207,399	209,261	126,187	131,894	333,586	341,155
Deferred Inflows	6,817	7,367	3,963	4,231	10,780	11,598
Net Investment in Capital Assets	482,029	465,657	240,546	231,118	722,575	696,775
Restricted Net Position	305,938	249,084	-	-	305,938	249,084
Unrestricted Net Position	(61,313)	(61,023)	97,408	84,265	36,095	23,242
Total Net Position *1	\$ 726,654	\$ 653,718	\$ 337,954	\$ 315,383	\$ 1,064,608	\$ 969,101

*1 - Restated for the correction of capital assets discussed in Note 9E

The City's Government-wide Net Position as of June 30, 2025, comprised the following:

- Cash and investments comprised \$485.8 million, an increase of \$64.3 million over the prior year. Restricted cash held by fiscal agents and investments totaled \$29.1 million, an increase of \$10 million.
- Total Governmental and Business-type receivables were comprised of \$41.8 million in current receivables and \$30.5 million of long-term receivables. Long-term receivables are related to conditional 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 conditional grants and loans have varying repayment terms and interest rates.
- Net investment in capital assets of \$722.6 million includes the City's infrastructure in addition to all other City assets, net of the debt incurred to construct and/or acquire those assets. Net capital assets increased \$25.8 million primarily due to the start of capital construction projects in various funds and developer dedicated infrastructure from Denali and Villa Ticino West subdivisions that were completed.
- Restricted Net Position, totaling \$305.9 million, includes \$206.2 million restricted for capital projects, \$41.3 million restricted for redevelopment projects, and \$58.4 million restricted for other projects as specified by funding source restrictions.
- The combined Unrestricted Net Position totals \$36.1 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 \$144.2 million and the Total OPEB Liability of \$37.4 million.

The Change in Net Position as expressed as the change in revenues and expenses through June 30, 2025, is further reflected in the Statement of Activities shown below.

	Governmental Activities		Business-Type Activities		Total Government	
	2025	2024	2025	2024	2025	2024
Program Revenues:						
Charges for Services	\$ 35,426	\$ 30,021	\$ 86,523	\$ 74,956	\$ 121,949	\$ 104,977
Operating Grants & Contributions	13,065	15,253	7,619	2,712	20,684	17,965
Capital Grants & Contributions	64,009	45,023	6,993	9,852	71,002	54,875
General Revenues:						
Property Taxes	30,296	27,637			30,296	27,637
Sales Taxes	33,365	29,241			33,365	29,241
Other Taxes	10,607	9,964			10,607	9,964
Interest Income	19,845	9,760	9,330	4,813	29,175	14,573
Development agreements	2,067	771			2,067	771
Other Revenue	1,336	2,059	779	235	2,115	2,294
Gain from Sale of Capital Assets	-	318	1	1,250	1	1,568
Total Revenues	210,016	170,047	111,245	93,818	321,261	263,865
Governmental Activities Expenses:						
General Government	14,647	14,222	-	-	14,647	14,222
Community Development	16,097	15,961	-	-	16,097	15,961
Public Safety	60,080	52,496	-	-	60,080	52,496
Library	588	159	-	-	588	159
Public Works	32,323	19,615	-	-	32,323	19,615
Recreation	6,530	5,513	-	-	6,530	5,513
Streets and Highways	5,549	15,133	-	-	5,549	15,133
Interest and fiscal charges	14	94	-	-	14	94
Business-Type Activities:						
Water	-	-	27,663	24,628	27,663	24,628
Sewer	-	-	36,170	27,935	36,170	27,935
Solid Waste	-	-	20,285	17,965	20,285	17,965
Golf	-	-	1,411	1,655	1,411	1,655
Transit	-	-	4,338	4,197	4,338	4,197
Total Expenses	135,828	123,193	89,867	76,380	225,695	199,573
Increase (Decrease) in Net Position Before Transfers	74,188	46,854	21,378	17,438	95,566	64,292
Transfers	(618)	2,485	618	(2,485)	-	-
Change in Net Position	73,570	49,339	21,996	14,953	95,566	64,292
Net Position - Beginning *1	653,084	604,379	315,958	300,430	969,042	904,809
Net Position - Ending	\$ 726,654	\$ 653,718	\$ 337,954	\$ 315,383	\$ 1,064,608	\$ 969,101

*1 - Restated for the correction of capital assets discussed in Note 9E

Revenues

Total government-wide revenues increased by \$57.4 million, or 21.8% over the prior year to a total of \$321.2 million. Governmental Activities charges for services increased by \$5.4 million compared to the prior year while operating grants and contributions decreased by \$2.2 million. Community Development and Public Safety have seen the largest charges for services revenues increases with \$5.3 and \$1.3 million respectively. Public Works saw the largest charges for services decrease of \$1.5 million.

Business-type Activities charges for services increased by \$11.6 million and operating grants and contributions increased by \$4.9 million compared to the prior year. Charges for activities can be attributed to an increase of Solid Waste and Sewer of \$6 million and \$3 million respectively. Water saw the largest

growth in PFIP zone 12 fees of \$3.7 million and water service fees of \$1.3 million. Solid Waste saw the revenue growth in Residential and Drop Box fees of \$4.6 million and \$0.9 million respectively.

General Revenues increased by \$21.5 million including: an increase in property taxes of \$2.7 million, a decrease in gain from sales of assets of \$1.6 million due to fixed assets remaining in service, an increase of \$4.1 million in sales tax as a result of the new Measure Q passing, an increase in other taxes of \$0.6 million, an increase in interest income of \$14.6 million as interest rates increased during the fiscal year, an increase in development agreements of \$1.3 million, and a decrease in other revenue of \$0.2 million.

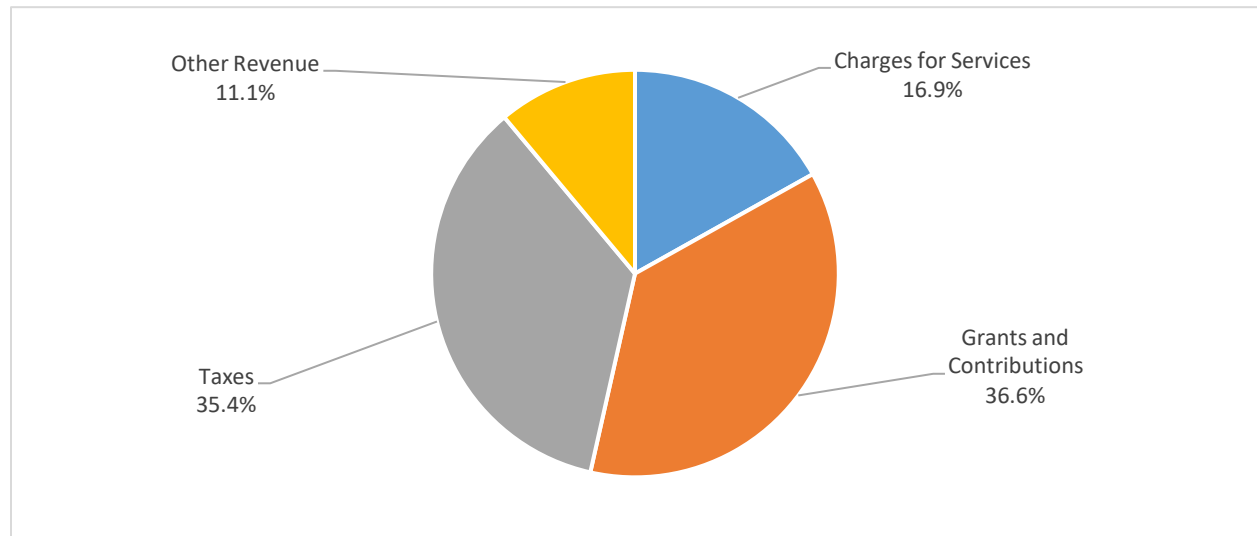
Expenses

Expenses for the City totaled \$225.7 million for the fiscal year ending June 30, 2025, an increase of \$26.1 million, or 13.1% over the prior year. Governmental activities incurred \$135.8 million of expenses. The largest expenses by activity were in Public Safety in the amount of \$60.1 million. This was an increase of \$7.6 million as compared to FY 2023-24. The bulk of this increase is related to personnel costs with an increase of \$3.3 million. This increase is primarily due to higher mutual aid overtime associated with firefighter deployments, a 2% wage adjustment pursuant to the MOU, and the addition of capital projects. The remaining major expenditures included Public Works \$32.3 million, Community Development \$16.1 million, and Streets & Highways \$5.5 million.

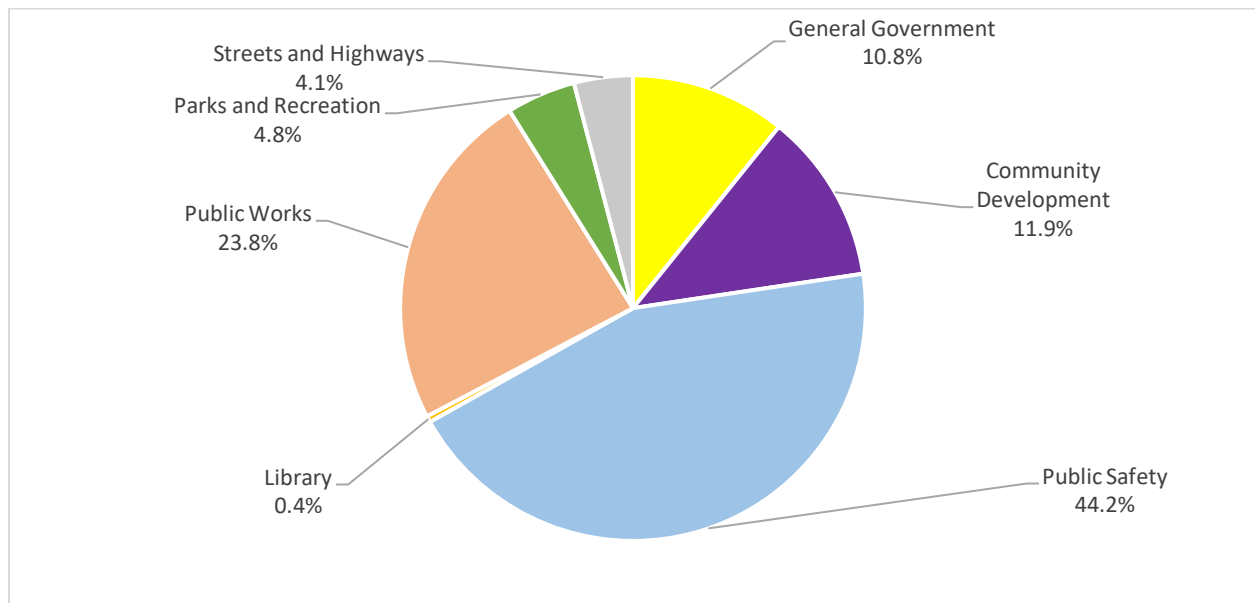
Business-type activities incurred \$89.9 million in expenses, an increase of \$13.5 million from the previous FY. The largest expenses by activity were Sewer at \$36.2 million, an increase of \$8.2 million, and Water at \$27.7 million, an increase of \$3 million, for the year. In the Sewer Fund, there was an overall increase due to capital improvements at the treatment plant.

Governmental Activities

As presented in the following two graphs, the largest funding sources for governmental activities are Grants and Contributions (36.6%) and Taxes (35.4%). The largest uses of resources for governmental activities are Public Safety (44.2%) and Public Works (23.8%).

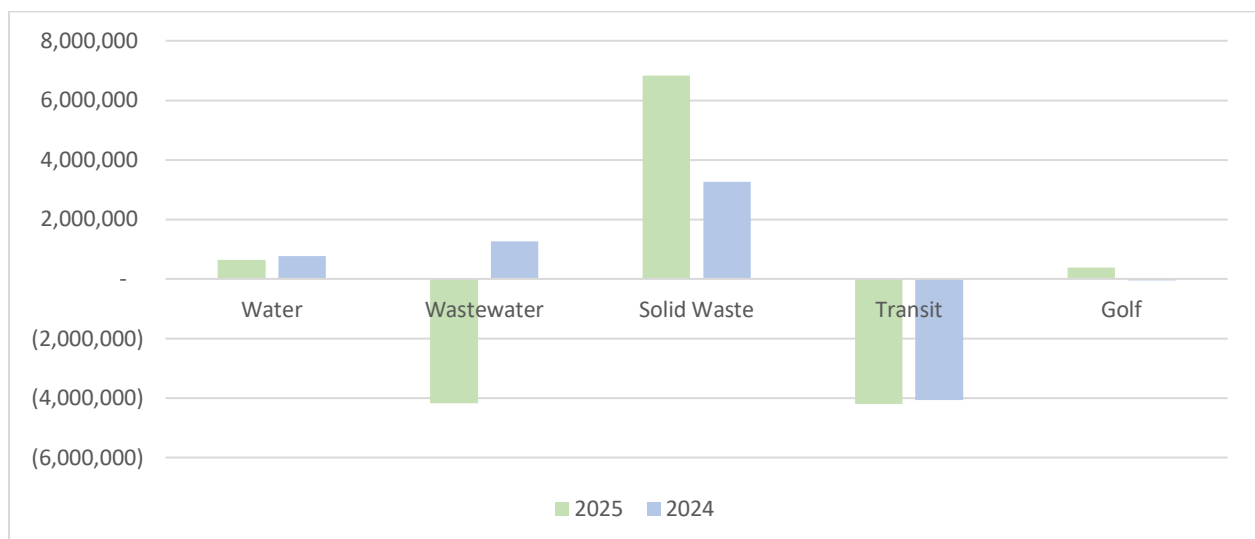


Expenses by Program – Governmental Activities



Business-type Activities

In the Statement of Revenues, Expenses, and Changes in Fund Net Position for Proprietary Funds, operating income (loss) of Business-type Activities decreased by \$1.7 million. From FY 2023-24, net operating income for Solid Waste increased by \$3.5 million, Golf increased by \$0.4 million, Sewer decreased \$5.4 million, Water decreased \$0.1 million and Transit decreased by \$0.1 million.



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, 2025, the City's governmental funds reported combined fund balances of \$329.2 million, which is an increase of \$64.9 million or 24.6% compared with the prior year. Governmental fund revenues were \$194.9 million this year, an increase of \$29.9 million, or 18.1%. The General Fund accounted for 42.2% of this revenue total. Expenditures were \$130.6 million this year. Of this total, \$73.8 million was in the General Fund, \$20.7 million was in other major funds and \$36.1 million was in non-major funds.

General Fund

General Fund revenues increased in FY 2024-25 by \$9.2 million or 12.6% as compared to FY 2023-24. Property taxes increased 9.6% and licenses and permits increased 44.1%. General Fund expenditures increased by \$2.6 million or 3.6% more than the prior year expenditures.

At June 30, 2025, the General Fund balance was comprised of \$1.1 million in non-spendable balances, \$0.4 million in restricted balances, \$33.4 million of assigned balances and \$20 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.

Homeless Navigation Center Fund

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

Homeless Navigation Center Fund revenues increased by \$434.8 thousand or 583% as compared to FY 2023-24. Revenues exceeded expenses due to mutual aid income for operations resulting in an increase of \$0.3 million to fund balance at June 30, 2025.

Recreation

Funding for the Recreation Fund is provided through fees collected from those who participate in recreational activities offered by the city. Revenues for the Recreation Fund decreased by \$242.4 thousand or 25.9%. While expenditures increased by \$56.2 thousand or 3.8%. The decrease in revenue is primarily due to investment earnings while the increase in expenditures is related to personnel costs.

Development Services

Development Services Fund was established to record revenues and expenditures directly related to development services, including planning and building safety. Revenues increased by \$2.4 million or 23.9% as compared to FY 2023-24. Licenses and Permits increased by \$1.3 million or 18.6%. Charges for Services increased by \$409.6 thousand or 19.2%. Expenditures increased by \$653 thousand or 11.4%. \$230.1 thousand of the increase can be attributed to personnel expenditures. The ending Development Services fund balance at June 30, 2025 was \$24.1 million.

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 \$62.3 million at year end an increase of 20.9% over the prior year. Revenues totaled \$16.7 million for the year and expenditures were \$5.9 million which includes \$5.5 million of capital outlay for construction projects in FY 2024-25.

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 allocation 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.

Revenue in the State Gasoline Tax Fund remained relatively constant at \$2.7 million as compared to FY 2023-24. Expenditures remained steady at \$3.2 million. Fund balance decreased by \$481.2 thousand to \$753.1 thousand at June 30, 2025.

Gas Tax SB1

Established to account for the Road Maintenance and Rehabilitation Account that addresses deferred maintenance of the local street and road systems and is funded by the State of California. Revenues increased by \$324.8 thousand or 13.2%. Expenditures increased by \$1.8 million due to the increase of capital outlay. Fund Balance at June 30, 2025 was \$7 million.

Government Building Facilities

Established to account for the financing and construction activities of the Civic Center expansion and other City facilities. Financing is provided by government building facilities fees imposed on developments. Revenues increased by \$2.9 million or 40.1%. Expenditures increased by \$0.5 million due to the increase of capital outlay. Fund Balance at June 30, 2025 was \$49.6 million.

Enterprise Funds

The City's Enterprise Funds provide the same type of information found in the Government-Wide Financial Statements, but in more detail. The City's Enterprise Funds are comprised of the Water Fund, the Sewer Fund, the Solid Waste Fund, the Golf Fund and the Transit Fund. Enterprise Fund net position totaled \$338 million at June 30, 2025. Enterprise operating revenues were \$87.3 million and operating expenses were \$87.8 million in FY 2024-25.

Water Fund

The net position of the Water Fund is \$118.7 million, consisting of \$49.3 million unrestricted funds and a net investment in capital assets of \$69.4 million at the end of the fiscal year.

Activities for the year were comprised of \$27.5 million in operating revenues for the current year and \$26.9 million in operating expenses. Charges for services showed an increase of 10% as compared to the prior year. Operating expenses increased by 13.5% from FY 2023-24.

Sewer Fund

The net position of the Sewer Fund is \$199.2 million for the current year. Of the \$199.2 million, \$156.8 million of the fund's net position is invested in capital assets with \$42.4 million unrestricted. Operating revenues for the year were \$30.8 million, an increase of 10.7% from the prior year due to new rate study and rate increase. Operating expenses increased by \$8.4 million or 31.8% over the prior year. Supplies and other expenses, and personnel services experienced the largest increase year over year, a combined total increase of \$7.7 million, or 62.1%.

Solid Waste Fund

Operating revenues for FY 2024-25 totaled \$27.1 million, an increase of 27.8% over the prior year. Operating expenses were \$20.3 million an increase of 12.9% from the prior year, leaving the fund with a net operating income of \$6.8 million for the year. Net position of the Solid Waste Fund is \$11.2 million, of which \$4 million is invested in capital assets and \$7.2 million is unrestricted. Long-term liabilities total \$13 million, with \$8.5 million for net pension liability and \$4.1 million for total OPEB liability.

Golf Fund

The operating revenue for this fund totaled \$1.8 million as of June 30, 2025, an increase of 11.3%. Operating expenses totaled \$1.4 million, a decrease of 14.7% from the prior year. Net position of the Golf Fund is \$1 million, of which \$2.4 million is invested in capital assets and \$(1.4) million is unrestricted. The General Fund has subsidized this fund when necessary, and there was a subsidy in fiscal year 2025 in the amount of \$91.5 thousand in the form of a transfer in.

Transit Fund

The operating revenue for this fund totaled \$0.1 million as of June 30, 2025. Operating expenses totaled \$4.3 million. Net position of the Transit Fund is \$7.9 million, of which \$8 million is invested in capital assets and \$(0.05) million is unrestricted.

GENERAL FUND BUDGETARY HIGHLIGHTS

The final amended budget for the General Fund totaled \$76.1 million in revenues, \$79 million in expenditures, with expenditures exceeding revenues by \$2.9 million. The difference between the original budget and the final amended budget was a increase in revenues of \$2.3 million and an increase in expenditures of \$7.3 million. Charges for current services accounted for the increase in revenues, while a variety of departmental charges accounted for the increase in expenditures, the largest being public safety and capital outlay.

General Fund revenues in total exceed their final budgeted forecasts by \$6.2 million. Property taxes, sales taxes, use of money and property, other taxes and other revenue exceeded their final budgeted forecasts by a combined total of \$7.9 million. Licenses and permits, fines and forfeitures, revenue from other agencies and charges for current services were under budget forecasts by \$1.8 million. At the end of the fiscal year, the total actual expenditures of the General Fund were \$73.8 million which was \$5.2 million less than the total final amended budget.

CAPITAL ASSETS

At the end of FY 2024-25, the City had \$775.4 million, net of depreciation, invested in a broad range of capital assets used in governmental and business type activities as outlined in Note 7.

	Governmental Activities		Business-Type Activities		Total Government	
	2025	2024	2025	2024	2025	2024
Land	\$ 67,471	\$ 65,269	\$ 4,960	\$ 4,394	\$ 72,431	\$ 69,663
Subscription assets in progress	-	1,065			-	1,065
Construction in Progress	60,452	37,575	18,097	10,509	78,549	48,084
Buildings & Improvements	19,653	36,798	18,962	20,720	38,615	57,518
Intangible right-to-use building	-	635	42	22	42	657
Machinery & Equipment	34,393	28,527	37,418	34,119	71,811	62,646
Intangible right-to-use equipment	188	29	2	23	190	52
Storm Drain	77,370	72,989			77,370	72,989
Streets	371,983	359,452			371,983	359,452
Parks	86,089	82,606			86,089	82,606
Subscription assets	5,070	1,810			5,070	1,810
Sewer lines and improvements			105,748	101,007	105,748	101,007
Sewer plant expansion			128,915	128,915	128,915	128,915
Water wells and pipelines			159,495	155,958	159,495	155,958
Other Infrastructure			165	165	165	165
Less accumulated depreciation	(237,852)	(219,791)	(183,149)	(171,427)	(421,001)	(391,218)
Total *1	\$ 484,817	\$ 466,964	\$ 290,655	\$ 284,405	\$ 775,472	\$ 751,368

*1 - Restated for the correction of capital assets discussed in Note 9E

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 \$50.1 million in debt associated with Business-type Activities. Debt in the Business-type Activities are related to the Sewer and Water Revenue bonds.

	Governmental Activities		Business-Type Activities		Total Government	
	2025	2024	2025	2024	2025	2024
Revenue Bonds	\$ -	\$ -	\$ 50,089	\$ 53,277	\$ 50,089	\$ 53,277
Total	\$ -	\$ -	\$ 50,089	\$ 53,277	\$ 50,089	\$ 53,277

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

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CITY OF MANTECA

STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES
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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, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments (Note 3)	\$334,793,512	\$150,979,998	\$485,773,510
Restricted cash and investments (Note 3)	18,218,783	10,853,616	29,072,399
Accounts receivable, net	10,563,629	17,130,020	27,693,649
Taxes receivable	13,503,369		13,503,369
Interest receivable	577,782	47,007	624,789
Prepays and deposits	4,124		4,124
Internal balances (Note 4D)	12,032,010	(12,032,010)	
Long-term notes receivable (Notes 5 and 16D)	27,744,126		27,744,126
Employee notes receivable (Note 6)	24,374		24,374
Capital assets, not being depreciated (Note 7)	127,923,471	23,057,238	150,980,709
Capital assets, being depreciated (net) (Note 7)	356,893,758	267,597,235	624,490,993
Leases receivable (Note 14)	499,746	2,212,881	2,712,627
Total Assets	902,778,684	459,845,985	1,362,624,669
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions (Note 10)	34,058,705	6,687,102	40,745,807
Deferred outflows related to OPEB (Note 11)	4,033,503	1,569,747	5,603,250
Total Deferred Outflows of Resources	38,092,208	8,256,849	46,349,057
LIABILITIES			
Accounts payable	10,757,529	9,379,685	20,137,214
Contracts payable (Note 16C)	5,650,358	18,178,763	23,829,121
Refundable deposits	10,615,876	4,065,343	14,681,219
Accrued liabilities	3,974,620	602,564	4,577,184
Unearned revenue	23,045,456	2,555,395	25,600,851
Compensated absences (Note 1G):			
Due within one year	1,180,937	379,819	1,560,756
Due in more than one year	5,400,072	1,657,009	7,057,081
Estimated claims liability (Note 13):			
Due within one year	1,598,225		1,598,225
Due in more than one year	42,265		42,265
Long-term debt (Note 8):			
Due within one year		3,110,000	3,110,000
Due in more than one year		46,979,265	46,979,265
Lease payable (Note 14):			
Due within one year	63,583	11,526	75,109
Due in more than one year	63,456	8,180	71,636
Subscription payable (Note 15):			
Due within one year	896,544		896,544
Due in more than one year	1,765,097		1,765,097
Net pension liability (Note 10):			
Due in more than one year	115,415,417	28,777,887	144,193,304
Total OPEB liability (Note 11):			
Due in more than one year	26,930,275	10,480,656	37,410,931
Total Liabilities	207,399,710	126,186,092	333,585,802
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions (Note 10)	1,707,220		1,707,220
Deferred inflows related to OPEB (Note 11)	4,639,134	1,805,447	6,444,581
Deferred inflows related to leases (Note 14)	470,657	2,157,595	2,628,252
Total Deferred Inflows of Resources	6,817,011	3,963,042	10,780,053
NET POSITION (Note 9):			
Net investment in capital assets	482,028,549	240,545,502	722,574,051
Restricted for:			
Capital projects	206,216,655		206,216,655
Redevelopment projects	41,333,855		41,333,855
Special revenue projects:			
Development mitigation	14,491,182		14,491,182
Landscaping and lighting	1,937,496		1,937,496
Public safety	6,711,809		6,711,809
Other special revenue projects	35,247,426		35,247,426
Total Restricted Net Position	305,938,423		305,938,423
Unrestricted	(61,312,801)	97,408,198	36,095,397
Total Net Position	\$726,654,171	\$337,953,700	\$1,064,607,871

See accompanying notes to basic financial statements

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental Activities:							
General government	\$14,647,356	\$8,284,171	\$4,433,447		(\$1,929,738)		(\$1,929,738)
Community development	16,097,481	14,683,017	404,706	\$210,558	(799,200)		(799,200)
Public safety	60,079,637	3,105,403	1,547,135	2,438,366	(52,988,733)		(52,988,733)
Library	587,467				(587,467)		(587,467)
Public works	32,323,376	3,527,153	74,065	12,832,836	(15,889,322)		(15,889,322)
Parks and recreation	6,529,667	5,826,290		8,776,533	8,073,156		8,073,156
Streets and highways	5,549,087		6,606,132	39,750,392	40,807,437		40,807,437
Interest and fiscal charges	14,103				(14,103)		(14,103)
Total Governmental Activities	135,828,174	35,426,034	13,065,485	64,008,685	(23,327,970)		(23,327,970)
Business-type Activities:							
Water	27,663,072	26,863,507	2,207,428	3,537,297		\$4,945,160	4,945,160
Sewer	36,170,020	30,647,569		2,725,110		(2,797,341)	(2,797,341)
Solid waste	20,285,758	27,112,875	885			6,828,002	6,828,002
Golf	1,411,433	1,762,680		90,382		441,629	441,629
Transit	4,338,128	136,489	5,410,802	640,000		1,849,163	1,849,163
Total Business-type Activities	89,868,411	86,523,120	7,619,115	6,992,789		11,266,613	11,266,613
Total	\$225,696,585	\$121,949,154	\$20,684,600	\$71,001,474	(23,327,970)	11,266,613	(12,061,357)
General revenues:							
Taxes:							
Property taxes					30,296,255		30,296,255
Sales taxes					33,364,542		33,364,542
Other taxes					10,607,216		10,607,216
Interest income					19,844,868	9,330,036	29,174,904
Development agreements, unrestricted					2,066,881		2,066,881
Other revenue					1,336,341	779,049	2,115,390
Gain on sale of capital assets						1,152	1,152
Transfers, net (Note 4A)					(618,394)	618,394	
Total general revenues and transfers					96,897,709	10,728,631	107,626,340
Change in Net Position					73,569,739	21,995,244	95,564,983
Net Position-Beginning, as Restated (Note 9E)					653,084,432	315,958,456	969,042,888
Net Position-Ending					\$726,654,171	\$337,953,700	\$1,064,607,871

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 2025. Individual non-major funds may be found in the Supplemental Section.

GENERAL FUND

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

LOW AND MODERATE INCOME HOUSING ASSETS FUND

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

HOMELESS NAVIGATION CENTER FUND

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

RECREATION FUND

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.

DEVELOPMENT SERVICES FUND

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

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.

STATE GASOLINE TAX FUND

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.

FUND FINANCIAL STATEMENTS

MAJOR GOVERNMENTAL FUNDS (CONTINUED)

GAS TAX SBI FUND

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

GOVERNMENT BUILDING FACILITIES FUND

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.

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CITY OF MANTECA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2025

	General	Low and Moderate Income Housing Assets	Homeless Navigation Center	Recreation	Development Services
ASSETS					
Cash and investments (Note 3)	\$48,601,183		\$16,283,087	\$1,444,761	\$24,204,044
Restricted cash and investments (Note 3)	423,373	\$1,134,513			
Accounts receivables (net of allowance for estimated uncollectible accounts)	794,148	41,229		3,700	1,200,541
Taxes receivable	10,543,711				
Interest receivable	576,874				
Employee notes receivable (Note 6)	24,374				
Due from other funds (Note 4B)	6,407,001				
Prepays and deposits	4,124				
Advances to other funds (Note 4C)	1,081,780				
Long-term notes receivable (Notes 5 and 16D)	405,000	28,307,948			
Leases receivable (Note 14)					
Total Assets	<u>\$68,861,568</u>	<u>\$29,483,690</u>	<u>\$16,283,087</u>	<u>\$1,448,461</u>	<u>\$25,404,585</u>
LIABILITIES					
Accounts payable	\$3,425,189		\$59,844	\$73,926	\$86,522
Contracts payable					
Refundable deposits	912,974			216,168	20,563
Accrued liabilities	3,937,278				
Due to other funds (Note 4B)					
Advances from other funds (Note 4C)					
Unearned revenue	<u>5,102,337</u>		<u>15,995,513</u>		
Total Liabilities	<u>13,377,778</u>		<u>16,055,357</u>	<u>290,094</u>	<u>107,085</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - accounts receivable	184,113				1,172,830
Unavailable revenue - notes receivable (Notes 5 and 16D)	405,000	\$28,307,948			
Deferred inflows related to leases (Note 14)					
Total Deferred Inflows of Resources	<u>589,113</u>	<u>28,307,948</u>			<u>1,172,830</u>
FUND BALANCES					
Fund balance (Note 9):					
Nonspendable	1,085,904				
Restricted	423,373	1,175,742	227,730	1,158,367	24,124,670
Committed					
Assigned	33,357,433				
Unassigned	<u>20,027,967</u>				
Total Fund Balances	<u>54,894,677</u>	<u>1,175,742</u>	<u>227,730</u>	<u>1,158,367</u>	<u>24,124,670</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$68,861,568</u>	<u>\$29,483,690</u>	<u>\$16,283,087</u>	<u>\$1,448,461</u>	<u>\$25,404,585</u>

See accompanying notes to basic financial statements

Public Facilities Implementation Plan	State Gasoline Tax	Gas Tax SB1	Government Building Facilities	Other Governmental Funds	Total Governmental Funds
\$56,420,256	\$742,642	\$6,732,641	\$50,033,550	\$122,552,626	\$327,014,790
5,255,542				11,405,355	18,218,783
2,557,831			560,905	5,299,145	10,457,499
	216,433	437,211		2,306,014	13,503,369
				908	577,782
					24,374
					6,407,001
					4,124
10,797,628					11,879,408
					28,712,948
				499,746	499,746
<u>\$75,031,257</u>	<u>\$959,075</u>	<u>\$7,169,852</u>	<u>\$50,594,455</u>	<u>\$142,063,794</u>	<u>\$417,299,824</u>
\$1,640,717	\$205,987	\$188,052	\$409,966	\$4,180,655	\$10,270,858
721,140				28,406	749,546
6,373,786				3,091,577	10,615,068
					3,937,278
				4,070,530	4,070,530
1,521,666					1,521,666
				1,947,606	23,045,456
<u>10,257,309</u>	<u>205,987</u>	<u>188,052</u>	<u>409,966</u>	<u>13,318,774</u>	<u>54,210,402</u>
2,485,366			560,905	319,392	4,722,606
					28,712,948
				470,657	470,657
<u>2,485,366</u>			<u>560,905</u>	<u>790,049</u>	<u>33,906,211</u>
62,288,582	753,088	6,981,800	49,623,584	124,455,509	1,085,904
				538,578	271,212,445
				2,960,884	538,578
					36,318,317
					20,027,967
<u>62,288,582</u>	<u>753,088</u>	<u>6,981,800</u>	<u>49,623,584</u>	<u>127,954,971</u>	<u>329,183,211</u>
<u>\$75,031,257</u>	<u>\$959,075</u>	<u>\$7,169,852</u>	<u>\$50,594,455</u>	<u>\$142,063,794</u>	<u>\$417,299,824</u>

CITY OF MANTECA
Reconciliation of the
GOVERNMENTAL FUNDS-BALANCE SHEET
with the
GOVERNMENTAL ACTIVITIES NET POSITION
JUNE 30, 2025

Total fund balances reported on the Governmental Funds Balance Sheet	\$329,183,211
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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.	480,110,323
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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	7,778,722
Accounts receivable	106,130
Prepaid items	
Capital assets, not being depreciated	1,507,629
Capital assets (net of accumulated depreciation)	3,199,277
Contracts and accounts payable	(486,671)
Accrued liabilities	(33,038)
Due to other funds	(662,203)
Compensated absences	(328,570)
Refundable deposits	(808)
Estimated claims liability	(1,640,490)
Net pension liability and deferred outflows/inflows related to pensions	(3,408,977)
Total OPEB liability and deferred outflows/inflows related to OPEB	(751,967)
Long-term debt - leases and subscriptions	(1,566,131)

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.	33,435,554
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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, including leases and subscription-based information technology arrangements	(1,222,549)
Net pension liability and deferred outflows/inflows related to pensions	(79,654,955)
Total OPEB liability and deferred outflows/inflows related to OPEB	(26,783,939)
Compensated absences	(6,252,439)
Interest payable (accrued liabilities)	(4,304)
Contracts payable	(4,900,812)
Allowance for conditional grants	(968,822)

NET POSITION OF GOVERNMENTAL ACTIVITIES	\$726,654,171
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See accompanying notes to basic financial statements

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CITY OF MANTECA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

	General	Low and Moderate Income Housing Assets	Homeless Navigation Center	Recreation	Development Services
REVENUES					
Property taxes	\$30,296,255				
Sales taxes	23,129,313				
Other taxes	11,930,796				
Licenses and permits	1,902,176				\$8,503,385
Fines and forfeitures	618,015				
Use of money and property	3,005,795	\$251,308	\$237,172	\$52,298	1,318,886
Revenue from other agencies	533,652				60,000
Charges for current services	10,058,081			641,836	2,547,819
Other revenue	807,428		272,208		
Total Revenues	82,281,511	251,308	509,380	694,134	12,430,090
EXPENDITURES					
Current:					
General government	11,588,188		197,830		270,016
Community development					5,845,398
Public safety	41,111,652				
Library	584,431				
Public works	9,252,956				
Parks and recreation	102,796			1,546,191	
Streets and highways					
Nondepartmental	9,587,616				
Capital outlay	1,403,575			5,480	18,992
Debt service:					
Principal	147,112			2,024	266,261
Interest and fiscal charges	11,469			3	2,416
Total Expenditures	73,789,795		197,830	1,553,698	6,403,083
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	8,491,716	251,308	311,550	(859,564)	6,027,007
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of property	67,500				
Issuance of lease	103,416				18,992
Issuance of SBITA	18,165				124,077
Transfers in (Note 4A)	24,640			840,000	
Transfers (out) (Note 4A)	(1,458,394)				
Total Other Financing Sources (Uses)	(1,244,673)			840,000	143,069
NET CHANGE IN FUND BALANCES	7,247,043	251,308	311,550	(19,564)	6,170,076
FUND BALANCES - as previously reported	47,647,634	924,434	(83,820)	1,177,931	17,954,594
ADJUSTMENTS (Note 9E)					
Changes from nonmajor fund to major fund					
BEGINNING FUND BALANCES (DEFICITS), as adjusted	47,647,634	924,434	(83,820)	1,177,931	17,954,594
ENDING FUND BALANCES	\$54,894,677	\$1,175,742	\$227,730	\$1,158,367	\$24,124,670

See accompanying notes to basic financial statements

Public Facilities Implementation Plan	State Gasoline Tax	Gas Tax SB1	(Previously NonMajor) Government Building Facilities	Other Governmental Funds	Total Governmental Funds
					\$30,296,255
				\$10,235,229	33,364,542
					11,930,796
			\$7,333,739	2,492,372	20,231,672
					618,015
\$3,091,487	\$171,301	\$301,826	2,783,397	8,099,432	19,312,902
	2,537,490	2,481,043		22,207,911	27,820,096
13,556,123				22,917,197	49,721,056
	29,766			535,622	1,645,024
16,647,610	2,738,557	2,782,869	10,117,136	66,487,763	194,940,358
				340,509	12,396,543
					5,845,398
				10,757,833	51,869,485
					584,431
404,402	30			4,162,146	13,819,534
				2,013,977	3,662,964
	3,217,436	63,830		2,593,850	5,875,116
				28,592	9,616,208
5,478,228	2,326	2,828,579	497,862	16,236,811	26,471,853
				7,122	422,519
				1,076	14,964
5,882,630	3,219,792	2,892,409	497,862	36,141,916	130,579,015
10,764,980	(481,235)	(109,540)	9,619,274	30,345,847	64,361,343
					67,500
				22,108	144,516
				794,682	936,924
					864,640
					(1,458,394)
				816,790	555,186
10,764,980	(481,235)	(109,540)	9,619,274	31,162,637	64,916,529
51,523,602	1,234,323	7,091,340		136,796,644	264,266,682
			40,004,310	(40,004,310)	
51,523,602	1,234,323	7,091,340	40,004,310	96,792,334	264,266,682
\$62,288,582	\$753,088	\$6,981,800	\$49,623,584	\$127,954,971	\$329,183,211

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, 2025

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 \$64,916,529

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	18,227,962
Depreciation expense is deducted from the fund balance	
(Depreciation expense is net of internal service fund depreciation	
of \$527,891 which has already been allocated to serviced funds)	(18,713,069)
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.	16,497,958

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 (lease liabilities) is deducted from fund balance	(144,516)
Issuance of debt (subscription liabilities) is deducted from fund balance	(936,924)
Repayment of lease principal is added back to fund balance	201,836
Repayment of SBITA principal is added back to fund balance	220,683

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	(541,722)
Contracts and accounts payable	3,209,186
Compensated absences	(110,209)
Interest payable	861
Allowance for conditional grants	(40,499)
Net pension liability and deferred outflows/inflows related to pensions	(7,275,849)
Total OPEB liability and deferred outflows/inflows related to OPEB	(687,602)

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	(1,254,886)
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$73,569,739
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See accompanying notes to basic financial statements

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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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$28,427,500	\$28,325,686	\$30,296,255	\$1,970,569
Sales taxes	18,967,207	19,496,634	23,129,313	3,632,679
Other taxes	11,740,000	11,740,000	11,930,796	190,796
Licenses and permits	2,061,000	2,181,000	1,902,176	(278,824)
Fines and forfeitures	1,675,000	1,675,000	618,015	(1,056,985)
Use of money and property	1,000,000	1,000,000	3,005,795	2,005,795
Revenue from other agencies	500,000	551,000	533,652	(17,348)
Charges for current services	8,811,800	10,479,720	10,058,081	(421,639)
Other revenue	604,500	670,445	807,428	136,983
Total Revenues	73,787,007	76,119,485	82,281,511	6,162,026
EXPENDITURES:				
Current:				
General government:				
Legislative	1,487,549	1,561,352	1,267,305	294,047
City Attorney	1,566,722	1,532,422	1,345,371	187,051
Administration	4,565,512	4,863,687	4,203,819	659,868
Human resources	1,448,842	1,555,745	1,554,057	1,688
Financial services	3,185,309	3,329,143	3,217,636	111,507
Total general government	12,253,934	12,842,349	11,588,188	1,254,161
Public safety:				
Police	24,953,040	25,745,158	25,522,565	222,593
Fire	12,862,853	14,770,785	14,948,339	(177,554)
Animal control	641,346	667,723	640,748	26,975
Total public safety	38,457,239	41,183,666	41,111,652	72,014
Library	687,862	746,888	584,431	162,457
Public works:				
Engineering	700,196	660,065	764,003	(103,938)
Street maintenance	220,883	180,133	110,552	69,581
Storm drain maintenance and operation	919,895	884,407	857,193	27,214
Vehicle maintenance	331,397	383,642	376,946	6,696
Building maintenance	7,618,885	7,708,523	7,144,262	564,261
Total public works	9,791,256	9,816,770	9,252,956	563,814

(Continued)

CITY OF MANTECA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
Parks and recreation:				
Senior center		960	102,796	(101,836)
Total parks and recreation		960	102,796	(101,836)
Nondepartmental charges	9,568,080	9,890,248	9,587,616	302,632
Capital outlay	906,000	4,507,733	1,403,575	3,104,158
Debt service:				
Principal			147,112	(147,112)
Interest and fiscal charges			11,469	(11,469)
Total debt service			158,581	(158,581)
Total Expenditures	71,664,371	78,988,614	73,789,795	5,198,819
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,122,636	(2,869,129)	8,491,716	11,360,845
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of property			67,500	67,500
Issuance of lease			103,416	103,416
Issuance of SBITA			18,165	18,165
Transfers in		24,640	24,640	
Transfers (out)	(1,281,500)	(1,281,500)	(1,458,394)	(176,894)
Total Other Financing Sources (Uses)	(1,281,500)	(1,256,860)	(1,244,673)	12,187
NET CHANGE IN FUND BALANCE	\$841,136	(\$4,125,989)	7,247,043	\$11,373,032
BEGINNING FUND BALANCE			47,647,634	
ENDING FUND BALANCE			\$54,894,677	

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, 2025

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES:				
Use of money and property	<u> </u>	<u> </u>	<u>\$251,308</u>	<u>\$251,308</u>
Total Revenues	<u> </u>	<u> </u>	<u>251,308</u>	<u>251,308</u>
NET CHANGE IN FUND BALANCE	<u> </u>	<u> </u>	<u>251,308</u>	<u>\$251,308</u>
BEGINNING FUND BALANCE			<u>924,434</u>	
ENDING FUND BALANCE			<u>\$1,175,742</u>	

See accompanying notes to basic financial statements

CITY OF MANTECA
HOMELESS NAVIGATION CENTER FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES:				
Use of money and property			\$237,172	\$237,172
Revenue from other agencies		\$3,000,000		(3,000,000)
Other revenue			272,208	272,208
Total Revenues		3,000,000	509,380	(2,490,620)
EXPENDITURES:				
Current:				
General government		182,414	197,830	(15,416)
Capital outlay		18,742,998		18,742,998
Total Expenditures		18,925,412	197,830	18,727,582
NET CHANGE IN FUND BALANCE		(\$15,925,412)	311,550	\$16,236,962
BEGINNING FUND BALANCE (DEFICIT)			(83,820)	
ENDING FUND BALANCE (DEFICIT)			\$227,730	

See accompanying notes to basic financial statements

CITY OF MANTECA
RECREATION FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES:				
Use of money and property			\$52,298	\$52,298
Charges for current services	\$509,260	\$509,260	641,836	132,576
Total Revenues	509,260	509,260	694,134	184,874
EXPENDITURES:				
Current:				
Parks and recreation:	1,759,240	1,773,563	1,546,191	227,372
Capital outlay		17,956	5,480	12,476
Debt service:				
Principal			2,024	(2,024)
Interest and fiscal charges			3	(3)
Total Expenditures	1,759,240	1,791,519	1,553,698	237,821
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,249,980)	(1,282,259)	(859,564)	422,695
OTHER FINANCING SOURCES (USES)				
Transfers in	840,000	840,000	840,000	
Total Other Financing Sources (Uses)	840,000	840,000	840,000	
NET CHANGE IN FUND BALANCE	(\$409,980)	(\$442,259)	(19,564)	\$422,695
BEGINNING FUND BALANCE			1,177,931	
ENDING FUND BALANCE			\$1,158,367	

See accompanying notes to basic financial statements

CITY OF MANTECA
DEVELOPMENT SERVICES FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES:				
Licenses and permits	\$5,000,000	\$7,100,000	\$8,503,385	\$1,403,385
Use of money and property	20,000	670,000	1,318,886	648,886
Revenue from other agencies			60,000	60,000
Charges for current services	1,630,000	2,304,500	2,547,819	243,319
Total Revenues	6,650,000	10,074,500	12,430,090	2,355,590
EXPENDITURES:				
Current:				
General government:				
City Attorney	250,000	250,000	135,296	114,704
Financial services	100,000	158,000	134,720	23,280
Total general government	350,000	408,000	270,016	137,984
Community development	7,571,317	9,722,242	5,845,398	3,876,844
Capital outlay			18,992	(18,992)
Debt service:				
Principal			266,261	(266,261)
Interest and fiscal charges			2,416	(2,416)
Total debt service			268,677	(268,677)
Total Expenditures	7,921,317	10,130,242	6,403,083	3,727,159
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,271,317)	(55,742)	6,027,007	6,082,749
OTHER FINANCING SOURCES (USES)				
Issuance of lease			18,992	18,992
Issuance of SBITA			124,077	124,077
Transfers (out)		(270)		270
Total Other Financing Sources (Uses)		(270)	143,069	143,339
NET CHANGE IN FUND BALANCE	(\$1,271,317)	(\$56,012)	6,170,076	\$6,226,088
BEGINNING FUND BALANCE			17,954,594	
ENDING FUND BALANCE			\$24,124,670	

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 2025, as identified below.

WATER FUND

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

SEWER FUND

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

SOLID WASTE FUND

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

GOLF FUND

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

TRANSIT FUND

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

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

	Business-type Activities-Enterprise Funds						Governmental Activities- Internal Service Funds
	Water	Sewer	Solid Waste	Golf	Transit	Total	
ASSETS							
Current assets							
Cash and investments (Note 3)	\$61,847,901	\$72,706,040	\$16,106,580	\$319,477		\$150,979,998	\$7,778,722
Accounts receivables (net of allowance for estimated uncollectible accounts)	2,611,684	5,729,181	3,907,335	55,780 47,007	\$4,826,040	17,130,020 47,007	106,130
Interest receivable							
Prepays and deposits							
Lease receivable (Note 14)				54,772		54,772	
Total Current Assets	64,459,585	78,435,221	20,013,915	477,036	4,826,040	168,211,797	7,884,852
Non-current assets							
Restricted cash and investments (Note 3)	6,455,769	4,397,847				10,853,616	
Advances to other funds (Note 4C)	453,082	346,567				799,649	
Lease receivable (Note 14)				2,158,109		2,158,109	
Capital assets not being depreciated (Note 7)	6,348,849	14,529,089	361,619	1,240,955	576,726	23,057,238	1,507,629
Capital assets (net of accumulated depreciation) (Note 7)	86,236,058	169,203,149	3,650,013	1,133,777	7,374,238	267,597,235	3,199,277
Total Non-Current Assets	99,493,758	188,476,652	4,011,632	4,532,841	7,950,964	304,465,847	4,706,906
Total Assets	163,953,343	266,911,873	24,025,547	5,009,877	12,777,004	472,677,644	12,591,758
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows related to pensions (Note 10)	1,963,186	2,409,936	1,972,624	232,814	108,542	6,687,102	1,031,930
Deferred outflows related to OPEB (Note 11)	474,001	354,034	613,604	128,108		1,569,747	110,150
Total Deferred Outflows of Resources	2,437,187	2,763,970	2,586,228	360,922	108,542	8,256,849	1,142,080
LIABILITIES							
Current liabilities							
Accounts payable	2,910,339	4,592,992	1,574,955	88,255	213,144	9,379,685	486,671
Due to other funds (Note 4B)					1,674,268	1,674,268	662,203
Refundable deposits	3,124,261	889,025	36,166		15,891	4,065,343	808
Unearned revenue					2,555,395	2,555,395	
Interest payable	495,509	107,045	10			602,564	33,038
Compensated absences (Note 1G)	124,485	140,689	103,820	8,845	1,980	379,819	48,342
Estimated claims liability (Note 13)							1,598,225
Revenue bonds (Note 8)	1,800,000	1,310,000				3,110,000	
Lease liability (Note 14)	1,582	4,970	4,974			11,526	11,810
Subscription liability (Note 15)							752,508
Total Current Liabilities	8,456,176	7,044,721	1,719,925	97,100	4,460,678	21,778,600	3,593,605
Long-term liabilities							
Contracts payable	1,963,985	16,214,778				18,178,763	
Advances from other funds (Note 4C)	3,313,092	7,844,299				11,157,391	
Compensated absences (Note 1G)	447,881	643,089	418,087	90,043	57,909	1,657,009	280,228
Estimated claims liability (Note 13)							42,265
Revenue bonds (Note 8)	21,402,623	25,576,642				46,979,265	
Net pension liability (Note 10)	8,448,554	10,371,141	8,489,172	1,001,912	467,108	28,777,887	4,440,907
Total OPEB liability (Note 11)	3,164,741	2,363,763	4,096,817	855,335		10,480,656	735,428
Lease liability (Note 14)		4,088	4,092			8,180	12,338
Subscription liability (Note 15)							789,475
Total Long-Term Liabilities	38,740,876	63,017,800	13,008,168	1,947,290	525,017	117,239,151	6,300,641
Total Liabilities	47,197,052	70,062,521	14,728,093	2,044,390	4,985,695	139,017,751	9,894,246
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows related to lease (Note 14)				2,157,595		2,157,595	
Deferred inflows related to OPEB (Note 11)	545,173	407,193	705,737	147,344		1,805,447	126,689
Total Deferred Inflows of Resources	545,173	407,193	705,737	2,304,939		3,963,042	126,689
NET POSITION (Note 9):							
Net investment in capital assets	69,380,702	156,836,538	4,002,566	2,374,732	7,950,964	240,545,502	3,140,775
Unrestricted	49,267,603	42,369,591	7,175,379	(1,353,262)	(51,113)	97,408,198	572,128
Total Net Position	\$118,648,305	\$199,206,129	\$11,177,945	\$1,021,470	\$7,899,851	\$337,953,700	\$3,712,903

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, 2025

	Business-type Activities-Enterprise Funds						Governmental Activities- Internal Service Funds
	Water	Sewer	Solid Waste	Golf	Transit	Total	
OPERATING REVENUES							
Charges for services	\$26,863,507	\$30,647,569	\$27,112,875	\$1,762,680	\$136,489	\$86,523,120	\$6,358,250
Insurance premium contribution from other funds							7,990,830
Miscellaneous	638,194	112,010		27,800	1,045	779,049	409,718
Total Operating Revenues	27,501,701	30,759,579	27,112,875	1,790,480	137,534	87,302,169	14,758,798
OPERATING EXPENSES							
Personnel services	6,152,151	7,591,773	5,903,259	807,687	313,909	20,768,779	4,141,615
Contractual services	661,076	2,176,401	6,521,926	2,916	2,550,917	11,913,236	218,041
Supplies and other expenses	11,650,293	12,547,069	2,488,421	161,840	228,376	27,075,999	456,180
Utilities	1,345,676	2,861,004	45,186	164,760	70,732	4,487,358	728,388
Repairs and maintenance	292,295	1,250,915	99,999	117,727	121,193	1,882,129	2,163,537
Vehicle maintenance and operations	3,257	16,388	641,130			660,775	
Interdepartmental	1,835,496	2,018,391	2,234,137	14,549	544,124	6,646,697	356,295
Insurance	483,261	892,187	546,094	73,821		1,995,363	6,539,421
Claims							1,223,968
Depreciation (Note 7)	4,349,306	5,308,551	1,730,477	66,295	470,086	11,924,715	527,891
Miscellaneous	91,012	278,714	74,904	1,838	38,791	485,259	91,690
Total Operating Expenses	26,863,823	34,941,393	20,285,533	1,411,433	4,338,128	87,840,310	16,447,026
Operating Income (Loss)	637,878	(4,181,814)	6,827,342	379,047	(4,200,594)	(538,141)	(1,688,228)
NONOPERATING REVENUES (EXPENSES)							
Interest income	3,905,344	4,679,124	696,065	117,452	(67,949)	9,330,036	337,399
Gain on sale of capital assets		1,152				1,152	154,346
Interest (expense) and fiscal charges	(799,249)	(1,228,627)	(225)			(2,028,101)	(33,763)
Intergovernmental grants	2,207,428		885		5,410,802	7,619,115	
Net Nonoperating Revenues (Expenses)	5,313,523	3,451,649	696,725	117,452	5,342,853	14,922,202	457,982
Income (Loss) Before Contributions and Transfers	5,951,401	(730,165)	7,524,067	496,499	1,142,259	14,384,061	(1,230,246)
Capital grants				90,382	640,000	730,382	
Contributions	3,537,297	2,725,110				6,262,407	
Transfers in (Note 4A)		526,894		91,500		618,394	
Transfers out (Note 4A)							(24,640)
Net Contributions and Transfers	3,537,297	3,252,004		181,882	640,000	7,611,183	(24,640)
Change in net position	9,488,698	2,521,839	7,524,067	678,381	1,782,259	21,995,244	(1,254,886)
BEGINNING NET POSITION, as previously reported	109,159,607	196,559,188	3,778,980	333,199	5,551,609	315,382,583	5,056,436
ADJUSTMENTS (Note 9E)							
Error Correction - Capital Assets		125,102	(125,102)	9,890	565,983	575,873	(88,647)
BEGINNING NET POSITION, AS RESTATED	109,159,607	196,684,290	3,653,878	343,089	6,117,592	315,958,456	4,967,789
ENDING NET POSITION	\$118,648,305	\$199,206,129	\$11,177,945	\$1,021,470	\$7,899,851	\$337,953,700	\$3,712,903

See accompanying notes to basic financial statements

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

	Business-type Activities-Enterprise Funds						Governmental Activities- Internal Service Funds
	Water	Sewer	Solid Waste	Golf	Transit	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers	\$28,111,019	\$28,469,895	\$26,250,007	\$1,770,458	\$140,535	\$84,741,914	\$14,670,810
Payments to suppliers	(14,180,952)	(19,342,362)	(9,381,678)	(676,080)	(3,033,841)	(46,614,913)	(10,686,131)
Payments to or on behalf of employees	(6,200,985)	(7,424,755)	(6,440,428)	(1,054,489)	(371,582)	(21,492,239)	(3,477,783)
Internal activity - payments to other funds	(1,835,496)	(2,018,391)	(2,234,137)	(14,549)	(544,124)	(6,646,697)	
Claims paid							(933,065)
Cash Flows from Operating Activities	5,893,586	(315,613)	8,193,764	25,340	(3,809,012)	9,988,065	(426,169)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Intergovernmental grants	2,207,428		885		5,421,339	7,629,652	
Interfund receipts (payments)					(384,423)	(384,423)	662,203
Transfers in from other funds		526,894		91,500		618,394	
Transfers (out) to other funds							(24,640)
Cash Flows from Noncapital Financing Activities	2,207,428	526,894	885	91,500	5,036,916	7,863,623	637,563
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Lease activity				(72,715)		(72,715)	
Acquisition of capital assets, net	(4,988,712)	(3,511,923)	(666,970)	(349,169)	(1,799,955)	(11,316,729)	(1,394,745)
Proceeds from sale of capital assets		1,152				1,152	154,346
Capital grants				90,382	640,000	730,382	
Long-term debt payment - principal	(1,710,000)	(1,200,000)				(2,910,000)	
Lease payment - principal	(1,572)	(5,266)	(4,046)			(10,884)	(9,039)
Subscription payment - principal							(774,974)
Long-term debt payment - interest and fiscal charges	(1,035,314)	(1,317,661)	(223)			(2,353,198)	(19,946)
Cash Flows from Capital and Related Financing Activities	(7,735,598)	(6,033,698)	(671,239)	(331,502)	(1,159,955)	(15,931,992)	(2,044,358)
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest	3,905,344	4,679,124	696,065	94,741	(67,949)	9,307,325	337,399
Cash Flows from Investing Activities	3,905,344	4,679,124	696,065	94,741	(67,949)	9,307,325	337,399
Net Cash Flows	4,270,760	(1,143,293)	8,219,475	(119,921)		11,227,021	(1,495,565)
Cash and investments at beginning of period	64,032,910	78,247,180	7,887,105	439,398		150,606,593	9,274,287
Cash and investments at end of period	\$68,303,670	\$77,103,887	\$16,106,580	\$319,477		\$161,833,614	\$7,778,722

(Continued)

See accompanying notes to basic financial statements

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

	Business-type Activities-Enterprise Funds						Governmental Activities- Internal Service Funds
	Water	Sewer	Solid Waste	Golf	Transit	Totals	
Reconciliation of Operating Income (Loss) to Cash Flows							
from Operating Activities:							
Operating income (loss)	\$637,878	(\$4,181,814)	\$6,827,342	\$379,047	(\$4,200,594)	(\$538,141)	(\$1,688,228)
Adjustments to reconcile operating income (loss) to cash flows							
from operating activities:							
Depreciation	4,349,306	5,308,551	1,730,477	66,295	470,086	11,924,715	527,891
Change in assets and liabilities:							
Accounts receivables (net of allowance for							
estimated uncollectible accounts)	(154,758)	(1,141,597)	(870,945)	(20,022)		(2,187,322)	(87,988)
Prepays and deposits							26,544
Accounts payable and other accrued expenses	1,309,692	882,263	1,044,059	(153,178)	(20,831)	3,062,005	(159,123)
Contracts payable	(199,698)	(1,350,034)				(1,549,732)	
Compensated absences	1,177	137,698	(25,608)	6,030	17,692	136,989	328,570
Claims liability							290,903
Net pension liability, deferred outflows and inflows	(208,154)	(9,174)	(77,220)	(73,827)	(75,365)	(443,740)	346,515
Total OPEB liability, deferred outflows and inflows	158,143	38,494	(434,341)	(179,005)		(416,709)	(11,253)
Cash Flows from Operating Activities	<u>\$5,893,586</u>	<u>(\$315,613)</u>	<u>\$8,193,764</u>	<u>\$25,340</u>	<u>(\$3,809,012)</u>	<u>\$9,988,065</u>	<u>(\$426,169)</u>
NONCASH TRANSACTIONS:							
Contributions of capital assets, net	<u>\$3,537,297</u>	<u>\$2,725,110</u>				<u>\$6,262,407</u>	
Amortization of bond premium	<u>\$193,316</u>	<u>\$84,094</u>				<u>\$277,410</u>	
Issuance of lease asset		<u>\$9,948</u>	<u>\$9,958</u>			<u>\$19,906</u>	<u>\$30,026</u>
Issuance of lease liability		<u>(\$9,948)</u>	<u>(\$9,958)</u>			<u>(\$19,906)</u>	<u>(\$30,026)</u>
Issuance of SBITA asset							<u>\$1,577,706</u>
Issuance of SBITA liability							<u>(\$1,577,706)</u>

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 PRIVATE-PURPOSE TRUST FUND

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

CUSTODIAL FUNDS

Custodial funds account for assets held by the City in a custodial capacity for individuals or other parties outside of the City's reporting entity.

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

	Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund	Custodial Funds
ASSETS		
Cash and investments (Note 3)	\$8,187,004	\$935,722
Restricted cash and investments (Note 3)	45,078	2,127,494
Accounts receivable		47,500
Capital assets, not being depreciated (Note 17C)	726,026	
Capital assets, being depreciated (net) (Note 17C)	1,363,472	
	<u>10,321,580</u>	<u>3,110,716</u>
Total Assets		
LIABILITIES		
Accounts payable	249	93,888
Due to the County Auditor-Controller (Note 17E)	1,760,625	
Interest payable	602,688	
Refundable deposits		50,284
Long-term obligations (Note 17D):		
Due in one year	4,450,000	
Due in more than one year	78,466,197	
	<u>85,279,759</u>	<u>144,172</u>
Total Liabilities		
NET POSITION (DEFICIT)		
Restricted for private purpose trust	<u>(\$74,958,179)</u>	
Restricted for other purposes		<u>\$2,966,544</u>

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, 2025

	Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund	Custodial Funds
ADDITIONS		
Property taxes	\$5,238,030	
Net investment income	286,232	\$72,699
Charges for services		1,112,352
Contributions from property owners		16,220,775
Other revenue		77,500
Total additions	5,524,262	17,483,326
DEDUCTIONS		
Professional services		13,938,496
General government		144,092
Community development	259,330	
Depreciation (Note 17C)	125,618	
Interest and fiscal charges	2,201,086	
Total deductions	2,586,034	15,441,125
CHANGE IN NET POSITION	2,938,228	2,042,201
NET POSITION (DEFICIT) RESTRICTED FOR PRIVATE PURPOSE OR OTHER PURPOSES		
Beginning of year	(77,896,407)	924,343
End of year	(\$74,958,179)	\$2,966,544

See accompanying notes to basic financial statements

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CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

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 2025. Separate financial statements are not issued for the City of Manteca Housing Authority.

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

B. *Basis of Presentation*

The City’s basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

These Standards require that the financial statements described below be presented.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

C. Major Funds

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

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

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

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

RECREATION FUND - 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.

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

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.

STATE GASOLINE TAX FUND - 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.

GAS TAX SB1 FUND - Established to account for the Road Maintenance and Rehabilitation Account that addresses deferred maintenance of the local street and road systems and is funded by the State of California.

GOVERNMENT BUILDING FACILITIES FUND - 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.

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.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

The City also reports the following fund types:

Internal Service Funds. The funds account for vehicle, equipment 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. Custodial funds are used to account for assets held by the City for the Community Facilities District 2023-1 and the Public Business Improvement District (PBID). The financial activities of these funds are excluded from the government-wide financial statements, but are presented in the separate Fiduciary Fund financial statements.

D. Basis of Accounting

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

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

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

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

E. Revenue Recognition for Water, Sewer and Solid Waste

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

F. Property Tax

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

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

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

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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:

	Governmental Activities	Business Type Activities	Total
Beginning Balance	\$6,142,230	\$1,899,839	\$8,042,069
Net Changes	438,779	136,989	575,768
Ending Balance	<u>\$6,581,009</u>	<u>\$2,036,828</u>	<u>\$8,617,837</u>
Current Portion	<u>\$1,180,937</u>	<u>\$379,819</u>	<u>\$1,560,756</u>

Compensated absences in enterprise funds 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, respectively.

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, respectively, and leases discussed in Note 14. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Prepaids and Deposits

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

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

K. Estimates and Assumptions

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

L. New Fund

The PBID Custodial Fund was established during fiscal year 2025 to account for the improvement of general areas within Manteca's downtown business community.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Governmental Accounting Standards Board Statements

New Effective Accounting Pronouncements

GASB Statement No. 101 – In June 2022, GASB issued GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The City implemented the provisions of this statement in fiscal year 2025. See Note 1G.

GASB Statement No. 102 – In December 2023, GASB issued GASB Statement No. 102, - *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. GASB Statement No. 102 did not have an effect on the financial statements.

Future Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) releases new accounting and financial reporting standards which may have a significant impact on the City's financial reporting process. Future new standards which may impact the City, include the following:

GASB Statement No. 103 – In April 2024, GASB issued GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The City has not determined the effect of this Statement.

GASB Statement No. 104 – In September 2024, GASB issued GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The City has not determined the effect of this Statement.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING

A. *Budgeting Procedures*

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

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

B. *Encumbrances*

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

C. *Expenditures in Excess of Appropriations*

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

Fund	Excess of Expenditures Over Appropriations
Special Revenue Funds:	
Landscape and Lighting Maintenance District	\$185,340
Capital Improvement Funds:	
Flood Protection	24,375

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 3 - CASH AND INVESTMENTS

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

A. Policies

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

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

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

B. Classification

Cash and investments as of June 30, 2025 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	\$485,773,510
Restricted cash and investments	29,072,399
Total City cash and investments of primary government	<u>514,845,909</u>
Cash and investments in Fiduciary Funds	9,122,726
Restricted cash and investments in Fiduciary Funds	2,172,572
Total cash and investments	<u><u>\$526,141,207</u></u>

Cash and investments as of June 30, 2025 consist of the following:

Cash on hand	\$2,550
Deposits with financial institutions	177,759,034
Investments	348,379,623
Total cash and investments	<u><u>\$526,141,207</u></u>

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

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

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	30%	5% (2)
Commercial Paper	270 days	Highest Category	40%	5% (3)
Negotiable Certificates of Deposit	5 years	A	30%	5% (2)
Repurchase Agreements	90 days	None	100%	5% (2)
Local Agency Investment Fund	n/a	None	\$75 million/account	\$75 million/account
Time Certificates of Deposit	5 years	None	25%	5% (2)
Medium-Term Corporation Notes	5 years	A	30%	5% (3)
Money Market Funds	n/a	Highest Category	100%	5% (2)
Local Government Investment Pools	n/a	None	50%	5% (2)
Supranationals	5 years	AA	30%	No Limit
Asset-Backed Securities	5 years	AA	20%	No Limit

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

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 3 - CASH AND INVESTMENTS (Continued)

D. Investments Authorized by Debt Agreements

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

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

E. Interest Rate Risk

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

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 3 - CASH AND INVESTMENTS (Continued)

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

Investment Type	12 Months or less	13 to 24 Months	25 to 36 Months	36 to 60 Months	Total
<i>Held by City:</i>					
U.S. Treasury Notes		\$27,802,590	\$32,182,980		\$59,985,570
Mortgage Pass Through Federal Agency Securities	\$3,663,159	6,373,002	11,127,640		21,163,801
Medium Term Corporate Notes:					
Callable	3,188,361	13,400,345	14,905,105		31,493,811
Non-Callable	1,464,610	5,712,278	5,714,271		12,891,159
Negotiable Certificates of Deposit		3,368,786			3,368,786
California Local Agency Investment Fund	52,731,914				52,731,914
Asset-Backed Securities	21,977	2,610,525	5,878,042	\$23,351,610	31,862,154
Municipal Bonds	395,000		504,459		899,459
California Asset Management Program	74,990,197				74,990,197
Money Market Mutual Funds (U.S. Securities)	97,198				97,198
<i>Held by Trustees:</i>					
Money Market Mutual Funds (U.S. Securities)	58,895,574				58,895,574
Total Investments	<u>\$195,447,990</u>	<u>\$59,267,526</u>	<u>\$70,312,497</u>	<u>\$23,351,610</u>	<u>\$348,379,623</u>

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Each regular LAIF account is permitted to have up to 15 transactions per month, with a minimum transaction amount of \$5,000, a maximum transaction amount of \$75 million and at least 24 hours advance notice for withdrawals of \$10 million or more. Bond proceeds accounts are subject to a one-time deposit with no cap and are set up with a monthly draw down schedule. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2025, these investments have an average maturity of 248 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, 2025, the fair value was approximate to the City's cost. At June 30, 2025, these investments had an average maturity of 41 days.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

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, 2025, have a weighted average maturity of 1 to 52 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, 2025 for each investment type as provided by Standard and Poor's investment rating system, except as noted.

Investment Type	Standard and Poor's			Moody's			Total
	AAAm/AAA	AA+/AA/AA-	A+/A/A-	Aaa	Aa2	A1/A2/A3	
Held by City:							
Mortgage Pass Through Federal Agency Securities		\$21,163,801					\$21,163,801
Medium Term Corporate Notes:							
Callable	\$1,118,457	5,660,043	\$23,397,157			\$1,318,154	31,493,811
Non-Callable		4,892,472	7,355,651			643,036	12,891,159
Negotiable Certificates of Deposit			3,368,786				3,368,786
Asset-Backed Securities	20,294,215			\$11,567,939			31,862,154
Municipal Bonds		395,000			\$504,459		899,459
California Asset Management Program	74,990,197						74,990,197
Money Market Mutual Funds (U.S. Securities)	97,198						97,198
Held by Trustees:							
Money Market Mutual Funds (U.S. Securities)	58,895,574						58,895,574
Totals	<u>\$155,395,641</u>	<u>\$32,111,316</u>	<u>\$34,121,594</u>	<u>\$11,567,939</u>	<u>\$504,459</u>	<u>\$1,961,190</u>	235,662,139
Not rated:							
California Local Agency Investment Fund							52,731,914
Exempt from credit rating disclosure:							
U.S. Treasury Notes							59,985,570
Total Investments							\$348,379,623

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

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, 2025:

	Level 1	Level 2	Total
Investments by Fair Value Level:			
U.S. Treasury Notes	\$59,985,570		\$59,985,570
Mortgage Pass Through Federal Agency Securities		\$21,163,801	21,163,801
Medium Term Corporate Notes		44,384,970	44,384,970
Negotiable Certificates of Deposit		3,368,786	3,368,786
Asset-Backed Securities		31,862,154	31,862,154
Municipal Bonds		899,459	899,459
	<u>\$59,985,570</u>	<u>\$101,679,170</u>	<u>161,664,740</u>
Totals			
Investments Measured at Net Asset Value Per Share:			
Held by City:			
California Asset Management Program			74,990,197
Investments Measured at Amortized Cost:			
Held by City:			
Money Market Mutual Funds (U.S. Securities)			97,198
Held by Trustees:			
Money Market Mutual Funds (U.S. Securities)			58,895,574
Investments Exempt from Fair Value Hierarchy:			
California Local Agency Investment Fund			<u>52,731,914</u>
Total Investments			<u><u>\$348,379,623</u></u>

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

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

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, 2025, the transfers were as follows:

Fund Receiving Transfers	Fund Making Transfers	Amount Transferred	Purpose
General Fund	Insurance Internal Service Fund	\$24,640	A
Recreation Special Revenue Fund	General Fund	840,000	A
Sewer Enterprise Fund	General Fund	526,894	B
Golf Enterprise Fund	General Fund	91,500	A
		<u>\$1,483,034</u>	

A To fund operations

B 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. 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, 2025, interfund balances were as follows:

Due From Funds	Due To Funds	Amount
General Fund	Non-Major Governmental Funds	\$4,070,530
	Transit Enterprise Fund	1,674,268
	Vehicle Internal Service Fund	662,203
	Total	<u>\$6,407,001</u>

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 4 - INTERFUND TRANSACTIONS (Continued)

C. Long-Term Interfund Advances

At June 30, 2025, 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 Capital Improvements Fund	\$1,081,780
Public Facilities Implementation Plan Capital Improvements Fund	Water Enterprise Fund Sewer Enterprise Fund	3,226,131 7,571,497
Water Enterprise Fund	Public Facilities Implementation Plan Capital Improvements Fund Sewer Enterprise Fund	180,280 272,802
Sewer Enterprise Fund	Public Facilities Implementation Plan Capital Improvements Fund Water Enterprise Fund	259,606 86,961
	Total Advances	<u>\$12,679,057</u>

Public Facilities Implementation Plan

Advances above in the amount of \$12,679,057 have been made between the Public Facilities Improvement Plan, General Fund, Water, and Sewer Funds in coordination with the City's adopted Public Facilities Implementation Plan. The long-term interfund advances to and from these funds were made in accordance with this Plan and are expected to be repaid out of future developer fees over the next fifteen years.

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

D. Internal Balances

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

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 5 - REDEVELOPMENT AGREEMENTS AND NOTES RECEIVABLE

The former Redevelopment Agency engaged in programs designed to encourage construction of or improvement to low-to-moderate income housing. Under these programs, grants or loans are provided under favorable terms to homeowners or developers who agree to expend these funds in accordance with the Agency's terms. With the dissolution of the Redevelopment Agency as discussed in Note 17, the City agreed to become the successor to the Redevelopment Agency's housing activities and as a result the Low and Moderate Income Housing Asset Fund assumed the loans receivable of the Redevelopment Agency's Low and Moderate Income Housing Fund. The balances of the notes receivable in the Low and Moderate Income Housing Asset Fund at June 30, 2025 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, 2025, these Notes totaled:

HOPE Shelter	\$1,382,482
Habitat for Humanity	10,000
Down Payment Assistance Program	1,191,700
Residential Rehabilitation	73,458
First-Time Homebuyer Loan Program	60,000
Mid-Peninsula Housing Coalition	3,950,891
Eden Housing Inc. - Union Court Apartments	3,191,736
Eden Housing Inc. - Senior Housing	2,853,623
Manteca Senior Housing, Inc. - Affirmed Housing	1,003,389
Senior Rehabilitation Loans	17,070
Manteca Atherton Associates - Juniper Apartments	14,573,599
Total notes receivable	28,307,948
Less: Allowance for conditional grants	(968,822)
Net long-term notes receivable	\$27,339,126

In addition, the General Fund has recorded a loan receivable in the amount of \$405,000 as discussed in Note 16D.

Unavailable revenue at June 30, 2025 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, 2025, HOPE had drawn down \$1,206,037 of the available loan and no further drawdowns are expected. Interest accrued on the loan totaled \$176,445 as of June 30, 2025.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

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, 2025, loans related to this Program in the amount of \$1,191,700 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, 2025, loans receivable under this program totaled \$73,458.

F. *First-Time Homebuyer Loan Program*

In January 2002, the Agency engaged in a First-Time Homebuyer Down Payment Assistance Program designed to encourage home ownership among low-and-moderate-income households. Under this program, an interest free loan up to \$60,000 is provided to eligible households to be used as part of the down payment for the purchase of home in the City of Manteca. These promissory notes are secured by second deeds of trust and due forty years from the date the property was purchased. The balance of the notes receivable arising from this program at June 30, 2025 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. Interest accrued on the loan totaled \$1,450,891 as of June 30, 2025. 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 1% and is due in 2055. Interest accrued on the loan totaled \$597,994 as of June 30, 2025.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

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 3% 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, 2025, Eden Housing had drawn down the loan in the amount of \$1,680,932. Interest accrued on the loan totaled \$1,172,691 as of June 30, 2025.

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 3% interest due from date of closing applicable only in case of default. If there are residual receipts, the developer must pay to the City 50% of the receipts. At June 30, 2025, \$750,000 has been drawn down from the loan, and all \$2,000,000 of the grant has been drawn down. Interest accrued on the loan totaled \$253,389 as of June 30, 2025.

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, 2025, 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, 2025 is \$12,750,000. Interest accrued on the loan totaled \$1,823,599 as of June 30, 2025.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

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, 2025 is \$968,822.

NOTE 6 - EMPLOYEE NOTES RECEIVABLE

All full-time City employees who have completed their probationary period are eligible to obtain an interest free loan of up to \$3,000 to purchase a computer. All requests for loans are subject to review by the employee's department manager and the Information Technology Department, and ultimately must be approved by the Finance Director. Repayment of these loans is handled through payroll deductions which are spread out equally over a three-year period or less. Employees must repay the outstanding balance of their loans upon ending their employment with the City. As of June 30, 2025, 26 employees had notes totaling \$24,374 due to the City.

NOTE 7 - CAPITAL ASSETS

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

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

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

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

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 7 - CAPITAL ASSETS (Continued)

A. Capital Asset Additions and Retirements

Capital assets activities for the year ended June 30, 2025 were as follows:

Governmental activities

	Balance at June 30, 2024 (As Restated)	Additions	Retirements	Transfers	Balance at June 30, 2025
Capital assets not being depreciated:					
Land and improvements	\$67,471,204				\$67,471,204
Subscription assets in progress	1,064,912			(\$1,064,912)	
Construction in progress	53,793,517	\$8,667,917		(2,009,167)	60,452,267
Total capital assets not being depreciated	122,329,633	8,667,917		(3,074,079)	127,923,471
Capital assets being depreciated:					
Buildings and improvements	17,775,810	1,615,704		261,052	19,652,566
Intangible right-to-use building	634,944		(\$634,944)		
Machinery and equipment	28,532,281	4,550,205	(437,106)	1,748,115	34,393,495
Intangible right-to-use equipment	28,661	179,818	(20,832)		187,647
Storm drain	72,988,556	4,381,300			77,369,856
Streets	359,451,836	12,531,301			371,983,137
Parks	82,582,761	3,505,870			86,088,631
Subscription assets	1,810,085	2,296,282	(101,073)	1,064,912	5,070,206
Total capital assets being depreciated	563,804,934	29,060,480	(1,193,955)	3,074,079	594,745,538
Less accumulated depreciation for:					
Buildings and improvements	(15,631,181)	(1,050,817)			(16,681,998)
Intangible right-to-use building	(486,342)	(148,602)	634,944		
Machinery and equipment	(22,303,100)	(2,155,043)	437,106		(24,021,037)
Intangible right-to-use equipment	(21,036)	(65,377)	20,832		(65,581)
Storm drain	(20,654,764)	(1,439,946)			(22,094,710)
Streets	(122,208,953)	(11,001,766)			(133,210,719)
Parks	(37,930,064)	(2,592,322)			(40,522,386)
Subscription assets	(569,335)	(787,087)	101,073		(1,255,349)
Total accumulated depreciation	(219,804,775)	(19,240,960)	1,193,955		(237,851,780)
Net capital assets being depreciated	344,000,159	9,819,520		3,074,079	356,893,758
Governmental activity capital assets, net	\$466,329,792	\$18,487,437			\$484,817,229

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 7 - CAPITAL ASSETS (Continued)

Business-type activities

	Balance at June 30, 2024 (As Restated)	Additions	Retirements	Transfers	Balance at June 30, 2025
Capital assets not being depreciated:					
Land and improvements	\$4,960,217				\$4,960,217
Construction in progress	10,509,051	\$8,726,859		(\$1,138,889)	18,097,021
Total capital assets not being depreciated	15,469,268	8,726,859		(1,138,889)	23,057,238
Capital assets being depreciated:					
Sewer lines and improvements	103,022,609	1,818,871		906,239	105,747,719
Water wells, pipelines and water rights	155,958,174	3,537,296			159,495,470
Buildings and improvements	18,703,561	258,180			18,961,741
Intangible right-to-use building	21,922	19,907			41,829
Machinery and equipment	34,206,539	3,237,927	(\$259,502)	232,650	37,417,614
Intangible right-to-use equipment	23,487		(21,921)		1,566
Infrastructure	165,424				165,424
Sewer plant expansion	128,914,748				128,914,748
Total capital assets being depreciated	441,016,464	8,872,181	(281,423)	1,138,889	450,746,111
Less accumulated depreciation for:					
Sewer lines and improvements	(28,072,372)	(1,880,135)			(29,952,507)
Water wells, pipelines and water rights	(71,575,126)	(3,917,734)			(75,492,860)
Buildings and improvements	(10,025,721)	(557,522)			(10,583,243)
Intangible right-to-use building	(20,704)				(20,704)
Machinery and equipment	(24,648,145)	(3,047,167)	259,502		(27,435,810)
Intangible right-to-use equipment	(13,374)	(10,984)	21,921		(2,437)
Infrastructure	(87,498)	(6,567)			(94,065)
Sewer plant expansion	(37,062,644)	(2,504,606)			(39,567,250)
Total accumulated depreciation	(171,505,584)	(11,924,715)	281,423		(183,148,876)
Net capital assets being depreciated	269,510,880	(3,052,534)		1,138,889	267,597,235
Total Business-type activity capital assets, net	\$284,980,148	\$5,674,325			\$290,654,473

B. Capital Asset Contributions

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

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

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	\$1,062,395
Community development	62,149
Public safety	1,602,138
Public works	13,126,302
Parks and recreation	2,860,085
Internal Service Funds	527,891
Total Governmental Activities	\$19,240,960
Business-Type Activities	
Water	\$4,349,306
Sewer	5,308,551
Solid waste	1,730,477
Golf	66,295
Transit	470,086
Total Business-Type Activities	\$11,924,715

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, 2024	Retirements	Balance June 30, 2025	Current Portion
Business-type Activity Debt:					
Sewer Revenue Bonds					
Series 2009 Bonds, 4.875-5.75%	\$19,000,000	\$19,000,000	\$560,000	\$18,440,000	\$640,000
Series 2012 Refunding Bonds, 2.00 - 4.00%	22,690,000	7,615,000	640,000	6,975,000	670,000
Net premium		1,555,736	84,094	1,471,642	
Water Revenue Bonds					
Series 2012 Refunding Bonds, 2.00 - 5.00%	35,840,000	21,530,000	1,710,000	19,820,000	1,800,000
Net premium		3,575,939	193,316	3,382,623	
Total Business - Type Activity Debt	\$77,530,000	\$53,276,675	\$3,187,410	\$50,089,265	\$3,110,000

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 8 - LONG TERM DEBT (Continued)

B. Sewer Revenue Bonds

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

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

The City has pledged future sewer revenues, net of specified operating expenses, to repay the 2009 and 2012 Sewer Revenue Bonds through 2036. Projected net customer revenues are expected to provide coverage over debt service of at least 125% over the life of the bonds. The Sewer Enterprise Fund's total principal and interest remaining to be paid on the bonds is \$35,091,951. The Sewer Enterprise Fund's principal and interest paid for the current year and total customer net revenues were \$2,513,990 and \$8,656,073, respectively.

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

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

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 \$24,601,000. The Water Enterprise Fund's principal and interest paid for the current year and total customer net revenues were \$2,743,750 and \$12,815,905, respectively.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 8 - LONG TERM DEBT (Continued)

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 its 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
2026	\$3,110,000	\$2,205,546
2027	3,300,000	2,061,071
2028	3,505,000	1,905,945
2029	3,725,000	1,734,944
2030	3,905,000	1,548,797
2031-2035	20,815,000	4,600,731
2036-2037	6,875,000	400,917
Total	45,235,000	\$14,457,951
Plus: Bond Premiums	4,854,265	
Gross Long Term Debt	\$50,089,265	

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.

F. Special Assessment District Bonds

Special Assessment Districts (Districts) within the City have issued debt under the Mello-Roos Community Facilities Act of 1982 to finance infrastructure improvements and facilities within the boundaries of the Districts. The City is the collecting and paying agent for the debt issued by the Districts but has no direct or contingent liability or moral obligation for the payment of the debt. Therefore, debt issued by the Districts is not included in long term debt of the City.

The outstanding balance of the issues at June 30, 2025 is:

Special Assessment Debt with no Governmental Commitment	Issue Year	Maturity Year	Outstanding at June 30, 2025
Villa Ticino West Community Facilities			
District No. 2023-1, Series 2024	2024	2055	\$15,750,000
District No. 2023-1, Series 2025	2025	2056	5,515,000
			<u>\$21,265,000</u>

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 9 - NET POSITION AND FUND BALANCES

A. Net Position

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

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

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

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

B. Fund Balance

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

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

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

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

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

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

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, 2025, are below:

Fund Balance Classifications	General Fund	Special Revenue			
		Low and Moderate Income Housing Assets	Homeless Navigation Center	Recreation	Development Services
Nonspendable:					
Items not in spendable form:					
Advance to other funds	\$1,081,780				
Prepays and deposits	4,124				
Total Nonspendable Fund Balances	1,085,904				
Restricted for:					
Health Reimbursement Arrangement	423,373				
Low and Moderate Income Housing Projects		\$1,175,742			
Transportation Projects					
Development Services Projects					\$24,124,670
Engineering Services					
Public Safety Projects					
Homeless Center			\$227,730		
Parks Projects					
Major Equipment Purchases					
Landscaping and Lighting Projects					
City and Public Facilities Projects					
Flood Protection Projects					
Recreation				\$1,158,367	
Total Restricted Fund Balances	423,373	1,175,742	227,730	1,158,367	24,124,670
Committed to:					
Innovation and Technology Projects					
Assigned to:					
Fiscal Stability	20,138,103				
Pension	4,027,621				
Economic Development	2,500,000				
Public Facilities Oversizing	3,691,709				
Capital Facilities	1,500,000				
Technology	1,500,000				
Total Assigned Fund Balances	33,357,433				
Unassigned:					
General Fund	20,027,967				
Total Unassigned Fund Balances	20,027,967				
Total Fund Balances	\$54,894,677	\$1,175,742	\$227,730	\$1,158,367	\$24,124,670

(Continued)

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 9 - NET POSITION AND FUND BALANCES (Continued)

Fund Balance Classifications	Capital Projects					Total
	Public Facilities Implementation Plan	State Gasoline Tax	Gas Tax SB1	Government Building Facilities	Other Governmental Funds	
Nonspendable:						
Items not in spendable form:						
Advance to other funds						\$1,081,780
Prepays and deposits						4,124
Total Nonspendable Fund Balances						1,085,904
Restricted for:						
Health Reimbursement Arrangement						423,373
Low and Moderate Income Housing Projects					\$12,829	1,188,571
Transportation Projects		\$753,088	\$6,981,800		41,752,035	49,486,923
Development Services Projects					14,491,182	38,615,852
Engineering Services					8,177,916	8,177,916
Public Safety Projects					6,951,196	6,951,196
Homless Center						227,730
Parks Projects					30,163,404	30,163,404
Major Equipment Purchases					1,584,955	1,584,955
Landscaping and Lighting Projects					1,937,496	1,937,496
City and Public Facilities Projects	\$62,288,582			\$49,623,584	19,348,268	131,260,434
Flood Protection Projects					36,228	36,228
Recreation						1,158,367
Total Restricted Fund Balances	62,288,582	753,088	6,981,800	49,623,584	124,455,509	271,212,445
Committed to:						
Innovation and Technology Projects					538,578	538,578
Assigned to:						
Fiscal Stability						20,138,103
Pension						4,027,621
Economic Development						2,500,000
Public Facilities Oversizing						3,691,709
Capital Facilities					2,960,884	4,460,884
Technology						1,500,000
Total Assigned Fund Balances					2,960,884	36,318,317
Unassigned:						
General Fund						20,027,967
Total Unassigned Fund Balances						20,027,967
Total Fund Balances	\$62,288,582	\$753,088	\$6,981,800	\$49,623,584	\$127,954,971	\$329,183,211

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

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 Water, Wastewater and Transit Enterprise Funds, the target for working capital was established at baseline of 90 days working capital or 25% of operating expenses. For the Golf Enterprise Fund, the reserve is set at 15% 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.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 9 - NET POSITION AND FUND BALANCES (Continued)

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.

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.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 9 - NET POSITION AND FUND BALANCES (Continued)

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

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, 2025, which are reported within the assigned fund balance of the General Fund follows:

	Minimum or Maximum Reserve	Reserve as of June 30, 2025
General Fund:		
Assigned Fund Balance:		
Fiscal Stability	\$20,138,103	\$20,138,103
Pension Stabilization	4,027,621	4,027,621
Economic Development	2,500,000	2,500,000
Public Facilities Oversizing	3,691,709	3,691,709
Capital Facilities	1,500,000	1,500,000
Technology	1,500,000	1,500,000
Total Assigned Fund Balance		<u><u>\$33,357,433</u></u>

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 9 - NET POSITION AND FUND BALANCES (Continued)

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

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

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

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

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

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

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

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

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

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

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

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 9 - NET POSITION AND FUND BALANCES (Continued)

D. Deficit Net Position and Accumulated Deficits

At June 30 2025, the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund and the Equipment Internal Service Fund had deficit net position of \$74,958,179 and \$53,656, respectively.

E. Adjustments and Restatements

Adjustments to and restatements of beginning balances during fiscal year 2025 and changes to or within the financial reporting entity, resulted in adjustments to beginning fund balance and net position, as follows:

	June 30, 2024 As Previously Reported	Change to or within the Financial Reporting Entity (Major Funds)	Error Correction (Capital Assets)	June 30, 2025 As Adjusted
Government-Wide:				
Governmental Activities	\$653,718,839		(\$634,407)	\$653,084,432
Business-Type Activities	315,382,583		575,873	315,958,456
Total Primary Government	<u>\$969,101,422</u>		<u>(\$58,534)</u>	<u>\$969,042,888</u>
Governmental Funds				
Major Funds:				
Government Building Facilities Capital Projects Fund		\$40,004,310		\$40,004,310
Nonmajor Funds	<u>\$40,004,310</u>	<u>(40,004,310)</u>		
Total Governmental Funds	<u>\$40,004,310</u>			<u>\$40,004,310</u>
Proprietary Funds				
Major Funds:				
Sewer Enterprise Fund	\$196,559,188		\$125,102	\$196,684,290
Solid Waste Enterprise Fund	3,778,980		(125,102)	3,653,878
Golf Enterprise Fund	333,199		9,890	343,089
Transit Enterprise Fund	5,551,609		565,983	6,117,592
Internal Service Funds	<u>5,056,436</u>		<u>(88,647)</u>	<u>4,967,789</u>
Total Proprietary Funds	<u>\$211,279,412</u>		<u>\$487,226</u>	<u>\$211,766,638</u>

In addition to the changes within the financial reporting entity to move a fund from non-major funds to major funds noted above, the City made the following restatements:

Error Correction – During fiscal year 2025, the City discovered that the balance of capital assets from the prior year included errors that needed to be corrected in multiple funds as detailed in the table above. The correction has been recorded as a restatement of net position as of July 1, 2024 in the statements of net position.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

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, 2025, total pension expense for the Miscellaneous, Safety and PARS Retirement Enhancement plans amounted to \$26,291,787.

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	\$15,730,654	\$67,696,745	
Safety - Police and Fire	24,640,233	75,997,348	\$1,707,220
PARS Retirement Enhancement Plan	374,920	499,211	
Total	<u>\$40,745,807</u>	<u>\$144,193,304</u>	<u>\$1,707,220</u>

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.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 10 - PENSION PLANS (Continued)

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, 2025, 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%	7.75%
Required employer contribution rates	11.600%	11.600%	11.600%
Required UAL Contribution		\$5,767,118	

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 \$5,767,118 in fiscal year 2025, which was made under the lump sum payment option.

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, 2023 and as of the measurement date of June 30, 2024:

	Miscellaneous	
	June 30, 2023	June 30, 2024
Inactive employees or beneficiaries currently receiving benefits	328	339
Inactive employees entitled to but not yet receiving benefits	328	359
Active employees	308	316
Total	964	1,014

As of June 30, 2025, the City had 325 active employees in the Miscellaneous Plan.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 10 - PENSION PLANS (Continued)

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, 2024, using an annual actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024 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, 2023 (Measurement Date)	\$226,543,871	\$155,073,131	\$71,470,740
Changes in the year:			
Service cost	4,645,118		4,645,118
Interest on the total pension liability	15,556,336		15,556,336
Differences between actual and expected experience	2,155,981		2,155,981
Changes in assumptions			
Changes in benefit terms			
Net Plan to Plan Resource Movement			
Contribution - employer		9,079,427	(9,079,427)
Contribution - employees		2,152,520	(2,152,520)
Net investment income		15,025,666	(15,025,666)
Administrative expenses		(126,183)	126,183
Benefit payments, including refunds of employee contributions	(11,136,538)	(11,136,538)	
Other Miscellaneous Income/ (Expense)			
Net changes	11,220,897	14,994,892	(3,773,995)
Balance at June 30, 2024 (Measurement Date)	\$237,764,768	\$170,068,023	\$67,696,745

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

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:

	<u>Miscellaneous</u>
1% Decrease	5.90%
Net Pension Liability	\$100,236,329
Current Discount Rate	6.90%
Net Pension Liability	\$67,696,745
1% Increase	7.90%
Net Pension Liability	\$41,018,739

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - For the year ended June 30, 2025, the City recognized pension expense of \$11,200,599. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for the Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$9,111,728	
Differences between actual and expected experience	2,877,767	
Changes in assumptions	1,511,604	
Net differences between projected and actual earnings on plan investments	2,229,555	
Total	<u>\$15,730,654</u>	<u>\$0</u>

The Miscellaneous Plan reported \$9,111,728 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30</u>	<u>Annual Amortization</u>
2026	\$2,641,387
2027	5,068,356
2028	(224,523)
2029	(866,294)

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

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

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, 2025, are summarized as follows:

	Safety		
	Police		PEPRA
	First Tier	Second Tier	
	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%	14.50%
Required employer contribution rates	29.300%	24.960%	14.720%
Required UAL Contribution	\$3,669,888	\$15,426	\$18,439

	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%	14.50%
Required employer contribution rates	26.290%	14.720%
Required UAL Contribution	\$2,483,544	\$10,520

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

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 \$6,197,817 in fiscal year 2025, 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, 2025, the contributions to the Safety Plan were as follows:

Contributions - employer	\$9,663,435
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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, 2025, the City reported a net pension liability for its proportionate shares of the net pension liability of the Plan in the amount of \$75,997,348.

The City’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability for the Plans is measured as of June 30, 2024, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024 using standard update procedures. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension 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, 2023 and 2024 was as follows:

	<u>Total</u>
Proportion - June 30, 2023	1.03178%
Proportion - June 30, 2024	1.04237%
Change - Increase (Decrease)	<u>0.01059%</u>

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 10 - PENSION PLANS (Continued)

For the year ended June 30, 2025, the City recognized pension expense of \$14,987,682 for the Safety Plan. At June 30, 2025, 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	\$9,663,435	
Differences between actual and expected experience	6,202,059	(\$201,656)
Changes in assumptions	1,872,419	
Net differences between projected and actual earnings on plan investments	3,673,366	
Change in proportion and differences between actual contributions and proportionate share of contributions	3,228,954	(1,505,564)
Total	<u>\$24,640,233</u>	<u>(\$1,707,220)</u>

The Safety Plan reported \$9,663,435 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization
2026	\$4,994,533
2027	9,291,628
2028	240,276
2029	(1,256,859)

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	5.90%
Net Pension Liability	\$109,115,272
Current Discount Rate	6.90%
Net Pension Liability	\$75,997,348
1% Increase	7.90%
Net Pension Liability	\$48,911,542

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

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 10 - PENSION PLANS (Continued)

D. Information Common to the Miscellaneous and Safety Plans

Actuarial Assumptions – For the measurement period ended June 30, 2024, the total pension liabilities were determined by rolling forward the June 30, 2023 total pension liability. The June 30, 2023 total pension liabilities were based on the following actuarial methods and assumptions:

	Miscellaneous and Safety (Fire and Police)
Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	2.80%
Projected Salary Increase	Varies by Entry Age and Service (1)
Investment Rate of Return	6.90% (2)
Mortality Rate Table	Derived using CalPERS Membership Data for all Funds (3)
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

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

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

(3) The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

Mortality rates incorporate generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2023 valuation were based on the results of a November 2021 actuarial experience study for the period 2001 to 2019. Further details of the Experience Study can be found on the CalPERS website.

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

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 10 - PENSION PLANS (Continued)

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

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

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

Asset Class (a)	Assumed Asset Allocation	Real Return (a),(b)
Global Equity - Cap-Weighted	30.0%	4.54%
Global Equity - Non-Cap-Weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	<u>100.0%</u>	

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

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

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

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 10 - PENSION PLANS (Continued)

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

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.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 10 - PENSION PLANS (Continued)

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, 2024 measurement- 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, 2025.

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

The City contributed \$338,000 to the Plan during the fiscal year ended June 30, 2025.

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, 2024. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 10 - PENSION PLANS (Continued)

Actuarial Assumptions – For the measurement period ended June 30, 2024, the total pension liability was determined using an actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024 using standard update procedures. The June 30, 2023 total pension liability was based on the following actuarial methods and assumptions:

	PARS Plans
Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry-Age Normal, Level % of pay
Amortization method	Level dollar amount
Amortization period	4-year fixed period for 2024/25
Actuarial Assumptions:	
Discount Rate	3.20% at June 30, 2023 and 3.20% at June 30, 2024
Inflation	2.50%
Investment Rate of Return	3.20% at June 30, 2023 and 3.20% at June 30, 2024
Mortality, Retirement, Disability, Termination	CalPERS 2000-2019 Experience Study
Mortality Improvement Scale	Mortality projected fully generational with Scale MP-2021

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

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

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

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

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

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, 2024 Measurement Date follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2023 (Measurement Date)	<u>\$2,911,225</u>	<u>\$2,097,966</u>	<u>\$813,259</u>
Changes in the year:			
Service cost			
Interest on the total pension liability	90,379		90,379
Differences between actual and expected experience	57,591		57,591
Changes in assumptions			
Changes in benefit terms			
Contribution - employer		338,000	(338,000)
Contribution - employee			
Net investment income		132,673	(132,673)
Administrative expenses		(8,655)	8,655
Benefit payments, including refunds of employee contributions	(173,771)	(173,771)	
Net changes	<u>(25,801)</u>	<u>288,247</u>	<u>(314,048)</u>
Balance at June 30, 2024 (Measurement Date)	<u><u>\$2,885,424</u></u>	<u><u>\$2,386,213</u></u>	<u><u>\$499,211</u></u>

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	\$833,111
Current Discount Rate	3.20%
Net Pension Liability	\$499,211
1% Increase	4.20%
Net Pension Liability	\$218,901

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

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 10 - PENSION PLANS (Continued)

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - For the year ended June 30, 2025, the City recognized pension expense of \$103,506 for the Plan. At June 30, 2025, 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	\$338,000	
Differences between actual and expected experience		
Changes in assumptions		
Net differences between projected and actual earnings on plan investments	36,920	
Total	\$374,920	\$0

The Plan reported \$338,000 as deferred outflows of resources related to contributions subsequent to the measurement date, that will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

PARS	
Year Ended June 30	Annual Amortization
2026	\$18,460
2027	45,483
2028	(13,776)
2029	(13,247)

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 11 - OTHER POST-EMPLOYMENT HEALTHCARE 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, 2025, there were 228 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, 2025:

Benefit Types Provided	Manteca Police Officers Association Medical only	Fire Medical only	Manteca Police Employees Association Medical only	Technical Support Services Medical only	General Services Medical only	Management Medical only
Duration of Benefits	Lifetime	Lifetime	Lifetime	Lifetime	Lifetime	Lifetime
Required Service: Basic Supplemental	Retirement under CALPERS					
Minimum Age	50	50	50	50	50	50
Dependent Coverage	Yes	Yes	Yes	Yes	Yes	Yes
City Contribution 100%	100%	100%	100%	100%	100%	100%
City Contribution Cap per Month (Basic) retirement on or prior to 12/31/2011	\$630 for single \$1,170 for two party \$1,440 for family	\$631 for single \$1,165 for two party \$1,490 for family	\$640 for single \$1,165 for two party \$1,515 for family	\$725 for single \$1,390 for two party \$1,800 for family	\$725 for single \$1,165 for two party \$1,875 for family	\$683 for single \$1,361 for two party \$1,810 for family
City Contribution Cap per Month (Basic) retirement after 12/31/2011, but hired on or before 12/31/2011	\$675	\$675	\$675	\$675	\$675	\$675
City Contribution Cap per Month (Basic) hired after 12/31/2011	\$158	\$158	\$158	\$158	\$158	\$158

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 11 - OTHER POST-EMPLOYMENT HEALTHCARE BENEFITS (Continued)

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, 2025, the City's contributions to the Plan were \$2,105,834.

Employees Covered by Benefit Terms – Membership in the plan consisted of the following at the measurement date of June 30, 2024:

Active employees	438
Inactive employees or beneficiaries currently receiving benefit payments	227
Inactive employees entitled to but not yet receiving benefit payments	81
Total	746

B. Total OPEB Liability

Actuarial Methods and Assumptions – The City's total OPEB liability was measured as of June 30, 2024 and the total OPEB liability was determined by an actuarial valuation dated June 30, 2024 based on the following actuarial methods and assumptions:

	Actuarial Assumptions
Valuation Date	June 30, 2024
Measurement Date	June 30, 2024
Actuarial Assumptions:	
Discount Rate	3.93% at June 30, 2024 and 3.65% at June 30, 2023 (1)
Inflation	2.50%
Payroll Growth	2.75% (2)
PEMHCA Minimum Increases	3.50%
Contribution Policy	No pre-funding
Cap Increases	None beyond amounts specified
Mortality Rate	CalPERS 2000 -2019 Experience Study (3)
Healthcare Trend Rates	Non-Medicare - 7.9% for 2026, decreasing to an ultimate rate of 3.45% in 2076; Medicare (Non-Kaiser) - 6.90% for 2026, decreasing to an ultimate rate of 3.45% in 2076 - Medicare (Kaiser) -5.65% for 2026, decreasing to an ultimate rate of 3.45% in 2076
Participation at Retirement	Eligible for portion of projected premium covered by cap in retirement year: 90% in 2016, decreasing to an ultimate rate of 50% in 2048 and later years; Eligible for PEMHCA minimum only: 50%

(1) Bond Buyer 20-Bond Index

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

(3) Mortality projected fully generational with Scale MP-2021

The underlying mortality assumptions were based on the CalPERS 2000-2019 Experience Study and all other actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period 2000-2019.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 11 - OTHER POST-EMPLOYMENT HEALTHCARE BENEFITS (Continued)

Change in Assumptions – The discount rate increased from 3.65% at June 30, 2023, to 3.93% at June 30, 2024, based on the municipal bond rate as of the measurement date.

C. Changes in Total OPEB Liability

The changes in the total OPEB liability follows:

	Total OPEB Liability
Balance at June 30, 2023 Measurement Date	\$37,877,467
Changes Recognized for the Measurement Period:	
Service cost	1,129,955
Interest on the total OPEB liability	1,387,366
Changes of assumptions	(1,158,475)
Actual vs. expected experience	169,416
Benefit payments *	(1,994,798)
Net changes	(466,536)
Balance at June 30, 2024 Measurement Date	\$37,410,931

* Includes \$1,552,798 cash benefit payments and \$442,000 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% (2.93%)	Discount Rate (3.93%)	Discount Rate +1% (4.93%)
\$41,838,660	\$37,410,931	\$33,713,989

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

Total OPEB Liability/(Asset)		
	Healthcare Cost Trend Rates	
1% Decrease	Current Trend	1% Increase
\$36,182,839	\$37,410,931	\$39,104,817

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 11 - OTHER POST-EMPLOYMENT HEALTHCARE BENEFITS (Continued)

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

For the year ended June 30, 2025, the City recognized OPEB expense of \$2,365,474. At June 30, 2025, 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	\$2,105,834	
Differences between actual and expected experience	960,102	(\$23,320)
Changes of assumptions	2,537,314	(6,421,261)
Total	<u>\$5,603,250</u>	<u>(\$6,444,581)</u>

\$2,105,834 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, 2026. 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
2026	(\$97,165)
2027	(10,306)
2028	(411,523)
2029	(1,031,933)
2030	(1,061,497)
Thereafter	(334,741)

NOTE 12 - DEFERRED COMPENSATION PLAN

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

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

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

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 \$600 to their deferred compensation account or cash in lieu of deferred compensation each month through June 30, 2026.

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 \$600 to their deferred compensation account or cash in lieu of deferred compensation each month through June 30, 2026.

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 \$600 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 \$ \$600.00 in lieu of medical coverage, provided proof of coverage is obtained through June 30, 2026.

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

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 \$600 each month through June 30, 2026.

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 \$600 to their deferred compensation account or cash in lieu of deferred compensation each month through June 30, 2026

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 \$600 to their deferred compensation account or cash in lieu of deferred compensation each month through June 30, 2026.

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 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, 2025 totaled \$1,098,553.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 13 - RISK MANAGEMENT

A. Coverage

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

Type of Coverage (Deductible)	Coverage Limits
Liability (\$100,000)	\$29,000,000
All Risk Fire and Property:	
Property (\$25,000 all risk, \$5,000 fine art, \$150,000 water claims)	1,000,000,000
Flood*	25,000,000
Boiler and Machinery (\$10,000)	100,000,000
Vehicle Physical Damage (\$3,000 police; \$2,000 others)	250,000
Cyber Liability (\$50,000)	4,000,000
Public Entity Pollution Liability (\$250,000)	2,000,000
Government Crime (\$2,500)	5,000,000
Workers' Compensation (\$0)	Statutory Limit
Employment Liability (\$50,000)	2,000,000

* \$100,000 minimum deductible per occurrence, except Zone A and V, which are subject to a \$500,000 deductible per occurrence

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

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

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

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

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, 2023	\$776,550	\$839,092	\$1,615,642
Net change in:			
Liability for current fiscal year claims		93,880	93,880
Liability for prior fiscal years' claims and claims incurred but not reported (IBNR)	(21,055)	179,189	158,134
Claims paid	(21,127)	(496,942)	(518,069)
Balance June 30, 2024	734,368	615,219	1,349,587
Net change in:			
Liability for current fiscal year claims		238,952	238,952
Liability for prior years' claims and claims incurred but not reported (IBNR)	(64,040)	539,854	475,814
Claims paid	(5,207)	(418,656)	(423,863)
Balance June 30, 2025	\$665,121	\$975,369	\$1,640,490
Claims liability, due within one year	\$622,856	\$975,369	\$1,598,225

For the fiscal years ended June 30, 2025, 2024, and 2023 respectively, the amount of settlements did not exceed insurance coverage.

NOTE 14 - LEASES

A. Policies

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

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

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 14 - LEASES (Continued)

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

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

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

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

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

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

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

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

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

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

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 14 - LEASES (Continued)

B. Leases Receivable

The balances related to leases receivable and deferred inflows of resources as of June 30, 2025 were:

	Lease Receivable	Deferred Inflows of Resources
Governmental Activities		
Leases Receivable (Lessor)		
Communication Site Leases	\$499,746	\$470,657
Business-Type Activities		
Leases Receivable (Lessor)		
Building Leases	2,212,881	2,157,595
Total Leases Receivable	<u>\$2,712,627</u>	<u>\$2,628,252</u>

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, 2025, the City had four leases, with original lease terms ranging from ten to twenty-five years, including the optional extension periods, and as of June 30, 2025, the leases had 1 to 12 years remaining. The City recognized \$76,544 in lease revenue and \$990 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, 2025, the City had three leases, with original lease terms of ten to twenty years, including the optional extension periods. The City recognized \$116,110 in lease revenue and \$83,710 in interest revenue during the current fiscal year related to these leases.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 14 - LEASES (Continued)

C. Leases Payable

A summary of lease transactions for the fiscal year ended June 30, 2025, are as follows:

	Balance June 30, 2024	Additions	Deductions	Balance June 30, 2025	Current Portion
<i>Governmental Activities:</i>					
Building - Hensley	\$156,148		\$156,148		
Equipment	7,224	\$174,542	54,727	\$127,039	\$63,583
Total Governmental Activities	<u>\$163,372</u>	<u>\$174,542</u>	<u>\$210,875</u>	<u>\$127,039</u>	<u>\$63,583</u>
<i>Business-Type Activities:</i>					
Building - Mobile Modular	\$1,223		\$1,223		
Equipment	9,463	\$19,907	9,664	\$19,706	\$11,526
Total Business-Type Activities	<u>\$10,686</u>	<u>\$19,907</u>	<u>\$10,887</u>	<u>\$19,706</u>	<u>\$11,526</u>
Total Leases Payable	<u>\$174,058</u>	<u>\$194,449</u>	<u>\$221,762</u>	<u>\$146,745</u>	<u>\$75,109</u>

Building Lease - Hensley – The City entered into a five-year lease agreement with Hensley Properties, as lessee for the use of office space that commenced in May 2020. An initial lease liability was recorded in the amount of \$634,944 during fiscal year 2022 and as of June 30, 2025, the value of the lease liability was \$0. 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 and the associated accumulated amortization were \$0 as the lease was fully retired.

Equipment Leases – The City entered into two three-year lease agreement with Konica Minolta, as lessee for the use of office equipment in February 2022. An initial lease liability was recorded in the amount of \$20,831 during fiscal year 2022. 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 lease liability, right-to-use assets as of the end of the current fiscal year and the associated accumulated amortization were \$0 as the leases were fully retired.

The City entered into a five-year lease agreement with Pitney Bowes, as lessee for the use of office equipment that commenced in August 2021. An initial lease liability was recorded in the amount of \$31,317 during fiscal year 2022 and as of June 30, 2025, the value of the lease liability was \$6,327. 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 \$24,096.

The City entered into a four-year lease agreement with De Lage Laden Public Finance, as lessee for a City-wide copier lease. An initial lease liability was recorded in the amount of \$155,685 during fiscal year 2025 and as of June 30, 2025, the value of the lease liability was \$117,006. The City is required to make monthly principal and interest payments of \$55,904. The lease bears the City's incremental borrowing rate of 3.110%. The value of the right-to-use asset as of the end of the current fiscal year was \$155,685 and had accumulated amortization of \$39,642.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 14 - LEASES (Continued)

The City entered into a two-year lease agreement with Caltronics Business Systems, as lessee for the Engineering, Police Department and Animal Shelter copier lease. An initial lease liability was recorded in the amount of \$25,234 during fiscal year 2025 and as of June 30, 2025, the value of the lease liability was \$12,766. The City is required to make monthly principal and interest payments of \$12,930. The lease bears the City's incremental borrowing rate of 2.363%. The value of the right-to-use asset as of the end of the current fiscal year was \$24,976 and had accumulated amortization of \$5,069.

The City entered into a five-year lease agreement with Caltronics Business Systems, as lessee for the Engineering Department copier lease. An initial lease liability was recorded in the amount of \$13,529 during fiscal year 2025 and as of June 30, 2025, the value of the lease liability was \$10,646. The City is required to make monthly principal and interest payments of \$3,311. The lease bears the City's incremental borrowing rate of 3.511%. The value of the right-to-use asset as of the end of the current fiscal year was \$29,941 and had accumulated amortization of \$4,386.

Building Lease – Mobile Modular – The City entered into a five-year lease agreement with Mobile Modular Management Corporation, as lessee for the use of office space that commenced in August 2021. An initial lease liability was recorded in the amount of \$21,922 during fiscal year 2022. 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%. As of June 30, 2025, the value of the lease liability was \$0, the value of the right-to-use asset as of the end of the current fiscal year and the associated accumulated amortization were \$0 as the lease was fully retired.

The future principal and interest lease payments as of June 30, 2025, were as follows:

Year Ending June 30	Governmental Activities			Business-Type Activities		
	Principal Payments	Interest Payments	Total	Principal Payments	Interest Payments	Total
2026	\$63,583	\$3,001	\$66,584	\$11,526	\$384	\$11,910
2027	50,792	1,274	52,066	6,994	155	7,149
2028	11,296	141	11,437	1,186	5	1,191
2029	1,368	12	1,380			
	<u>\$127,039</u>	<u>\$4,428</u>	<u>\$131,467</u>	<u>\$19,706</u>	<u>\$544</u>	<u>\$20,250</u>

D. Shopping Center Parking Lease Agreement

In fiscal year 2007, the City entered into a lease agreement to lease public parking at a local shopping center. The lease became effective in fiscal year 2012 and the City is to make annual lease payments by September 1 of each year equal to 55% of the previous fiscal year's actual local sales taxes generated from the shopping center. Although the lease payments are based on the sales taxes collected, they can be made from any source of legally available funds. If the local sales taxes are insufficient in one year for the City to make the full scheduled lease payment, the shortfall carries to the next year without interest. Payments in excess of the scheduled annual lease payments are credited first to any outstanding shortfall and then against the total amount due under the lease. The total amount of lease payments to be made under the agreement is \$61,704,140; however, the agreement terminates in 2047, regardless of whether this amount has been paid to the developer. Therefore, the City has not recorded a liability for the lease, since the payments are contingent upon the collection of sales taxes. During fiscal year 2025, payments made to the developer under the agreement were \$323,1713 and payments to date total \$4,974,992.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 15 - SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

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

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

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

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

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

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

A summary of governmental activities SBITA transactions for the fiscal year ended June 30, 2025, are as follows:

	Balance June 30, 2024	Additions	Deductions	Balance June 30, 2025	Current Portion
<i>Governmental Activities:</i>					
Subscription Liabilities					
Axon	\$346,987	\$18,165	\$105,893	\$259,259	\$90,429
LCT Applications and Platforms	35,379		11,479	23,900	11,790
DebtBook SaaS Application	21,051		9,389	11,662	11,662
Microsoft Enterprise	699,329	1,378,806	699,346	1,378,789	680,295
NextRequest	39,922		7,592	32,330	7,783
Accela SaaS Subscription		124,077	93,922	30,155	30,155
ESRI		198,900	68,036	130,864	64,430
Flock Safety		794,682		794,682	
Total Subscription Liabilities	<u>\$1,142,668</u>	<u>\$2,514,630</u>	<u>\$995,657</u>	<u>\$2,661,641</u>	<u>\$896,544</u>

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

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

As of June 30, 2025, the City had eight active subscriptions. The subscriptions have annual payments that range from \$7,592 to \$717,181 and interest rates that range from 2.1843% to 3.238%. As of June 30, 2025, the total combined value of the subscription liability was \$2,661,641. The combined value of the right to use subscription assets as of the end of the current fiscal year was \$5,070,206 and had accumulated amortization of \$1,255,349.

The future principal and interest subscription liability payments as of June 30, 2025 for the active subscriptions, were as follows:

Year Ending June 30	Governmental Activities		
	Principal Payments	Interest Payments	Total
2026	\$896,544	\$49,984	\$946,528
2027	1,036,383	81,537	1,117,920
2028	295,339	24,465	319,804
2029	217,215	15,133	232,348
2030	216,160	7,589	223,749
	<u>\$2,661,641</u>	<u>\$178,708</u>	<u>\$2,840,349</u>

NOTE 16 - COMMITMENTS AND CONTINGENCIES

A. *Litigation*

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

B. *Federal and State Grant Programs*

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

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 16 - 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, 2025, the City had outstanding reimbursement commitments totaling \$23,829,121.

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.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 16 - 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 2023 and \$2,897,483 was paid to the Developer during fiscal year 2025 and \$13,018,575 has been paid to date. As of June 30, 2025, the deferred fees due from the developer total \$7,184,206, 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 \$405,000 as of June 30, 2025.

E. Sales Tax Sharing Agreement – Furniture Retailer

In June 2018, the City entered into a sales tax sharing agreement with a furniture retailer in the amount of \$3,000,000. The agreement became effective in June 2018 and the City is to make semi-annual payments each year equal to 50% of the total sales tax generated by the retailer and received by the City. Although the payments are based on the sales taxes collected, they can be made from any source of legally available funds. The agreement terminates on the date that the City has paid \$3,000,000 or ten years from the retail store opening, regardless of the unpaid balance. Construction of the retail furniture store was delayed due to the COVID-19 emergency; however, the project was fully permitted in July 2020 and construction began immediately following. The store opened in June 2021. During fiscal year 2025, payments made to the developer under the agreement were \$139,279 and payments to date total \$595,222.

F. Construction Commitments

The City has the outstanding construction commitments totaling \$911,783 as of June 30, 2025.

NOTE 17 - REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES

A. Redevelopment Dissolution

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

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

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

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

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

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

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

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.

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

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

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

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

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

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

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

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

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

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

Cash and investments of the Successor Agency as of June 30, 2025 are discussed in Note 3. Information presented in the following footnotes represents other assets and liabilities of the Successor Agency as of June 30, 2025.

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, 2025 are set forth below:

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

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

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

AKF Development, LLC (Spreckels Park)

On April 8, 2003 the Agency loaned an additional \$54,080 to AKF Development, LLC, of which \$54,080 was for assistance from the Agency's Fee Reduction Program. This additional loan was to partially finance the construction costs of Sexton Chevrolet Property in order to assist in the elimination of blight in an adjacent to the Project Area and will enhance the viability of the Project Area. The loan bears interest at five percent annual interest, and was due the earliest of the sixth anniversary of the opening of the automobile dealership or August 1, 2009. AKF signed a promissory note secured by a deed of trust. The Agency will forgive repayment of the loan if certain provisions regarding completion of public improvements, job creation, continued business for five years, and sales tax generation are met. As of June 30, 2025, 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, 2025, the principal balance outstanding was \$338,040.

Conditional Grants

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

C. *Capital Assets*

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

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

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

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

Capital assets recorded as of June 30, 2025 comprise:

	Balance at June 30, 2024	Additions	Balance at June 30, 2025
Capital assets not being depreciated:			
Land	\$726,026		\$726,026
Capital assets being depreciated:			
Buildings and improvements	3,788,211		3,788,211
Less accumulated depreciation	(2,299,121)	(\$125,618)	(2,424,739)
Net capital assets being depreciated	1,489,090	(125,618)	1,363,472
Capital assets, net	\$2,215,116	(\$125,618)	\$2,089,498

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, 2024	Retirements	Balance June 30, 2025	Current Portion
Redevelopment Agency Tax				
Allocation Bonds -				
Tax Allocation Refunding Bonds Series 2020A and 2020B				
Subordinated Tax Allocation Bonds 1.590-4.0%	\$83,185,000	\$4,385,000	\$78,800,000	\$4,450,000
Plus: Unamortized Bond Premium	4,351,408	235,211	4,116,197	
Total Successor Agency Debt	\$87,536,408	\$4,620,211	\$82,916,197	\$4,450,000

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

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

2. *Redevelopment Agency Tax Allocation Bonds*

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

The Successor Agency has pledged all future tax increment revenues, for the repayment of the 2020 Tax Allocation Refunding Bonds. The pledge of all future tax increment revenues end upon repayment of the remaining debt service of \$104,424,032 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 2025 calculated by the County Auditor-Controller was \$31,501,962 and the total received by the Successor Agency for fiscal year 2025 debt service was \$5,238,030, which the Agency used, along with cash on hand, to pay the \$6,843,104 of fiscal year debt service.

3. *Debt Service Requirements*

Annual debt service requirements, are shown below:

For the Year Ending June 30	Principal	Interest
2026	\$4,450,000	\$2,360,709
2027	4,530,000	2,256,328
2028	4,610,000	2,137,456
2029	4,725,000	2,005,452
2030	4,845,000	1,867,018
2031-2035	26,300,000	7,010,544
2036-2040	19,845,000	5,353,618
2041-2043	9,495,000	2,632,907
Total	78,800,000	\$25,624,032
Plus Bond Premium	4,116,197	
Gross Long Term Debt	\$82,916,197	

CITY OF MANTECA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

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

E. *Commitments and Contingencies*

Payable to San Joaquin County

When the Successor Agency sells capital assets, the net proceeds from the sale are to be remitted to the County Auditor-Controller for distribution to the taxing entities in the affected redevelopment area. During the year ended June 30, 2024, the Successor Agency sold a parcel of land to the City and the net proceeds of \$1,760,625 were due and payable to the County as of June 30, 2025.

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.

NOTE 18 – SUBSEQUENT EVENTS

A. *2025 Wastewater Revenue Bonds*

On November 5, 2025, the Manteca Financing Authority issued the 2025 Wastewater Revenue Bonds in the amount of \$46,795,000 to refinance the Manteca Financing Authority Sewer Revenue Bonds, Series 2009, and the Sewer Revenue Refunding Bonds, Series 2012, and to finance certain improvements to the wastewater system. The 2025 Revenue Bonds are secured by installment payments payable by the City of Manteca under the Installment Sales Agreement dated November 1, 2025. 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 wastewater system. Principal payments are due annually on December 1, with interest payments payable semi-annually on December 1 and June 1 through December 1, 2045.

B. *City Credit Issuer Rating*

As discussed in Notes 8B and 8C, due to the City being delayed in issuing the audited financial statements, Moody's Investors Service withdrew the City's issuer rating. In October 2025, the City worked diligently to finalize all continuing disclosure reports and request a new rating. The City received an AA rating for their issuer rating.

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	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Total Pension Liability				
Service Cost	\$2,785,261	\$2,929,446	\$3,359,127	\$3,450,233
Interest	9,947,329	10,547,066	11,091,828	11,413,314
Differences between expected and actual experience	(606,531)	895,276	280,782	(1,730,389)
Changes in assumptions	(2,540,846)		9,610,904	(1,373,783)
Changes in benefits				
Benefit payments, including refunds of employee contributions	(5,583,081)	(6,137,452)	(6,508,026)	(7,283,995)
Net change in total pension liability	4,002,132	8,234,336	17,834,615	4,475,380
Total pension liability - beginning	134,576,742	138,578,874	146,813,210	164,647,825
Total pension liability - ending (a)	\$138,578,874	\$146,813,210	\$164,647,825	\$169,123,205
Plan fiduciary net position				
Contributions - employer	\$4,021,488	\$4,687,535	\$4,971,846	\$5,489,151
Contributions - employee	1,275,356	1,337,368	1,321,071	1,484,945
Net investment income	2,149,298	530,419	10,909,900	9,098,992
Net Plan to Plan Resource Movement				(269)
Administrative expenses	(109,588)	(59,337)	(144,277)	(168,715)
Other Miscellaneous Income (Expense)				(320,393)
Benefit payments, including refunds of employee contributions	(5,583,081)	(6,137,452)	(6,508,026)	(7,283,995)
Net change in plan fiduciary net position	1,753,473	358,533	10,550,514	8,299,716
Plan fiduciary net position - beginning	95,608,088	97,361,561	97,720,094	108,270,608
Plan fiduciary net position - ending (b)	\$97,361,561	\$97,720,094	\$108,270,608	\$116,570,324
 Net pension liability - ending (a)-(b)	 \$41,217,313	 \$49,093,116	 \$56,377,217	 \$52,552,881
 Plan fiduciary net position as a percentage of the total pension liability	 70.26%	 66.56%	 65.76%	 68.93%
 Covered payroll	 \$15,260,582	 \$15,917,657	 \$16,420,663	 \$17,179,599
 Net pension liability as percentage of covered payroll	 270.09%	 308.42%	 343.33%	 305.90%

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 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, 2018, 2019, 2020, 2021, 2023, and 2024 there were no changes. In 2022, the accounting discount rate reduced from 7.15% to 6.90%. 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.)

REQUIRED SUPPLEMENTARY INFORMATION

6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024
\$3,662,753	\$3,713,864	\$3,711,204	\$4,302,617	\$4,559,169	\$4,645,118
12,088,271	12,825,762	13,444,999	14,048,114	14,813,753	15,556,336
2,008,072	2,643,438	886,800	346,337	2,496,481	2,155,981
			7,180,122		
				231,820	
(7,791,837)	(8,419,092)	(9,109,794)	(9,739,112)	(10,483,075)	(11,136,538)
9,967,259	10,763,972	8,933,209	16,138,078	11,618,148	11,220,897
169,123,205	179,090,464	189,854,436	198,787,645	214,925,723	226,543,871
<u>\$179,090,464</u>	<u>\$189,854,436</u>	<u>\$198,787,645</u>	<u>\$214,925,723</u>	<u>\$226,543,871</u>	<u>\$237,764,768</u>
\$5,845,005	\$6,475,687	\$6,960,408	\$7,828,674	\$8,681,655	\$9,079,427
1,613,156	1,571,752	1,533,922	1,651,472	1,861,766	2,152,520
7,772,814	6,213,521	29,607,098	(12,103,385)	9,126,107	15,025,666
(218)		(572)			
(83,187)	(174,706)	(129,456)	(98,708)	(107,357)	(126,183)
269					
(7,791,837)	(8,419,092)	(9,109,794)	(9,739,112)	(10,483,075)	(11,136,538)
7,356,002	5,667,162	28,861,606	(12,461,059)	9,079,096	14,994,892
116,570,324	123,926,326	129,593,488	158,455,094	145,994,035	155,073,131
<u>\$123,926,326</u>	<u>\$129,593,488</u>	<u>\$158,455,094</u>	<u>\$145,994,035</u>	<u>\$155,073,131</u>	<u>\$170,068,023</u>
<u>\$55,164,138</u>	<u>\$60,260,948</u>	<u>\$40,332,551</u>	<u>\$68,931,688</u>	<u>\$71,470,740</u>	<u>\$67,696,745</u>
69.20%	68.26%	79.71%	67.93%	68.45%	71.53%
<u>\$20,193,041</u>	<u>\$21,471,907</u>	<u>\$20,618,181</u>	<u>\$22,822,694</u>	<u>\$24,809,517</u>	<u>\$26,212,038</u>
273.18%	280.65%	195.62%	302.03%	288.08%	258.27%

REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULE OF CONTRIBUTIONS

For the Fiscal Year Ended June 30,	2016	2017	2018	2019	2020
Actuarially determined contribution	\$4,687,535	\$4,021,488	\$5,172,358	\$5,842,872	\$6,477,118
Contributions in relation to the actuarially determined contributions	(4,687,535)	(4,021,488)	(5,172,358)	(5,842,872)	(6,477,118)
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0
Covered payroll	\$15,917,657	\$16,420,663	\$17,179,599	\$20,193,041	\$21,471,907
Contributions as a percentage of covered payroll	29.45%	24.49%	30.11%	28.94%	30.17%
Valuation date:	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017
For the Fiscal Year Ended June 30,	2021	2022	2023	2024	2025
Actuarially determined contribution	\$7,061,971	\$7,838,893	\$8,561,953	\$9,070,568	\$9,111,728
Contributions in relation to the actuarially determined contributions	(7,061,971)	(7,838,893)	(8,561,953)	(9,070,568)	(9,111,728)
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0
Covered payroll	\$20,618,181	\$22,822,694	\$24,809,517	\$26,212,038	\$27,175,202
Contributions as a percentage of covered payroll	34.25%	34.35%	34.51%	34.60%	33.53%
Valuation date:	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022

Notes to Schedule

Valuation date: 6/30/2023

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry Age Normal
 Amortization method Level percentage of payroll, closed
 Average remaining amortization period 15 years as of Valuation Date
 Asset valuation method Market Value of Assets
 Inflation 2.75% for 2015 to 2019, 2.625% for 2020, 2.50% for 2021 and 2022, and 2.30% for 2023, 2024 and 2025
 Salary increases Varies by Entry Age and Service
 Investment rate of return 7.50% for 2015 to 2018, 7.375% for 2019, 7.25% for 2020, 7.00% for 2021 and 2022 and 6.80% for 2023, 2024, and 2025, net of administrative expenses, including inflation

Retirement age The probabilities of Retirement are based on the CalPERS Experience Study.

Mortality Rate Table The probabilities of mortality are based on the CalPERS Experience Study. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale AA published by the Society of Actuaries for 2015 to 2018. For 2019, 2020, 2021, and 2022, pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For 2023, 2024 and 2025, pre-retirement and post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Measurement Date:	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019
Plan's proportion of the Net Pension Liability (Asset)	1.03004%	0.95974%	0.93552%	0.95843%	0.95585%
Plan's proportion share of the Net Pension Liability (Asset)	\$42,442,275	\$49,781,654	\$55,899,346	\$56,236,322	\$59,669,242
Plan's Covered Payroll	12,280,143	12,543,342	12,807,240	13,238,467	14,330,518
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	345.62%	396.88%	436.47%	424.79%	416.38%
Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	78.40%	74.06%	73.31%	75.26%	75.26%
Measurement Date:	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024
Plan's proportion of the Net Pension Liability (Asset)	0.95974%	1.27699%	1.05081%	1.03178%	1.04237%
Plan's proportion share of the Net Pension Liability (Asset)	\$63,941,257	\$44,815,713	\$72,207,303	\$77,124,746	\$75,997,348
Plan's Covered Payroll	17,965,730	15,113,158	15,917,533	16,945,456	17,700,510
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	355.91%	296.53%	453.63%	455.14%	429.35%
Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	75.10%	88.29%	76.68%	76.21%	78.08%

REQUIRED SUPPLEMENTARY INFORMATION

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

Fiscal Year Ended:	2016	2017	2018	2019	2020
Actuarially determined contribution	\$4,055,568	\$4,455,903	\$4,959,631	\$5,719,302	\$6,571,899
Contributions in relation to the actuarially determined contributions	<u>(4,055,568)</u>	<u>(4,455,903)</u>	<u>(4,959,631)</u>	<u>(5,719,302)</u>	<u>(6,571,899)</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered payroll	\$12,543,342	\$12,807,240	\$13,238,467	\$14,330,518	\$17,965,730
Contributions as a percentage of covered payroll	32.33%	34.79%	37.46%	39.91%	36.58%
Fiscal Year Ended:	2021	2022	2023	2024	2025
Actuarially determined contribution	\$7,215,323	\$7,786,074	\$8,516,327	\$8,917,736	\$9,663,435
Contributions in relation to the actuarially determined contributions	<u>(7,215,323)</u>	<u>(\$7,786,074)</u>	<u>(8,516,327)</u>	<u>(8,917,736)</u>	<u>(9,663,435)</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered payroll	\$15,113,158	\$15,917,533	\$16,945,456	\$17,700,510	\$ 20,256,651
Contributions as a percentage of covered payroll	51.52%	48.92%	50.26%	50.38%	47.70%

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	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019
Total Pension Liability					
Service Cost	\$25,000	\$8,000	\$9,000	\$8,901	
Interest	124,000	126,000	134,000	134,821	\$107,078
Differences between expected and actual experience		53,000		47,056	
Changes in assumptions		86,000		659,042	(75,860)
Changes in benefits					
Benefit payments, including refunds of employee contributions	(99,000)	(112,000)	(137,000)	(139,237)	(146,447)
Net change in total pension liability	50,000	161,000	6,000	710,583	(115,229)
Total pension liability - beginning	2,295,000	2,345,000	2,506,000	2,512,000	3,222,583
Total pension liability - ending (a)	<u>\$2,345,000</u>	<u>\$2,506,000</u>	<u>\$2,512,000</u>	<u>\$3,222,583</u>	<u>\$3,107,354</u>
Plan fiduciary net position					
Contributions - employer	\$245,000	\$270,000	\$239,000	\$400,000	
Contributions - employee					
Net investment income	21,000	51,000	80,000	53,127	\$124,714
Administrative expenses	(7,000)	(8,000)	(8,000)	(9,143)	(9,920)
Benefit payments, including refunds of employee contributions	(99,000)	(112,000)	(137,000)	(139,237)	(146,447)
Net change in plan fiduciary net position	160,000	201,000	174,000	304,747	(31,653)
Plan fiduciary net position - beginning	1,499,000	1,659,000	1,860,000	2,034,000	2,338,747
Plan fiduciary net position - ending (b)	<u>\$1,659,000</u>	<u>\$1,860,000</u>	<u>\$2,034,000</u>	<u>\$2,338,747</u>	<u>\$2,307,094</u>
Net pension liability - ending (a)-(b)	<u>\$686,000</u>	<u>\$646,000</u>	<u>\$478,000</u>	<u>\$883,836</u>	<u>\$800,260</u>
Plan fiduciary net position as a percentage of the total pension liability	70.75%	74.22%	80.97%	72.57%	74.25%
Covered payroll	<u>\$653,039</u>	<u>\$586,464</u>	<u>\$182,068</u>	<u>\$186,997</u>	<u>(A)</u>
Net pension liability as percentage of covered payroll	105.05%	110.15%	262.54%	472.65%	N/A
Measurement Date	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024
Total Pension Liability					
Service Cost					
Interest	\$108,975	\$102,103	\$93,001	\$92,912	\$90,379
Differences between expected and actual experience	(83,407)		53,376		57,591
Changes in assumptions	(54,339)	133,365	19,556		
Changes in benefits					
Benefit payments, including refunds of employee contributions	(160,537)	(163,748)	(167,023)	(170,363)	(173,771)
Net change in total pension liability	(189,308)	71,720	(1,090)	(77,451)	(25,801)
Total pension liability - beginning	3,107,354	2,918,046	2,989,766	2,988,676	2,911,225
Total pension liability - ending (a)	<u>\$2,918,046</u>	<u>\$2,989,766</u>	<u>\$2,988,676</u>	<u>\$2,911,225</u>	<u>\$2,885,424</u>
Plan fiduciary net position					
Contributions - employer				\$330,000	\$338,000
Contributions - employee					
Net investment income	\$105,737	\$212,741	(226,244)	66,640	132,673
Administrative expenses	(9,649)	(9,360)	(8,790)	(8,532)	(8,655)
Benefit payments, including refunds of employee contributions	(160,537)	(163,748)	(167,023)	(170,363)	(173,771)
Net change in plan fiduciary net position	(64,449)	39,633	(402,057)	217,745	288,247
Plan fiduciary net position - beginning	2,307,094	2,242,645	2,282,278	1,880,221	2,097,966
Plan fiduciary net position - ending (b)	<u>\$2,242,645</u>	<u>\$2,282,278</u>	<u>\$1,880,221</u>	<u>\$2,097,966</u>	<u>\$2,386,213</u>
Net pension liability - ending (a)-(b)	<u>\$675,401</u>	<u>\$707,488</u>	<u>\$1,108,455</u>	<u>\$813,259</u>	<u>\$499,211</u>
Plan fiduciary net position as a percentage of the total pension liability	76.85%	76.34%	62.91%	72.06%	82.70%
Covered payroll	<u>(A)</u>	<u>(A)</u>	<u>(A)</u>	<u>(A)</u>	<u>(A)</u>
Net pension liability as percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

Benefit changes. There were no changes in benefits.

Changes in assumptions. There were no changes in assumptions.

(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,	2016	2017	2018	2019	2020
Actuarially determined contribution	\$280,000	\$297,000	\$391,000	\$0	\$97,000
Contributions in relation to the actuarially determined contributions	(272,689)	(290,000)	(400,000)	0	0
Contribution deficiency (excess)	<u>\$7,311</u>	<u>\$7,000</u>	<u>(\$9,000)</u>	<u>\$0</u>	<u>\$97,000</u>
Covered payroll	<u>\$586,464</u>	<u>\$182,068</u>	<u>\$186,997</u>	<u>\$0 (A)</u>	<u>\$0 (A)</u>
Contributions as a percentage of covered payroll	46.50%	159.28%	213.91%	0%	0%
Notes to Schedule					
Valuation date:	6/30/2014	6/30/2015	6/30/2016	6/30/2016	6/30/2017

For the Fiscal Year Ended June 30,	2021	2022	2023	2024	2025
Actuarially determined contribution	\$100,000	\$100,000	\$208,000	\$209,000	\$142,000
Contributions in relation to the actuarially determined contributions	0	0	(330,000)	(338,000)	(338,000)
Contribution deficiency (excess)	<u>\$100,000</u>	<u>\$100,000</u>	<u>(\$122,000)</u>	<u>(\$129,000)</u>	<u>(\$196,000)</u>
Covered payroll	<u>\$0 (A)</u>	<u>\$0 (A)</u>	<u>\$0 (A)</u>	<u>\$0 (A)</u>	<u>\$0 (A)</u>
Contributions as a percentage of covered payroll	0%	0%	0%	0%	0%
Notes to Schedule					
Valuation date:	6/30/2018	6/30/2020	6/30/2020	6/30/2022	6/30/2024

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	4-year fixed period for 2024/25
Asset valuation method	Market value of assets
Discount rate	3.20%
Inflation	2.50%
Projected Salary Increase	3.00%
Mortality Rate Table	CalPERS 2000-2019 Experience Study
Mortality Improvement Scale	Mortality projected fully generational with Scale MP-2021

(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	<u>(1,631,000)</u>	<u>(1,733,000)</u>	<u>(1,781,930)</u>	<u>(1,816,214)</u>	<u>(1,885,034)</u>
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)	<u>\$34,115,000</u>	<u>\$33,273,063</u>	<u>\$35,497,345</u>	<u>\$43,004,893</u>	<u>\$44,144,056</u>
Covered-employee payroll	<u>\$38,034,624</u>	<u>\$31,729,215</u>	<u>\$39,889,613</u>	<u>\$36,097,420</u>	<u>\$39,082,228</u>
Total OPEB liability as a percentage of covered-employee payroll	89.69%	104.87%	88.99%	119.14%	112.95%
Measurement Date	6/30/22	6/30/23	6/30/24		
Total OPEB Liability (1)					
Service Cost	\$1,820,051	\$1,126,902	\$1,129,955		
Interest	971,080	1,345,035	1,387,366		
Changes of benefit terms					
Differences between expected and actual experience	811,844		169,416		
Changes of assumptions	(7,876,327)	(474,103)	(1,158,475)		
Benefit payments	<u>(2,013,440)</u>	<u>(1,977,631)</u>	<u>(1,994,798)</u>		
Net change in total OPEB liability	(6,286,792)	20,203	(466,536)		
Total OPEB liability - beginning	44,144,056	37,857,264	37,877,467		
Total OPEB liability - ending (a)	<u>\$37,857,264</u>	<u>\$37,877,467</u>	<u>\$37,410,931</u>		
Covered-employee payroll	<u>\$44,166,566</u>	<u>\$53,616,150</u>	<u>\$57,114,527</u>		
Total OPEB liability as a percentage of covered-employee payroll	85.71%	70.65%	65.50%		

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.

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SUPPLEMENTARY INFORMATION

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

STATE GASOLINE TAX FUND - 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.

GAS TAX SB1 FUND - Established to account for the Road Maintenance and Rehabilitation Account that addresses deferred maintenance of the local street and road systems and is funded by the State of California.

GOVERNMENT BUILDING FACILITIES FUND - 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.

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, 2025

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Use of money and property	\$250,000	\$3,091,487	\$2,841,487
Charges for current services	9,340,000	13,556,123	4,216,123
Total Revenues	9,590,000	16,647,610	7,057,610
EXPENDITURES			
Current:			
Public works	904,355	404,402	499,953
Capital outlay	13,110,278	5,478,228	7,632,050
Total Expenditures	14,014,633	5,882,630	8,132,003
NET CHANGE IN FUND BALANCE	(\$4,424,633)	10,764,980	\$15,189,613
BEGINNING FUND BALANCE		51,523,602	
ENDING FUND BALANCE		\$62,288,582	

CITY OF MANTECA
STATE GASOLINE TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Use of money and property	\$8,000	\$171,301	\$163,301
Revenue from other agencies	2,557,634	2,537,490	(20,144)
Other revenue		29,766	29,766
Total Revenues	<u>2,565,634</u>	<u>2,738,557</u>	<u>172,923</u>
EXPENDITURES:			
Current:			
Public works	8,000	30	7,970
Streets and highways	3,648,804	3,217,436	431,368
Capital outlay	<u>2,326</u>	<u>2,326</u>	
Total Expenditures	<u>3,659,130</u>	<u>3,219,792</u>	<u>439,338</u>
NET CHANGE IN FUND BALANCE	(1,093,496)	(481,235)	612,261
NET CHANGE IN FUND BALANCE	<u>(\$1,093,496)</u>	<u>(481,235)</u>	<u>\$612,261</u>
BEGINNING FUND BALANCE		<u>1,234,323</u>	
ENDING FUND BALANCE		<u><u>\$753,088</u></u>	

CITY OF MANTECA
GAS TAX SB1 FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Use of money and property		\$301,826	\$301,826
Revenue from other agencies	<u>\$2,272,678</u>	<u>2,481,043</u>	<u>208,365</u>
Total Revenues	<u>2,272,678</u>	<u>2,782,869</u>	<u>510,191</u>
EXPENDITURES			
Streets and highways	287,967	63,830	224,137
Capital outlay	<u>4,879,653</u>	<u>2,828,579</u>	<u>2,051,074</u>
Total Expenditures	<u>5,167,620</u>	<u>2,892,409</u>	<u>2,275,211</u>
NET CHANGE IN FUND BALANCE	<u><u>(\$2,894,942)</u></u>	<u>(109,540)</u>	<u><u>\$2,785,402</u></u>
BEGINNING FUND BALANCE		<u>7,091,340</u>	
ENDING FUND BALANCE		<u><u>\$6,981,800</u></u>	

CITY OF MANTECA
GOVERNMENT BUILDING FACILITIES FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Licenses and permits	\$5,000,000	\$7,333,739	\$2,333,739
Use of money and property		2,783,397	2,783,397
Total Revenues	5,000,000	10,117,136	5,117,136
EXPENDITURES			
Public works	120,360		120,360
Capital outlay	660,444	497,862	162,582
Total Expenditures	780,804	497,862	282,942
NET CHANGE IN FUND BALANCE	\$4,219,196	9,619,274	\$5,400,078
BEGINNING FUND BALANCE		40,004,310	
ENDING FUND BALANCE		\$49,623,584	

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NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS:**COMMUNITY DEVELOPMENT BLOCK GRANT**

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

POLICE GRANTS

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

SUPPLEMENTAL LAW ENFORCEMENT SERVICES

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

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.

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.

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

COMMUNITY FACILITIES DISTRICTS

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

FIRE GRANTS

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

PUBLIC SAFETY SALES TAX

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

INNOVATION AND TECHNOLOGY

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

ENGINEERING SERVICES

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

COVID RELIEF

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

CAPITAL IMPROVEMENT FUNDS:**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.

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

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.

FLOOD PROTECTION

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

REDEVELOPMENT BONDS PROJECTS

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

FIRE FACILITIES FEE

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

NEIGHBORHOOD PARKS IN LIEU FEE

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

SPECIAL APPORTIONMENT STREETS FUND

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

CITY OF MANTECA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025

	SPECIAL REVENUE FUNDS				
	Community Development Block Grant	Police Grants	Supplemental Law Enforcement Services	Street Improvements	Major Equipment Purchase Fee
ASSETS					
Cash and investments			\$470,636	\$49,572	\$1,588,637
Restricted cash and investments					
Accounts receivables (net of allowance for estimated uncollectible accounts)	\$86,040	\$356,524			88,860
Taxes receivable					
Interest receivable					
Leases receivable					
Total Assets	<u>\$86,040</u>	<u>\$356,524</u>	<u>\$470,636</u>	<u>\$49,572</u>	<u>\$1,677,497</u>
LIABILITIES					
Accounts payable	\$8,620				\$3,682
Contracts payable					
Refundable deposits					
Due to other funds	51,927	\$62,215			
Unearned revenue		<u>38,422</u>			
Total Liabilities	<u>60,547</u>	<u>100,637</u>			<u>3,682</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - accounts receivable Related to leases	12,664	123,454			88,860
Total Deferred Inflows of Resources	<u>12,664</u>	<u>123,454</u>			<u>88,860</u>
FUND BALANCE					
Fund balance:					
Restricted	12,829	132,433	\$470,636	\$49,572	1,584,955
Committed					
Assigned					
Total Fund Balances	<u>12,829</u>	<u>132,433</u>	<u>470,636</u>	<u>49,572</u>	<u>1,584,955</u>
Total Liabilities and Fund Balances	<u>\$86,040</u>	<u>\$356,524</u>	<u>\$470,636</u>	<u>\$49,572</u>	<u>\$1,677,497</u>

SPECIAL REVENUE FUNDS

Landscape and Lighting Maintenance District	Development Mitigation	Community Facilities Districts	Fire Grants	Public Safety Sales Tax	Innovation and Technology	Engineering Services	COVID Relief
\$1,949,286	\$14,491,182	\$7,104,914	\$362,841	\$4,265,417	\$508,581	\$9,016,084	\$3,127,247
24,462		158,846		1,741,205	908	122,321	
					499,746		
<u>\$1,973,748</u>	<u>\$14,491,182</u>	<u>\$7,263,760</u>	<u>\$362,841</u>	<u>\$6,006,622</u>	<u>\$1,009,235</u>	<u>\$9,138,405</u>	<u>\$3,127,247</u>
\$36,252		\$101,966		\$21,336		\$58,125	\$1,218,063
		163,880				902,364	
							1,909,184
<u>36,252</u>		<u>265,846</u>		<u>21,336</u>		<u>960,489</u>	<u>3,127,247</u>
					\$470,657		
					470,657		
1,937,496	\$14,491,182	6,997,914	\$362,841	5,985,286	538,578	8,177,916	
<u>1,937,496</u>	<u>14,491,182</u>	<u>6,997,914</u>	<u>362,841</u>	<u>5,985,286</u>	<u>538,578</u>	<u>8,177,916</u>	
<u>\$1,973,748</u>	<u>\$14,491,182</u>	<u>\$7,263,760</u>	<u>\$362,841</u>	<u>\$6,006,622</u>	<u>\$1,009,235</u>	<u>\$9,138,405</u>	<u>\$3,127,247</u>

(Continued)

CITY OF MANTECA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025

	CAPITAL IMPROVEMENT FUNDS				
	Regional Transportation Impact Fees	Measure K	Parks	Flood Protection	Redevelopment Bonds Projects
ASSETS					
Cash and investments	\$28,627,082	\$11,547,027	\$26,339,255	\$430,965	
Restricted cash and investments			1,990,735		\$9,414,620
Accounts receivables (net of allowance for estimated uncollectible accounts)		1,621,518			
Taxes receivable		540,347			
Interest receivable					
Leases receivable					
Total Assets	<u>\$28,627,082</u>	<u>\$13,708,892</u>	<u>\$28,329,990</u>	<u>\$430,965</u>	<u>\$9,414,620</u>
LIABILITIES					
Accounts payable	\$423,245	\$176,230	\$502,020	\$394,737	
Contracts payable			2,214		
Refundable deposits	34,036		1,990,735		
Due to other funds					\$3,956,388
Unearned revenue					
Total Liabilities	<u>457,281</u>	<u>176,230</u>	<u>2,494,969</u>	<u>394,737</u>	<u>3,956,388</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - accounts receivable Related to leases					
Total Deferred Inflows of Resources					
FUND BALANCE					
Fund balance:					
Restricted	28,169,801	13,532,662	25,835,021	36,228	5,458,232
Committed					
Assigned					
Total Fund Balances	<u>28,169,801</u>	<u>13,532,662</u>	<u>25,835,021</u>	<u>36,228</u>	<u>5,458,232</u>
Total Liabilities and Fund Balances	<u>\$28,627,082</u>	<u>\$13,708,892</u>	<u>\$28,329,990</u>	<u>\$430,965</u>	<u>\$9,414,620</u>

CAPITAL IMPROVEMENT FUNDS

Fire Facilities Fee	Neighborhood Parks In Lieu Fee	Special Apportionment Streets	Total Nonmajor Governmental Funds
\$7,093,606	\$4,328,383	\$1,251,911	\$122,552,626 11,405,355
94,414		2,770,622	5,299,145 2,306,014 908 499,746
<u>\$7,188,020</u>	<u>\$4,328,383</u>	<u>\$4,022,533</u>	<u>\$142,063,794</u>
\$201,484		\$1,034,895 26,192 562	\$4,180,655 28,406 3,091,577 4,070,530 1,947,606
<u>201,484</u>		<u>1,061,649</u>	<u>13,318,774</u>
94,414			319,392 470,657
<u>94,414</u>			<u>790,049</u>
6,892,122	\$4,328,383		124,455,509 538,578 2,960,884
<u>6,892,122</u>	<u>4,328,383</u>	<u>2,960,884</u>	<u>127,954,971</u>
<u>\$7,188,020</u>	<u>\$4,328,383</u>	<u>\$4,022,533</u>	<u>\$142,063,794</u>

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

	SPECIAL REVENUE FUNDS				
	Community Development Block Grant	Police Grants	Supplemental Law Enforcement Services	Street Improvements	Major Equipment Purchase Fee
REVENUES					
Property taxes					
Sales taxes					
Licenses and permits					
Use of money and property					\$83,478
Revenue from other agencies	\$447,441	\$630,747	\$277,567		
Charges for current services					416,331
Other revenue					
Total Revenues	<u>447,441</u>	<u>630,747</u>	<u>277,567</u>		<u>499,809</u>
EXPENDITURES					
Current:					
General government	340,509				
Public safety		289,866	114,586		
Public works					
Parks and recreation					
Streets and highways					
Nondepartmental			28,592		
Capital outlay		376,232	195,426		602,800
Debt service:					
Principal					
Interest and fiscal charges					
Total Expenditures	<u>340,509</u>	<u>666,098</u>	<u>338,604</u>		<u>602,800</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>106,932</u>	<u>(35,351)</u>	<u>(61,037)</u>		<u>(102,991)</u>
OTHER FINANCING SOURCES (USES)					
Inception of lease					
Inception of SBITA					
Total Other Financing Sources (Uses)					
NET CHANGE IN FUND BALANCES	<u>106,932</u>	<u>(35,351)</u>	<u>(61,037)</u>		<u>(102,991)</u>
BEGINNING FUND BALANCES (DEFICITS), AS PREVIOUSLY REPORTED	(94,103)	167,784	531,673	\$49,572	1,687,946
ADJUSTMENTS					
Changes from nonmajor fund to major fund					
BEGINNING FUND BALANCES (DEFICITS), AS ADJUSTED	<u>(94,103)</u>	<u>167,784</u>	<u>531,673</u>	<u>49,572</u>	<u>1,687,946</u>
ENDING FUND BALANCES	<u>\$12,829</u>	<u>\$132,433</u>	<u>\$470,636</u>	<u>\$49,572</u>	<u>\$1,584,955</u>

SPECIAL REVENUE FUNDS

Landscape and Lighting Maintenance District	Development Mitigation	Community Facilities Districts	Fire Grants	Public Safety Sales Tax	Innovation and Technology	Engineering Services	COVID Relief
				\$10,235,229			
\$168,282	\$794,044	\$275,096		273,630	\$21,259	\$368,409	\$1
			\$226,056		100,754	74,065	4,332,693
1,554,265	2,500,469	2,740,628				6,037,942	
1,360	280,247	1,850			113,540	136,622	
1,723,907	3,574,760	3,017,574	226,056	10,508,859	235,553	6,617,038	4,332,694
				10,284,281			47,230
1,796,229		1,131,185 35,073				2,472,351	
							357,592
45,553	5,607	107,545		88,311		88,852	4,722,554
						7,122 1,076	
1,841,782	5,607	1,273,803		10,372,592		2,569,401	5,127,376
(117,875)	3,569,153	1,743,771	226,056	136,267	235,553	4,047,637	(794,682)
						22,108	
							794,682
						22,108	794,682
(117,875)	3,569,153	1,743,771	226,056	136,267	235,553	4,069,745	
2,055,371	10,922,029	5,254,143	136,785	5,849,019	303,025	4,108,171	
2,055,371	10,922,029	5,254,143	136,785	5,849,019	303,025	4,108,171	
\$1,937,496	\$14,491,182	\$6,997,914	\$362,841	\$5,985,286	\$538,578	\$8,177,916	

(Continued)

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

	CAPITAL IMPROVEMENT FUNDS				
	Regional Transportation Impact Fees	Measure K	Parks	Flood Protection	Redevelopment Bonds Projects
REVENUES					
Property taxes					
Sales taxes					
Licenses and permits					
Use of money and property	\$1,560,463	\$626,333	\$1,444,628	\$29,530	\$1,931,818
Revenue from other agencies		10,626,899			
Charges for current services	4,303,494		5,364,068		
Other revenue		2,003			
Total Revenues	5,863,957	11,255,235	6,808,696	29,530	1,931,818
EXPENDITURES					
Current:					
General government					
Public safety					
Public works		534,235		24,375	
Parks and recreation			182,675		
Streets and highways	272,324	31,217			
Nondepartmental					
Capital outlay	783,663	3,432,183	784,822		53
Debt service:					
Principal					
Interest and fiscal charges					
Total Expenditures	1,055,987	3,997,635	967,497	24,375	53
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,807,970	7,257,600	5,841,199	5,155	1,931,765
OTHER FINANCING SOURCES (USES)					
Inception of lease					
Inception of SBITA					
Total Other Financing Sources (Uses)					
NET CHANGE IN FUND BALANCES	4,807,970	7,257,600	5,841,199	5,155	1,931,765
BEGINNING FUND BALANCES (DEFICITS), AS PREVIOUSLY REPORTED	23,361,831	6,275,062	19,993,822	31,073	3,526,467
ADJUSTMENTS					
Changes from nonmajor fund to major fund					
BEGINNING FUND BALANCES (DEFICITS), AS ADJUSTED	23,361,831	6,275,062	19,993,822	31,073	3,526,467
ENDING FUND BALANCES	\$28,169,801	\$13,532,662	\$25,835,021	\$36,228	\$5,458,232

CAPITAL IMPROVEMENT FUNDS				
Fire Facilities Fee	Neighborhood Parks In Lieu Fee	(Previously Nonmajor) Government Building Facilities	Special Apportionment Streets	Total Nonmajor Governmental Funds
				\$10,235,229
\$2,492,372				2,492,372
319,814	\$202,647			8,099,432
			\$5,491,689	22,207,911
				22,917,197
				535,622
<u>2,812,186</u>	<u>202,647</u>		<u>5,491,689</u>	<u>66,487,763</u>
				340,509
21,870				10,757,833
				4,162,146
				2,013,977
			1,932,717	2,593,850
				28,592
1,452,718			3,550,492	16,236,811
				7,122
				1,076
<u>1,474,588</u>			<u>5,483,209</u>	<u>36,141,916</u>
<u>1,337,598</u>	<u>202,647</u>		<u>8,480</u>	<u>30,345,847</u>
				22,108
				794,682
				816,790
<u>1,337,598</u>	<u>202,647</u>		<u>8,480</u>	<u>31,162,637</u>
5,554,524	4,125,736	\$40,004,310	2,952,404	136,796,644
		(40,004,310)		(40,004,310)
<u>5,554,524</u>	<u>4,125,736</u>		<u>2,952,404</u>	<u>96,792,334</u>
<u>\$6,892,122</u>	<u>\$4,328,383</u>		<u>\$2,960,884</u>	<u>\$127,954,971</u>

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, 2025

	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	\$417,278	\$447,441	\$30,163	\$1,330,922	\$630,747	(\$700,175)
Charges for current services						
Other revenue						
Total Revenues	417,278	447,441	30,163	1,330,922	630,747	(700,175)
EXPENDITURES						
Current:						
General government	1,764,682	340,509	1,424,173			
Public safety				476,349	289,866	186,483
Public works						
Parks and recreation						
Streets and highways						
Nondepartmental						
Capital outlay	37,712		37,712	355,666	376,232	(20,566)
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	1,802,394	340,509	1,461,885	832,015	666,098	165,917
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,385,116)	106,932	1,492,048	498,907	(35,351)	(534,258)
OTHER FINANCING SOURCES (USES)						
Inception of lease						
Inception of SBITA						
Transfers in						
Transfers out						
Total Other Financing Sources (Uses)						
NET CHANGE IN FUND BALANCES	<u>(\$1,385,116)</u>	106,932	<u>\$1,492,048</u>	<u>\$498,907</u>	(35,351)	<u>(\$534,258)</u>
BEGINNING FUND BALANCES (DEFICITS)		<u>(94,103)</u>			167,784	
ENDING FUND BALANCES		<u>\$12,829</u>			<u>\$132,433</u>	

SUPPLEMENTAL LAW ENFORCEMENT SERVICES			STREET IMPROVEMENTS			MAJOR EQUIPMENT PURCHASE FEE		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
						\$2,000	\$83,478	\$81,478
\$277,567	\$277,567					350,000	416,331	66,331
<u>277,567</u>	<u>277,567</u>					<u>352,000</u>	<u>499,809</u>	<u>147,809</u>
167,978	114,586	\$53,392						
51,225	28,592	22,633						
203,634	195,426	8,208				706,245	602,800	103,445
<u>422,837</u>	<u>338,604</u>	<u>84,233</u>				<u>706,245</u>	<u>602,800</u>	<u>103,445</u>
<u>(145,270)</u>	<u>(61,037)</u>	<u>84,233</u>				<u>(354,245)</u>	<u>(102,991)</u>	<u>251,254</u>
<u>(\$145,270)</u>	<u>(61,037)</u>	<u>\$84,233</u>	<u></u>		<u></u>	<u>(\$354,245)</u>	<u>(102,991)</u>	<u>\$251,254</u>
	<u>531,673</u>			<u>\$49,572</u>			<u>1,687,946</u>	
	<u>\$470,636</u>			<u>\$49,572</u>			<u>\$1,584,955</u>	

(Continued)

CITY OF MANTECA
BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	LANDSCAPE AND LIGHTING MAINTENANCE DISTRICT			DEVELOPMENT MITIGATION		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Sales taxes						
Licenses and permits						
Use of money and property	\$5,000	\$168,282	\$163,282	\$410,000	\$794,044	\$384,044
Revenue from other agencies						
Charges for current services	1,473,459	1,554,265	80,806	2,543,300	2,500,469	(42,831)
Other revenue		1,360	1,360	280,000	280,247	247
Total Revenues	1,478,459	1,723,907	245,448	3,233,300	3,574,760	341,460
EXPENDITURES						
Current:						
General government						
Public safety						
Public works						
Parks and recreation	1,569,254	1,796,229	(226,975)			
Streets and highways						
Nondepartmental						
Capital outlay	87,188	45,553	41,635	165,606	5,607	159,999
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	1,656,442	1,841,782	(185,340)	165,606	5,607	159,999
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(177,983)	(117,875)	60,108	3,067,694	3,569,153	501,459
OTHER FINANCING SOURCES (USES)						
Inception of lease						
Inception of SBITA						
Transfers in						
Transfers out						
Total Other Financing Sources (Uses)						
NET CHANGE IN FUND BALANCES	(\$177,983)	(117,875)	\$60,108	\$3,067,694	3,569,153	\$501,459
BEGINNING FUND BALANCES (DEFICITS)		2,055,371			10,922,029	
ENDING FUND BALANCES		\$1,937,496			\$14,491,182	

COMMUNITY FACILITIES DISTRICTS			FIRE GRANTS			PUBLIC SAFETY SALES TAX		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
						\$10,007,000	\$10,235,229	\$228,229
	\$275,096	\$275,096				143,000	273,630	130,630
\$2,723,233	2,740,628	17,395		\$226,056	\$226,056			
	1,850	1,850						
2,723,233	3,017,574	294,341		226,056	226,056	10,150,000	10,508,859	358,859
						10,434,560	10,284,281	150,279
2,324,324	1,131,185	1,193,139						
46,552	35,073	11,479						
505,398	107,545	397,853				162,262	88,311	73,951
2,876,274	1,273,803	1,602,471				10,596,822	10,372,592	224,230
(153,041)	1,743,771	1,896,812		226,056	226,056	(446,822)	136,267	583,089
(\$153,041)	1,743,771	\$1,896,812		226,056	\$226,056	(\$446,822)	136,267	\$583,089
	5,254,143			136,785			5,849,019	
	\$6,997,914			\$362,841			\$5,985,286	

(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, 2025

	INNOVATION AND TECHNOLOGY			ENGINEERING SERVICES		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Sales taxes						
Licenses and permits						
Use of money and property	\$113,400	\$21,259	(\$92,141)		\$368,409	\$368,409
Revenue from other agencies		100,754	100,754	\$25,000	74,065	49,065
Charges for current services				5,330,000	6,037,942	707,942
Other revenue	100,000	113,540	13,540	11,000	136,622	125,622
Total Revenues	213,400	235,553	22,153	5,366,000	6,617,038	1,251,038
EXPENDITURES						
Current:						
General government	446		446			
Public safety						
Public works				3,104,471	2,472,351	632,120
Parks and recreation						
Streets and highways						
Nondepartmental						
Capital outlay				130,000	88,852	41,148
Debt service:						
Principal					7,122	(7,122)
Interest and fiscal charges					1,076	(1,076)
Total Expenditures	446		446	3,234,471	2,569,401	665,070
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	212,954	235,553	22,599	2,131,529	4,047,637	1,916,108
OTHER FINANCING SOURCES (USES)						
Inception of lease					22,108	22,108
Inception of SBITA						
Transfers in						
Transfers out						
Total Other Financing Sources (Uses)					22,108	22,108
NET CHANGE IN FUND BALANCES	\$212,954	235,553	\$22,599	\$2,131,529	4,069,745	\$1,938,216
BEGINNING FUND BALANCES (DEFICITS)		303,025			4,108,171	
ENDING FUND BALANCES		\$538,578			\$8,177,916	

COVID RELIEF			REGIONAL TRANSPORTATION IMPACT FEES			MEASURE K		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$5,741,030	\$1 4,332,693	\$1 (1,408,337)	\$40,000	\$1,560,463	\$1,520,463	\$50,000	\$626,333	\$576,333
			2,355,000	4,303,494	1,948,494	5,100,000	10,626,899	5,526,899
							2,003	2,003
5,741,030	4,332,694	(1,408,336)	2,395,000	5,863,957	3,468,957	5,150,000	11,255,235	6,105,235
32,883		32,883						
47,230	47,230							
30,750		30,750				637,911	534,235	103,676
357,159	357,592	(433)	272,000	272,324	(324)	31,217	31,217	
4,668,820	4,722,554	(53,734)	3,149,481	783,663	2,365,818	6,958,190	3,432,183	3,526,007
5,136,842	5,127,376	9,466	3,421,481	1,055,987	2,365,494	7,627,318	3,997,635	3,629,683
604,188	(794,682)	(1,398,870)	(1,026,481)	4,807,970	5,834,451	(2,477,318)	7,257,600	9,734,918
52,643	794,682	794,682						
(660,387)		(52,643)						
		660,387						
(607,744)	794,682	1,402,426						
(\$3,556)		\$3,556	(\$1,026,481)	4,807,970	\$5,834,451	(\$2,477,318)	7,257,600	\$9,734,918
				23,361,831			6,275,062	
				\$28,169,801			\$13,532,662	

(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, 2025

	PARKS			FLOOD PROTECTION		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Sales taxes						
Licenses and permits						
Use of money and property		\$1,444,628	\$1,444,628		\$29,530	\$29,530
Revenue from other agencies						
Charges for current services	\$5,070,000	5,364,068	294,068	\$500,000		(500,000)
Other revenue						
Total Revenues	5,070,000	6,808,696	1,738,696	500,000	29,530	(470,470)
EXPENDITURES						
Current:						
General government						
Public safety						
Public works					24,375	(24,375)
Parks and recreation	182,675	182,675				
Streets and highways						
Nondepartmental						
Capital outlay	1,309,710	784,822	524,888			
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	1,492,385	967,497	524,888		24,375	(24,375)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,577,615	5,841,199	2,263,584	500,000	5,155	(494,845)
OTHER FINANCING SOURCES (USES)						
Inception of lease						
Inception of SBITA						
Transfers in						
Transfers out						
Total Other Financing Sources (Uses)						
NET CHANGE IN FUND BALANCES	\$3,577,615	5,841,199	\$2,263,584	\$500,000	5,155	(\$494,845)
BEGINNING FUND BALANCES (DEFICITS)		19,993,822			31,073	
ENDING FUND BALANCES		\$25,835,021			\$36,228	

REDEVELOPMENT BOND PROJECTS			FIRE FACILITIES FEE			NEIGHBORHOOD PARKS IN LIEU FEE		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
	\$1,931,818	\$1,931,818	\$1,561,000	\$2,492,372 319,814	\$931,372 319,814		\$202,647	\$202,647
						\$1,300,000		(1,300,000)
	<u>1,931,818</u>	<u>1,931,818</u>	<u>1,561,000</u>	<u>2,812,186</u>	<u>1,251,186</u>	<u>1,300,000</u>	<u>202,647</u>	<u>(1,097,353)</u>
			93,000	21,870	71,130			
\$557	53	504	2,638,312	1,452,718	1,185,594			
<u>557</u>	<u>53</u>	<u>504</u>	<u>2,731,312</u>	<u>1,474,588</u>	<u>1,256,724</u>			
<u>(557)</u>	<u>1,931,765</u>	<u>1,932,322</u>	<u>(1,170,312)</u>	<u>1,337,598</u>	<u>2,507,910</u>	<u>1,300,000</u>	<u>202,647</u>	<u>(1,097,353)</u>
<u>(\$557)</u>	<u>1,931,765</u>	<u>\$1,932,322</u>	<u>(\$1,170,312)</u>	<u>1,337,598</u>	<u>\$2,507,910</u>	<u>\$1,300,000</u>	<u>202,647</u>	<u>(\$1,097,353)</u>
	<u>3,526,467</u>			<u>5,554,524</u>			<u>4,125,736</u>	
	<u>\$5,458,232</u>			<u>\$6,892,122</u>			<u>\$4,328,383</u>	

(Continued)

CITY OF MANTECA
BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	SPECIAL APPORTIONMENT STREETS		
	Budget	Actual	Variance Positive (Negative)
REVENUES			
Sales taxes			
Licenses and permits			
Use of money and property			
Revenue from other agencies	\$18,793,659	\$5,491,689	(\$13,301,970)
Charges for current services			
Other revenue			
Total Revenues	18,793,659	5,491,689	(13,301,970)
EXPENDITURES			
Current:			
General government			
Public safety			
Public works			
Parks and recreation			
Streets and highways	3,505,871	1,932,717	1,573,154
Nondepartmental			
Capital outlay	16,473,597	3,550,492	12,923,105
Debt service:			
Principal			
Interest and fiscal charges			
Total Expenditures	19,979,468	5,483,209	14,496,259
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,185,809)	8,480	1,194,289
OTHER FINANCING SOURCES (USES)			
Inception of lease			
Inception of SBITA			
Transfers in			
Transfers out			
Total Other Financing Sources (Uses)			
NET CHANGE IN FUND BALANCES	(\$1,185,809)	8,480	\$1,194,289
BEGINNING FUND BALANCES (DEFICITS)		2,952,404	
ENDING FUND BALANCES		\$2,960,884	

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.

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, 2025

	Vehicle	Equipment	Insurance	Total
ASSETS				
Current Assets:				
Cash and investments		\$2,169,856	\$5,608,866	\$7,778,722
Accounts receivable	\$62,738		43,392	106,130
Prepays and deposits				
Total Current Assets	62,738	2,169,856	5,652,258	7,884,852
Non-Current Assets:				
Capital assets not being depreciated	956,064	551,565		1,507,629
Capital assets (net of accumulated depreciation)	1,095,490	2,103,787		3,199,277
Total Non-Current Assets	2,051,554	2,655,352		4,706,906
Total Assets	2,114,292	4,825,208	5,652,258	12,591,758
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	132,137	750,352	149,441	1,031,930
Deferred outflows related to OPEB		71,837	38,313	110,150
Total Deferred Outflows of Resources	132,137	822,189	187,754	1,142,080
LIABILITIES				
Current Liabilities:				
Accounts payable	107,031	136,055	243,585	486,671
Refundable deposits			808	808
Due to other funds	662,203			662,203
Interest payable		33,038		33,038
Compensated absences	23,031	25,311		48,342
Estimated claims liability			1,598,225	1,598,225
Lease liability		11,810		11,810
Subscription liability		752,508		752,508
Total Current Liabilities	792,265	958,722	1,842,618	3,593,605
Long-term Liabilities:				
Compensated absences	93,010	149,133	38,085	280,228
Estimated claims liability			42,265	42,265
Net pension liability	568,653	3,229,135	643,119	4,440,907
Total OPEB Liability		479,627	255,801	735,428
Lease liability		12,338		12,338
Subscription liability		789,475		789,475
Total Long-Term Liabilities	661,663	4,659,708	979,270	6,300,641
Total Liabilities	1,453,928	5,618,430	2,821,888	9,894,246
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to OPEB		82,623	44,066	126,689
Total Deferred Inflows of Resources		82,623	44,066	126,689
NET POSITION				
Investment in capital assets	2,051,554	1,089,221		3,140,775
Unrestricted	(1,259,053)	(1,142,877)	2,974,058	572,128
Total Net Position	\$792,501	(\$53,656)	\$2,974,058	\$3,712,903

CITY OF MANTECA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025

	Vehicle	Equipment	Insurance	Total
OPERATING REVENUES				
Charges for services	\$1,015,135	\$5,343,115		\$6,358,250
Insurance premium contribution from other funds			\$7,990,830	7,990,830
Miscellaneous			409,718	409,718
Total Operating Revenues	1,015,135	5,343,115	8,400,548	14,758,798
OPERATING EXPENSES				
Personnel services	1,564,314	2,078,067	499,234	4,141,615
Contractual services		191,329	26,712	218,041
Supplies	(147,264)	500,941	102,503	456,180
Utilities	2,150	717,672	8,566	728,388
Repairs and maintenance	1,236,180	927,357		2,163,537
Interdepartmental	50,980	299,315	6,000	356,295
Insurance	190,174	96,138	6,253,109	6,539,421
Claims			1,223,968	1,223,968
Depreciation	49,030	478,861		527,891
Miscellaneous		47,990	43,700	91,690
Total Operating Expenses	2,945,564	5,337,670	8,163,792	16,447,026
Total Operating Income (Loss)	(1,930,429)	5,445	236,756	(1,688,228)
NONOPERATING REVENUES (EXPENSES)				
Interest income	775	114,293	222,331	337,399
Interest expense		(33,763)		(33,763)
Gain on sale of capital assets	154,346			154,346
Total Nonoperating Revenues (Expenses)	155,121	80,530	222,331	457,982
Change in Net Position Before Transfers	(1,775,308)	85,975	459,087	(1,230,246)
Transfers Out			(24,640)	(24,640)
Change in Net Position	(1,775,308)	85,975	434,447	(1,254,886)
BEGINNING NET POSITION, as previously reported	2,816,428	(299,603)	2,539,611	5,056,436
ADJUSTMENTS				
Error Correction - Capital Assets	(248,619)	159,972		(88,647)
BEGINNING NET POSITION (DEFICIT), AS RESTATED	2,567,809	(139,631)	2,539,611	4,967,789
ENDING NET POSITION (DEFICIT)	\$792,501	(\$53,656)	\$2,974,058	\$3,712,903

CITY OF MANTECA
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	Vehicle	Equipment	Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$970,539	\$5,343,115	\$8,357,156	\$14,670,810
Payments to suppliers	(1,358,589)	(2,837,896)	(6,489,646)	(10,686,131)
Payments to or on behalf of employees	(1,011,757)	(1,970,930)	(495,096)	(3,477,783)
Claims paid			(933,065)	(933,065)
Cash Flows from (used by) Operating Activities	(1,399,807)	534,289	439,349	(426,169)
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES				
Interfund receipts (payments)	662,203			662,203
Transfers out			(24,640)	(24,640)
Cash Flows from (used by) Noncapital and Related Financing Activities	662,203		(24,640)	637,563
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(1,184,354)	(210,391)		(1,394,745)
Proceeds from sale of capital assets	154,346			154,346
Lease liability - principal payment		(9,039)		(9,039)
Subscription liability - principal payment		(774,974)		(774,974)
Lease and subscription liability - interest		(19,946)		(19,946)
Cash Flows from (used by) Capital and Related Financing Activities	(1,030,008)	(1,014,350)		(2,044,358)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest earnings	775	114,293	222,331	337,399
Cash Flows from Investing Activities	775	114,293	222,331	337,399
Net Cash Flows	(1,766,837)	(365,768)	637,040	(1,495,565)
Cash and investments at beginning of period	1,766,837	2,535,624	4,971,826	9,274,287
Cash and investments at end of period	<u>1,766,837</u>	<u>2,535,624</u>	<u>4,971,826</u>	<u>9,274,287</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:				
Operating income (loss)	(\$1,930,429)	\$5,445	\$236,756	(\$1,688,228)
Adjustments to reconcile operating income to net cash flows from operating activities:				
Depreciation	49,030	478,861		527,891
Change in assets and liabilities:				
Receivables, net	(44,596)		(43,392)	(87,988)
Prepays and deposits		26,544		26,544
Accounts and other payables	(26,369)	(83,698)	(49,056)	(159,123)
Compensated absences	116,041	174,444	38,085	328,570
Claims liability			290,903	290,903
Net pension liability, deferred outflows and inflows	436,516	(59,968)	(30,033)	346,515
Total OPEB liability, deferred outflows and inflows		(7,339)	(3,914)	(11,253)
Cash Flows from (used by) Operating Activities	<u>(\$1,399,807)</u>	<u>\$534,289</u>	<u>\$439,349</u>	<u>(\$426,169)</u>
NONCASH TRANSACTIONS:				
Lease asset addition		\$30,026		\$30,026
Issuance of lease liability		(30,026)		(30,026)
Subscription asset addition		1,577,706		1,577,706
Issuance of subscription liability		(1,577,706)		(1,577,706)

CUSTODIAL FUNDS

Custodial funds report resources, not in a trust, that are held by the City for other parties outside of the City's reporting entity.

CFD 2023-1 VILLA TICINO WEST CUSTODIAL FUND

The fund is used to account for Community Facilities District 2023-1, Villa Ticino West, special assessment collections and debt service payments.

PBID CUSTODIAL FUND

The Public Business Improvement District (PBID) fund is used to account for the improvement of general areas within Manteca's downtown business community.

CITY OF MANTECA
CUSTODIAL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2025

	CFD 2023-1 Villa Ticino West Custodial Fund	PBID Custodial Fund	Total Custodial Funds
ASSETS			
Cash and investments	\$868,126	\$67,596	\$935,722
Restricted cash and investments	2,127,494		2,127,494
Accounts receivable	47,500		47,500
Total Assets	3,043,120	67,596	3,110,716
LIABILITIES			
Accounts payable	26,292	67,596	93,888
Refundable deposits	50,284		50,284
Total Liabilities	76,576	67,596	144,172
NET POSITION			
Restricted for Other Purposes	\$2,966,544		\$2,966,544

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

	CFD 2023-1 Villa Ticino West Custodial Fund	PBID Custodial Fund	Total Custodial Funds
ADDITIONS			
Net investment income	\$72,699		\$72,699
Charges for services	968,260	\$144,092	1,112,352
Contributions from property owners	16,220,775		16,220,775
Other revenue	77,500		77,500
Total additions	17,339,234	144,092	17,483,326
DEDUCTIONS			
Professional services	13,938,496		13,938,496
General government		144,092	144,092
Interest and fiscal charges	1,358,537		1,358,537
Total deductions	15,297,033	144,092	15,441,125
CHANGE IN NET POSITION	2,042,201		2,042,201
NET POSITION			
RESTRICTED FOR OTHER PURPOSES			
Beginning of year	924,343		924,343
End of year	\$2,966,544		\$2,966,544

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STATISTICAL SECTION

This part of the City's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and wellbeing have changed over time:

1. Net Position by Component
2. Changes in Net Position
3. Fund Balance of Governmental Funds
4. Changes in Fund Balances of Governmental Funds
5. General Revenues by Source
6. General Expenditures by Function

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax:

1. Assessed and Estimated Value of Taxable Property
2. Direct and Overlapping Property Tax Rates
3. Principal Property Taxpayers
4. Property Tax Levies and Collections
5. Manteca Redevelopment Project Area No. 1 – Top Twenty Assessed Values
6. Manteca Redevelopment Project Area No. 2 – Top Twenty Assessed Values
7. Manteca Redevelopment Merged Project Area (2005 Merged Project Amended Area) – Top Twenty Assessed Values
8. Manteca Redevelopment Amended Merged Project Area (2004 Amended Area) – Top Twenty Assessed Values
9. Taxable Sales by Category
10. Direct and Overlapping Sales Tax Rates
11. Principal Sales Tax Payers

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future:

1. Ratio of Outstanding Debt by Type
2. Computation of Direct and Overlapping Debt
3. Computation of Legal Bonded Debt Margin
4. Revenue Bond Coverage – Water Revenue Bonds
5. Revenue Bond Coverage – Sewer Revenue Bonds
6. Bonded Debt Pledged-Revenue Coverage – Redevelopment Agency Tax Allocation Bonds

STATISTICAL SECTION (Continued)
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Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place:

1. Demographic and Economic Statistics
2. Principal Employers

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

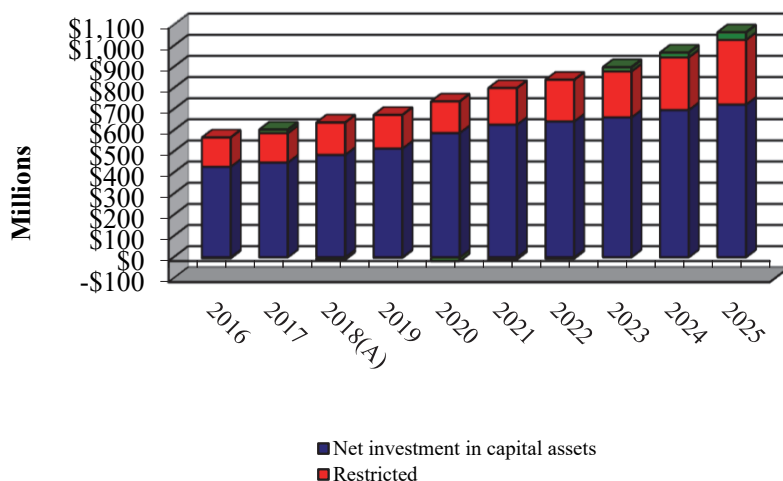
1. Full-Time Equivalent City Government Employees by Function
2. Operating Indicators and Capital Assets Statistics by Function/Program

Sources

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

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



	2016	2017	2018(A)	2019	2020
<i>Governmental activities</i>					
Net investment in capital assets	\$282,954,575	\$311,611,351	\$327,232,512	\$346,055,728	\$395,180,359
Restricted	139,014,904	139,177,788	153,222,783	159,370,865	149,336,987
Unrestricted	(42,549,501)	(35,156,678)	(54,265,195)	(54,138,733)	(62,776,206)
Total governmental activities net position	<u>\$379,419,978</u>	<u>\$415,632,461</u>	<u>\$426,190,100</u>	<u>\$451,287,860</u>	<u>\$481,741,140</u>
<i>Business-type activities</i>					
Net investment in capital assets	\$144,968,629	\$136,859,563	\$157,529,677	\$168,685,323	\$193,144,500
Unrestricted	38,202,656	51,856,903	43,293,291	52,128,274	44,732,619
Total business-type activities net position	<u>\$183,171,285</u>	<u>\$188,716,466</u>	<u>\$200,822,968</u>	<u>\$220,813,597</u>	<u>\$237,877,119</u>
<i>Primary government</i>					
Net investment in capital assets	\$427,923,204	\$448,470,914	\$484,762,189	\$514,741,051	\$588,324,859
Restricted	139,014,904	139,177,788	153,222,783	159,370,865	149,336,987
Unrestricted	(4,346,845)	16,700,225	(10,971,904)	(2,010,459)	(18,043,587)
Total primary government net position	<u>\$562,591,263</u>	<u>\$604,348,927</u>	<u>\$627,013,068</u>	<u>\$672,101,457</u>	<u>\$719,618,259</u>

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

2021	2022	2023	2024	2025
\$414,565,642	\$422,119,848	\$439,385,476	\$465,658,158	\$482,028,549
173,389,648	197,202,912	217,804,065	249,083,701	305,938,423
(63,375,920)	(67,239,259)	(53,591,717)	(61,023,020)	(61,312,801)
<u>\$524,579,370</u>	<u>\$552,083,501</u>	<u>\$603,597,824</u>	<u>\$653,718,839</u>	<u>\$726,654,171</u>
\$212,888,678	\$220,695,835	\$222,479,874	\$231,116,914	\$240,545,502
53,979,732	61,562,129	73,808,452	84,265,669	97,408,198
<u>\$266,868,410</u>	<u>\$282,257,964</u>	<u>\$296,288,326</u>	<u>\$315,382,583</u>	<u>\$337,953,700</u>
\$627,454,320	\$642,815,683	\$661,865,350	\$696,775,072	\$722,574,051
173,389,648	197,202,912	217,804,065	249,083,701	305,938,423
(9,396,188)	(5,677,130)	20,216,735	23,242,649	36,095,397
<u>\$791,447,780</u>	<u>\$834,341,465</u>	<u>\$899,886,150</u>	<u>\$969,101,422</u>	<u>\$1,064,607,871</u>

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

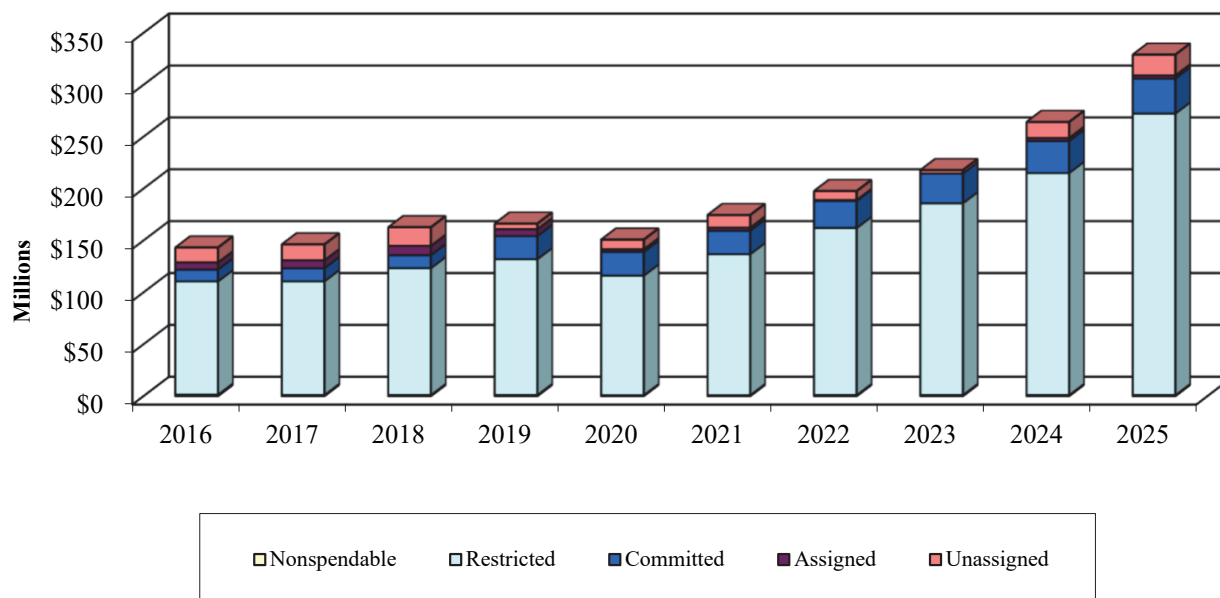
	Fiscal Year Ended June 30,				
	2016	2017	2018(1)	2019	2020
Expenses:					
Governmental Activities:					
General Government	\$3,629,365	\$3,483,457	\$5,906,891	\$6,053,229	\$7,054,126
Community Development	6,616,224	6,196,786	9,669,910	7,701,286	8,242,158
Public Safety	25,193,524	22,357,675	34,883,973	36,204,202	42,395,447
Library	118,809	124,185	120,222	134,006	145,310
Public Works	4,843,276	5,274,495	7,091,236	8,645,927	7,137,403
Parks and Recreation	8,331,503	9,295,263	10,651,329	10,125,867	11,710,512
Streets and Highways	10,856,381	9,817,010	8,850,328	11,513,804	10,268,116
Interest and Fiscal Charges	101,562	89,384	84,784	80,021	129,403
Total Governmental Activities Expenses	59,690,644	56,638,255	77,258,673	80,458,342	87,082,475
Business-Type Activities:					
Water	14,996,267	16,753,545	17,520,196	17,818,593	18,967,868
Sewer	14,274,230	22,082,085	16,478,268	17,479,631	18,596,722
Solid Waste	10,566,029	12,126,537	11,491,357	12,622,724	12,752,503
Golf	1,178,770	1,347,568	1,121,928	1,284,914	1,327,641
Transit					
Total Business-Type Activities Expenses	41,015,296	52,309,735	46,611,749	49,205,862	51,644,734
Total Primary Government Expenses	\$100,705,940	\$108,947,990	\$123,870,422	\$129,664,204	\$138,727,209
Program Revenues:					
Governmental Activities:					
Charges for Services:					
General Government	\$4,337,680	\$5,136,836	\$5,994,217	\$6,266,735	\$6,038,904
Community Development	2,877,168	4,624,314	7,306,692	7,640,377	6,545,381
Public Safety	1,360,473	1,542,872	1,874,561	3,232,381	1,580,738
Public Works	183,422	273,903	288,452	398,437	239,053
Parks and Recreation	2,772,184	3,458,096	3,337,139	4,247,649	4,173,698
Streets and Highways				2,925,863	
Operating Grants and Contributions	6,085,529	6,698,385	8,695,800	9,575,549	9,952,561
Capital Grants and Contributions	41,118,815	33,113,697	33,768,730	26,345,923	38,154,802
Total Government Activities Program Revenues	58,735,271	54,848,103	61,265,591	60,632,914	66,685,137
Business-Type Activities:					
Charges for Services:					
Water	13,901,722	15,396,799	17,841,323	16,620,397	17,576,060
Sewer	19,969,107	22,953,356	26,572,846	26,305,512	22,510,081
Solid Waste	9,131,837	10,483,066	12,593,379	13,429,983	13,875,762
Golf	978,427	908,639	1,193,170	1,112,976	1,044,323
Transit					
Operating Grants and Contributions					
Capital Grants and Contributions	935,948	6,660,347	4,487,162	3,577,598	10,233,700
Total Business-Type Activities Program Revenue	44,917,041	56,402,207	62,687,880	61,046,466	65,239,926
Total Primary Government Program Revenues	\$103,652,312	\$111,250,310	\$123,953,471	\$121,679,380	\$131,925,063
Net (Expense)/Revenue:					
Governmental Activities	(\$955,373)	(\$1,790,152)	(\$15,993,082)	(\$19,825,428)	(\$20,397,338)
Business-Type Activities	3,901,745	4,092,472	16,076,131	11,840,604	13,595,192
Total Primary Government Net Expense	\$2,946,372	\$2,302,320	\$83,049	(\$7,984,824)	(\$6,802,146)
General Revenues and Other					
Changes in Net Position:					
Governmental Activities:					
Taxes:					
Property Taxes	\$12,633,502	\$14,476,480	\$15,511,281	\$17,158,387	\$19,385,771
Sales Taxes	14,552,582	17,550,799	18,971,755	20,298,214	22,292,924
Other Taxes	5,006,171	3,012,505	3,325,769	3,761,139	3,434,933
Interest Income	1,635,220	850,024	1,175,293	5,026,389	4,501,680
Other Revenue	937,712	1,327,689	1,867,047	848,738	215,694
Developer Contributions	72,154	326,216	209,612	350,696	1,144,141
Gain From Sale of Capital Assets				1,675,000	457,360
Transfers, net	(241,200)	(300,488)	(468,073)	(4,195,375)	(581,885)
Special Item		759,410			
Total Government Activities	34,596,141	38,002,635	40,592,684	44,923,188	50,850,618
Business-Type Activities:					
Interest Income	1,167,858	472,012	810,465	3,528,311	2,679,191
Other Revenue	276,950	680,209	389,176	426,339	207,254
Gain From Sale of Capital Assets					
Transfers, net	241,200	300,488	468,073	4,195,375	581,885
Total Business-Type Activities	1,686,008	1,452,709	1,667,714	8,150,025	3,468,330
Total Primary Government	\$36,282,149	\$39,455,344	\$42,260,398	\$53,073,213	\$54,318,948
Change in Net Position:					
Governmental Activities	\$33,640,768	\$36,212,483	\$24,599,602	\$25,097,760	\$30,453,280
Business-Type Activities	5,587,753	5,545,181	17,743,845	19,990,629	17,063,522
Total Primary Government	\$39,228,521	\$41,757,664	\$42,343,447	\$45,088,389	\$47,516,802

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

(2) The Transit Enterprise Fund activities were previously reported in governmental activities.

2021	2022	2023	2024	2025
\$9,079,274	\$5,493,756	\$10,150,611	\$14,222,196	\$14,647,356
10,364,833	15,021,715	14,921,624	15,960,910	16,097,481
40,640,436	54,117,359	36,874,290	52,495,969	60,079,637
87,185	124,342	146,067	159,214	587,467
9,367,355	12,812,977	17,004,659	19,615,341	32,323,376
9,047,085	6,821,241	6,080,603	5,513,406	6,529,667
11,463,230	12,042,148	12,874,297	15,133,269	5,549,087
163,409	85,578	89,385	93,675	14,103
90,212,807	106,519,116	98,141,536	123,193,980	135,828,174
26,674,047	19,513,996	20,449,549	24,628,431	27,663,072
19,697,865	21,604,463	22,408,854	27,934,721	36,170,020
12,884,734	15,402,035	16,728,245	17,964,654	20,285,758
1,643,383	1,756,328	1,636,173	1,654,615	1,411,433
		3,377,255	4,197,567	4,338,128
60,900,029	58,276,822	64,600,076	76,379,988	89,868,411
\$151,112,836	\$164,795,938	\$162,741,612	\$199,573,968	\$225,696,585
\$6,172,866	\$6,179,781	\$6,749,391	\$7,841,363	\$8,284,171
7,062,924	8,921,025	6,254,666	9,422,712	14,683,017
2,969,457	3,193,265	2,513,921	1,774,957	3,105,403
1,056,285	996,377	2,542,957	5,006,321	3,527,153
3,846,159	4,741,365	4,971,913	5,975,713	5,826,290
9,597,652	13,069,036	8,725,900	15,253,363	13,065,485
50,590,297	39,061,963	52,366,303	45,022,662	64,008,685
81,295,640	76,162,812	84,125,051	90,297,091	112,500,204
21,103,821	21,816,772	18,786,751	24,411,625	26,863,507
24,757,696	26,024,468	25,917,480	27,693,625	30,647,569
14,624,464	15,730,829	16,288,404	21,136,784	27,112,875
1,689,785	1,642,464	1,525,393	1,592,653	1,762,680
		105,822	121,233	136,489
23,126,463	6,000,000	3,535,010	2,712,163	7,619,115
4,401,716	2,380,360	4,229,461	9,851,452	6,992,789
89,703,945	73,594,893	70,388,321	87,519,535	101,135,024
\$170,999,585	\$149,757,705	\$154,513,372	\$177,816,626	\$213,635,228
(\$8,917,167)	(\$30,356,304)	(\$14,016,485)	(\$32,896,889)	(\$23,327,970)
28,803,916	15,318,071	5,788,245	11,139,547	11,266,613
\$19,886,749	(\$15,038,233)	(\$8,228,240)	(\$21,757,342)	(\$12,061,357)
\$21,126,114	\$21,443,545	\$25,660,666	\$27,637,304	\$30,296,255
23,509,852	28,438,483	29,324,167	29,241,378	33,364,542
4,144,750	9,577,052	10,218,719	9,964,285	10,607,216
1,012,967	(3,237,386)	4,531,826	9,760,393	19,844,868
598,244	907,892	1,408,087	2,059,406	1,336,341
1,268,286	1,173,042	368,332	770,559	2,066,881
	29,762		317,807	
95,184	(471,955)	(5,984,989)	2,484,789	(618,394)
51,755,397	57,860,435	65,526,808	82,235,921	96,897,709
125,791	(1,754,659)	1,890,954	4,813,201	9,330,036
154,268	1,354,187	366,174	234,830	779,049
2,500			1,250,000	1,152
(95,184)	471,955	5,984,989	(2,484,789)	618,394
187,375	71,483	8,242,117	3,813,242	10,728,631
\$51,942,772	\$57,931,918	\$73,768,925	\$86,049,163	\$107,626,340
\$42,838,230	\$27,504,131	\$51,510,323	\$49,339,032	\$73,569,739
28,991,291	15,389,554	14,030,362	14,952,789	21,995,244
\$71,829,521	\$42,893,685	\$65,540,685	\$64,291,821	\$95,564,983

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



	June 30,				
	2016	2017	2018	2019	2020
General Fund:					
Nonspendable	\$1,140,121	\$1,236,685	\$1,174,248	\$1,167,635	\$1,081,780
Restricted		496,896	493,423	497,968	468,942
Assigned	10,860,353	12,167,528	12,242,789	22,234,205	22,845,194
Unassigned	14,362,743	15,313,223	17,864,670	5,365,691	9,498,731
Total General Fund	<u>\$26,363,217</u>	<u>\$29,214,332</u>	<u>\$31,775,130</u>	<u>\$29,265,499</u>	<u>\$33,894,647</u>
All Other Governmental Funds:					
Nonspendable	\$367,368				
Restricted	109,084,616	\$108,951,883	\$121,695,103	\$130,317,107	\$114,589,894
Committed	566,659	513,754	315,126	128,901	151,617
Assigned	6,873,122	7,593,864	8,993,799	6,595,121	2,464,870
Unassigned					(217,246)
Total All Other Governmental Funds	<u>\$116,891,765</u>	<u>\$117,059,501</u>	<u>\$131,004,028</u>	<u>\$137,041,129</u>	<u>\$116,989,135</u>

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

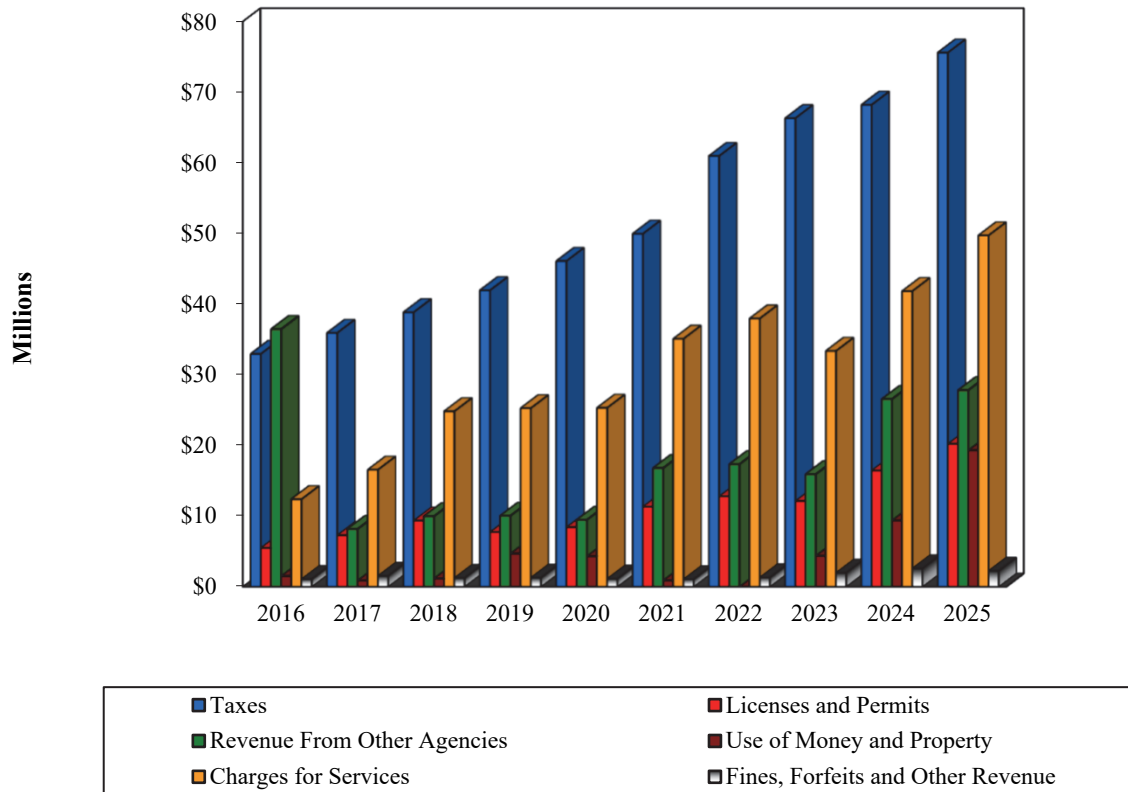
2021	2022	2023	2024	2025
\$1,081,780	\$1,081,780	\$1,161,780	\$1,085,904	\$1,085,904
463,902	455,838	448,821	427,774	423,373
22,693,202	26,188,105	28,411,565	30,542,921	33,357,433
12,784,135	9,331,508	10,485,964	15,591,035	20,027,967
<u>\$37,023,019</u>	<u>\$37,057,231</u>	<u>\$40,508,130</u>	<u>\$47,647,634</u>	<u>\$54,894,677</u> (a)
	\$12,640			
\$135,284,222	160,541,696	\$184,317,805	\$213,541,542	\$270,789,072
		292,905	303,025	538,578
2,951,856	726,934		2,952,404	2,960,884
(627,731)	(614,292)	(7,234,011)	(177,923)	
<u>\$137,608,347</u>	<u>\$160,666,978</u>	<u>\$177,376,699</u>	<u>\$216,619,048</u>	<u>\$274,288,534</u> (a)

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

	Fiscal Year Ended June 30,				
	2016	2017	2018	2019	2020
Revenues					
Taxes	\$32,947,680	\$35,923,482	\$38,836,074	\$41,952,454	\$46,095,783
Licenses and permits	5,500,733	7,297,736	9,361,925	7,741,377	8,434,426
Fines and forfeitures	251,348	242,370	274,079	495,618	592,613
Use of money and property	1,524,560	887,642	1,178,617	4,702,952	4,322,549
Revenue from other agencies	36,458,520	8,181,175	9,979,594	10,055,955	9,472,396
Charges for services	12,393,596	16,563,471	24,833,693	25,269,605	25,323,831
Other revenue	840,611	1,310,923	978,783	792,282	547,619
Total Revenues	89,917,048	70,406,799	85,442,765	91,010,243	94,789,217
Expenditures					
Current:					
General government	3,426,132	4,213,380	3,908,666	4,489,437	5,257,415
Community development	3,969,714	3,427,208	6,062,166	4,642,422	5,057,407
Public safety	26,515,201	28,149,443	29,913,998	32,607,974	36,853,715
Library	119,733	124,621	116,993	128,069	130,899
Public works	2,943,548	3,437,585	4,235,394	4,805,032	5,093,797
Parks and recreation	6,447,370	6,811,941	7,619,147	8,074,112	8,142,074
Streets and highways	3,657,370	3,911,368	2,406,785	6,976,028	4,553,139
Nondepartmental	2,620,108	2,853,407	3,087,315	2,996,435	2,624,979
Capital outlay	6,582,238	13,440,297	11,593,401	19,115,918	41,854,768
Debt service:					
Principal repayment	277,308	129,708	134,307	139,070	144,002
Interest and fiscal charges	101,562	89,384	84,784	80,021	129,403
Total Expenditures	56,660,284	66,588,342	69,162,956	84,054,518	109,841,598
Excess (deficiency) of revenues over (under) expenditures	33,256,764	3,818,457	16,279,809	6,955,725	(15,052,381)
Other Financing Sources (Uses)					
Transfers in	4,773,733	346,972	753,989	217,000	540,000
Transfers (out)	(5,814,933)	(1,147,460)	(1,117,564)	(4,645,255)	(1,451,875)
Issuance of long-term debt	580,000				
Inception of lease					
Inception of SBITA					
Proceeds from sale of property	1,787	882	589,091	1,000,000	541,410
Total other financing sources (uses)	(459,413)	(799,606)	225,516	(3,428,255)	(370,465)
Net Change in Fund Balances	\$32,797,351	\$3,018,851	\$16,505,325	\$3,527,470	(\$15,422,846)
Debt service as a percentage of noncapital expenditures	0.9%	0.7%	0.4%	0.4%	0.3%

<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$49,951,360	\$60,957,368	\$66,308,748	\$68,203,283	\$75,591,593
11,329,285	12,795,149	12,139,086	16,458,942	20,231,672
478,460	468,601	442,332	422,302	618,015
906,839	(3,083,699)	4,379,982	9,385,646	19,312,902
16,804,068	17,348,818	15,927,169	26,565,537	27,820,096
35,093,633	37,963,370	33,373,777	41,833,465	49,721,056
589,850	852,914	1,544,624	2,177,272	1,645,024
<u>115,153,495</u>	<u>127,302,521</u>	<u>134,115,718</u>	<u>165,046,447</u>	<u>194,940,358</u>
6,546,850	8,075,381	9,924,451	12,099,351	12,396,543
5,547,248	5,042,477	4,378,840	5,326,519	5,845,398
38,759,432	46,155,673	45,891,215	48,102,772	51,869,485
75,421	135,760	153,898	159,214	584,431
7,738,420	13,356,878	12,118,575	14,019,873	13,819,534
6,351,451	4,623,634	3,742,659	3,106,823	3,662,964
4,278,286	5,153,928	3,953,457	4,700,282	5,875,116
3,828,297	9,770,845	9,351,502	9,611,308	9,616,208
17,306,911	11,343,816	23,794,169	29,591,082	26,471,853
115,961	157,176	255,226	318,346	422,519
163,409	85,391	87,780	90,303	14,964
<u>90,711,686</u>	<u>103,900,959</u>	<u>113,651,772</u>	<u>127,125,873</u>	<u>130,579,015</u>
<u>24,441,809</u>	<u>23,401,562</u>	<u>20,463,946</u>	<u>37,920,574</u>	<u>64,361,343</u>
496,000	845,514	10,981,244	3,518,770	864,640
(1,190,225)	(1,272,327)	(11,411,044)	(2,840,352)	(1,458,394)
	20,832			144,516
		58,974	446,372	936,924
	97,262	67,500	385,307	67,500
<u>(694,225)</u>	<u>(308,719)</u>	<u>(303,326)</u>	<u>1,510,097</u>	<u>555,186</u>
<u>\$23,747,584</u>	<u>\$23,092,843</u>	<u>\$20,160,620</u>	<u>\$39,430,671</u>	<u>\$64,916,529</u>
0.4%	0.4%	0.3%	0.4%	0.4%

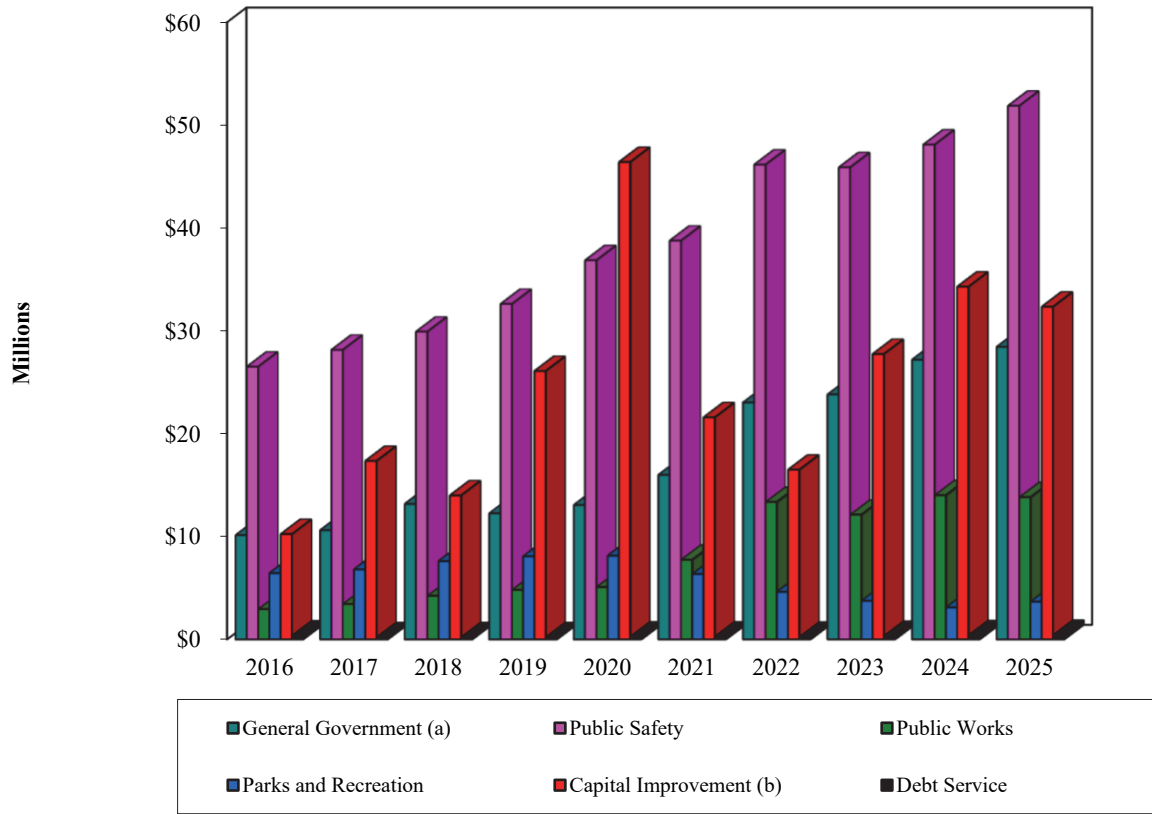
**CITY OF MANTECA
GENERAL REVENUES BY SOURCE
ALL GOVERNMENTAL FUND TYPES
LAST TEN FISCAL YEARS**



Fiscal Year	Taxes	Licenses and Permits	Revenue From Other Agencies	Use of Money and Property	Charges for Services	Fines, Forfeits and Other Revenue	Total
2016	\$32,947,680	\$5,500,733	\$36,458,520	\$1,524,560	\$12,393,596	\$1,091,959	\$89,917,048
2017	35,923,482	7,297,736	8,181,175	887,642	16,563,471	1,553,293	70,406,799
2018	38,836,074	9,361,925	9,979,594	1,178,617	24,833,693	1,252,862	85,442,765
2019	41,952,454	7,741,377	10,055,955	4,702,952	25,269,605	1,287,900	91,010,243
2020	46,095,783	8,434,426	9,472,396	4,322,549	25,323,831	1,140,232	94,789,217
2021	49,951,360	11,329,285	16,804,068	906,839	35,093,633	1,068,310	115,153,495
2022	60,957,368	12,795,149	17,348,818	(3,083,699)	37,963,370	1,321,515	127,302,521
2023	66,308,748	12,139,086	15,927,169	4,379,982	33,373,777	1,986,956	134,115,718
2024	68,203,283	16,458,942	26,565,537	9,385,646	41,833,465	2,599,574	165,046,447
2025	75,591,593	20,231,672	27,820,096	19,312,902	49,721,056	2,263,039	194,940,358

Source: City Operating Budget and City Annual Financial Report

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



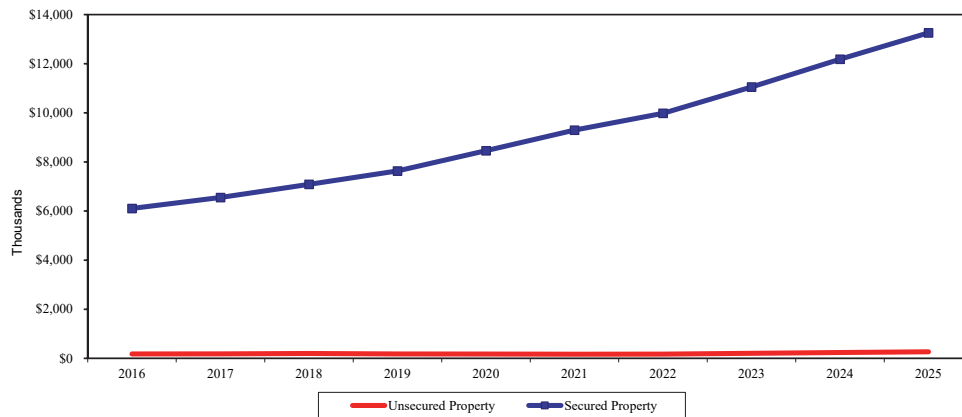
Fiscal Year	General Government (a)	Public Safety	Public Works	Parks and Recreation	Capital Improvement (b)	Debt Service	Total
2016	\$10,135,687	\$26,515,201	\$2,943,548	\$6,447,370	\$10,239,608	\$378,870	\$56,660,284
2017	10,618,616	28,149,443	3,437,585	6,811,941	17,351,665	219,092	66,588,342
2018	13,175,140	29,913,998	4,235,394	7,619,147	14,000,186	219,091	69,162,956
2019	12,256,363	32,607,974	4,805,032	8,074,112	26,091,946	219,091	84,054,518
2020	13,070,700	36,853,715	5,093,797	8,142,074	46,407,907	273,405	109,841,598
2021	15,997,816	38,759,432	7,738,420	6,351,451	21,585,197	279,370	90,711,686
2022	23,024,463	46,155,673	13,356,878	4,623,634	16,497,744	242,567	103,900,959
2023	23,808,691	45,891,215	12,118,575	3,742,659	27,747,626	343,006	113,651,772
2024	27,196,392	48,102,772	14,019,873	3,106,823	34,291,364	408,649	127,125,873
2025	28,442,580	51,869,485	13,819,534	3,662,964	32,346,969	437,483	130,579,015

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



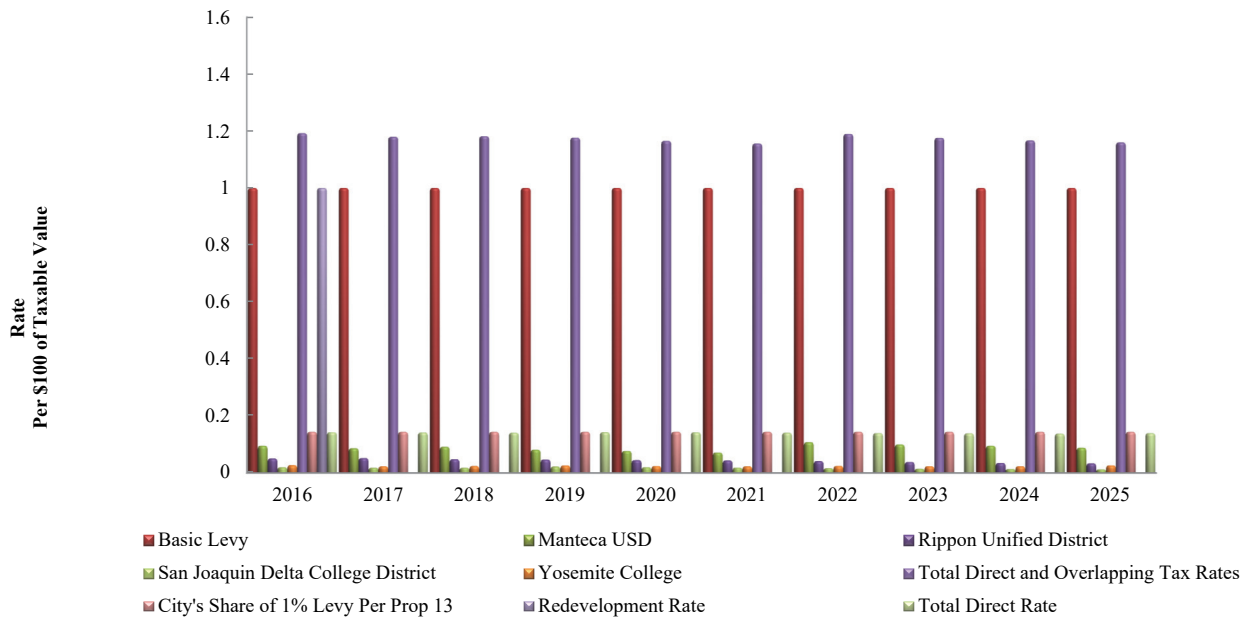
Fiscal Year	Land Property	Real Property Improvements Property	Personal Property	Total Real Secured Property	(Less) Exemption	Public Utility	Net Real Secured Property	Unsecured Property	Total Assessed (a)	Estimated Full Market (a)	Total Direct Tax Rate (b)
2016	\$1,936,284	\$4,145,924	\$56,729	\$6,138,937	(\$216,669)	\$1,346	\$5,923,614	\$181,734	\$6,105,348	\$6,105,348	1%
2017	2,098,268	4,433,045	56,943	6,588,256	(219,922)	1,282	6,369,616	182,277	6,551,893	6,551,893	1%
2018	2,300,404	4,760,891	48,467	7,109,762	(224,278)	1,282	6,886,766	201,060	7,087,826	7,087,826	1%
2019	2,412,089	5,220,890	48,882	7,681,861	(231,360)	1,282	7,451,783	182,024	7,633,807	7,633,807	1%
2020	2,595,124	5,785,690	53,707	8,434,521	(153,256)	1,282	8,282,547	175,612	8,458,159	8,458,159	1%
2021	2,775,610	6,430,002	73,481	9,279,093	(156,760)	1,190	9,123,523	171,834	9,295,357	9,295,357	1%
2022	2,937,636	6,966,264	73,947	9,977,847	(171,388)	1,190	9,807,649	173,838	9,981,487	9,981,487	1%
2023	3,201,023	7,720,270	102,198	11,023,491	(177,325)	1,190	10,847,356	205,710	11,053,066	11,053,066	1%
2024	3,517,108	8,502,339	115,195	12,134,642	(191,572)	1,190	11,944,260	240,535	12,184,795	12,184,795	1%
2025	3,875,583	9,170,364	135,791	13,181,738	(198,542)	3,975	12,987,171	269,981	13,257,152	13,257,152	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)	Total Direct Rate (4)
2016	\$1.00000	\$0.09510	\$0.05070	\$0.01980	\$0.02700	\$1.19260	\$0.14408	\$0.14264
2017	1.00000	0.08660	0.05200	0.01800	0.02310	1.17970	0.14408	0.14186
2018	1.00000	0.09160	0.04810	0.01800	0.02420	1.18190	0.14408	0.14127
2019	1.00000	0.08140	0.04680	0.02250	0.02600	1.17670	0.14408	0.14295
2020	1.00000	0.07690	0.04480	0.01990	0.02400	1.16560	0.14408	0.14259
2021	1.00000	0.07120	0.04370	0.01830	0.02300	1.15620	0.14408	0.14100
2022	1.00000	0.10780	0.04140	0.01630	0.02440	1.18990	0.14408	0.13968
2023	1.00000	0.09980	0.03840	0.01440	0.02340	1.17600	0.14408	0.13896
2024	1.00000	0.09530	0.03500	0.01350	0.02320	1.16700	0.14408	0.13792
2025	1.00000	0.08820	0.03340	0.01220	0.02630	1.16010	0.14408	0.13954

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 known.
- (4) Total Direct Rate is the weighted average of all individual direct rates applied by the City/Agency preparing the statistical section information and excludes revenues derived from aircraft. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City/Agency in the same proportions as general fund revenue.

The ratios are expressed as dollars assessed per \$100 of assessed valuation

Data Source:

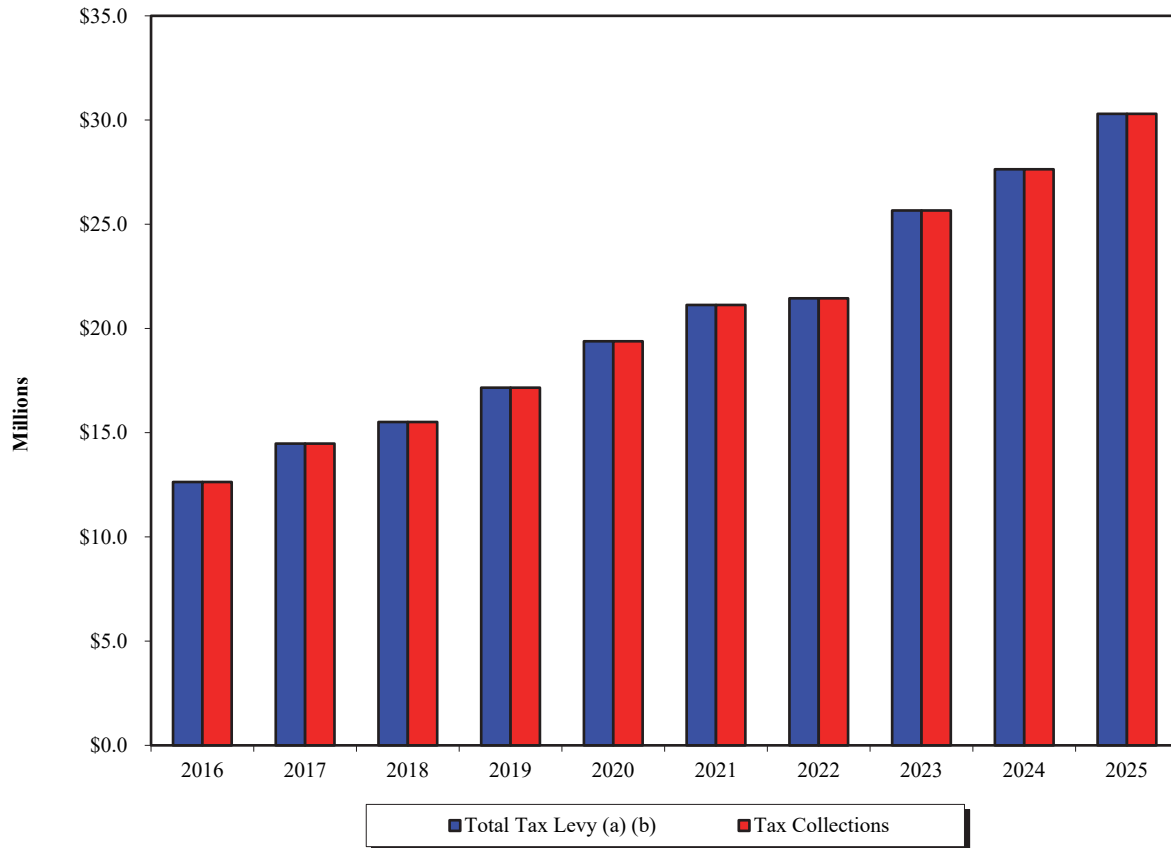
San Joaquin County Assessor 2015/16-2024/25 Tax Rate Table

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

Taxpayer	2024-2025		2015-2016	
	Type of Business	Percentage of Total City Taxable Assessed Value	Type of Business	Percentage of Total City Taxable Assessed Value
GWR Manteca LLC	Water Park/Resort	1.52%		
Centerpoint Properties Trust	Industrial		Industrial	0.50%
The Atherton Manteca LLC	Apartments	0.55%		
Exeter 3565 Airport LLC	Industrial	0.76%		
Compton Merger LLC	Industrial	0.51%		
DP & DK Investment Inc.	Shopping Center	0.40%		
LLH MRS Master RE LLC	Cold Storage		Cold Storage	0.74%
Paseo Apartments LLC	Apartments		Apartments	0.47%
Manteca Lifestyle Center LLC	Shopping Center		Shopping Center	0.84%
Exeter 2226 Roth LLC	Industrial	0.49%		
Havelock Logistics West 3 Assets LLC	Industrial	0.45%		
Valencia Place Apartments	Apartments	0.42%		
Meritage Homes of California LLC	Industrial	0.38%		
Lineage Growth Logistics INC	Industrial	0.38%		
Excel Manteca LLC			Commercial	0.84%
Pulte Home Corporation			Industrial	0.50%
Prologis			Warehouse	0.45%
Edward J & Dolores M Cardoza Trust			Shopping Center	0.41%
Duke Realty LP			Industrial	0.40%
Costco Wholesale Corporation			Commercial Store	0.39%
Total		<u>5.86%</u>		<u>5.54%</u>

Source: California Municipal Statistics

**CITY OF MANTECA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**



Fiscal Year	Total Tax Levy (a) (b)	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2016	\$12,633,502	\$12,633,502	100.00%	0	\$12,633,502	100.00%
2017	14,476,479	14,476,479	100.00%	0	14,476,479	100.00%
2018	15,511,281	15,511,281	100.00%	0	15,511,281	100.00%
2019	17,158,387	17,158,387	100.00%	0	17,158,387	100.00%
2020	19,385,771	19,385,771	100.00%	0	19,385,771	100.00%
2021	21,126,114	21,126,114	100.00%	0	21,126,114	100.00%
2022	21,443,545	21,443,545	100.00%	0	21,443,545	100.00%
2023	25,660,666	25,660,666	100.00%	0	25,660,666	100.00%
2024	27,637,304	27,637,304	100.00%	0	27,637,304	100.00%
2025	30,296,255	30,296,255	100.00%	0	30,296,255	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, 2025

2024-25 Total Local Secured Taxpayers
Assessed Valuation \$1,160,790,252
Project Area No. 1

Property Owner	Primary Land Use	2024-25 Assessed Valuation	% of Total Assessed Valuation
1 Tilden - Laurel Glen LLC	Apartments	\$38,116,083	3.28%
2 Stonegate Apts LLC	Apartments	26,030,361	2.24%
3 Doctors Hospital of Manteca Inc.	Hospital	23,336,480	2.01%
4 Second Harvest of the Greater Valley	Warehouse	21,017,789	1.81%
5 Edward J. & Dolores M. Cardoza Trust	Shopping Center	18,319,265	1.58%
6 Gurjinder Singh & Baljeet Kaur	Hotel/Motel	16,056,152	1.38%
7 VFT Properties LLC	Apartments	15,250,779	1.31%
8 Wal Mart Realty Company	Commercial Store	14,740,559	1.27%
9 B.R. Funsten & Co. Corp.	Warehouse	14,150,339	1.22%
10 Bank of Stockton Trust	Automotive Repair	13,517,242	1.16%
11 MP Core Sienna Place LLC	Apartments	11,959,462	1.03%
12 Eckert Engineering Corp.	Warehouse	10,762,922	0.93%
13 Manteca Self Storage Owner LP	Public Storage	10,665,139	0.92%
14 DSP Hospitality LLC	Hotel/Motel	9,628,940	0.83%
15 CREFMA1 1019 Bessemer LLC	Truck Terminal	9,363,600	0.81%
16 North Main Storage LLC	Public Storage	7,216,655	0.62%
17 Store Capital	Bowling Alley & Sports Bar	6,425,000	0.55%
18 KDDC Properties LLC	Commercial	6,403,983	0.55%
19 Brocchini Family Partnership	Commercial	5,882,036	0.51%
20 MN Gianni LLC	Commercial	5,669,190	0.49%
		<u>\$284,511,976</u>	<u>24.50%</u>

Source: California Municipal Statistics, Inc

CITY OF MANTECA
MANTECA REDEVELOPMENT PROJECT AREA NO. 2
TOP TWENTY ASSESSED VALUES
June 30, 2025

2024-25 Total Local Secured Taxpayers
Assessed Valuation \$2,024,292,807
Project Area No. 2

Property Owner	Primary Land Use	2024-25 Assessed Valuation	% of Total Assessed Valuation
1 Compton Merger Sub LLC	Warehouse	\$67,320,000	3.33%
2 DP & DK Investments Inc.	Shopping Center	53,588,637	2.65%
3 Lineage Growth Logistics Inc.	Cold Storage	49,736,724	2.46%
4 1340 Dupont Court LLC	Apartments	40,250,000	1.99%
5 Prologis	Warehouse	32,765,115	1.62%
6 Costco Wholesale Corporation	Commercial Store	27,474,774	1.36%
7 Yip Holdings Five LLC	Shopping Center	15,525,495	0.77%
8 Argo Manteca LLC	Shopping Center	15,210,533	0.75%
9 Manteca Associates LP	Light Industrial	14,482,600	0.72%
10 Target Corp.	Shopping Center	13,612,611	0.67%
11 JEN California 23 LLC	Residential Development	12,377,806	0.61%
12 Manteca Corners LLC	Shopping Center	12,358,198	0.61%
13 VFT Family Partnership LP	Apartments	11,662,051	0.58%
14 Cranbrook Realty Invest Fund LP	Warehouse	11,617,883	0.57%
15 Kohl's Department Stores Inc.	Shopping Center	11,500,000	0.57%
16 MHC 178 LLC	Public Storage	11,248,783	0.56%
17 HD Development of Maryland Inc.	Commercial Store	10,921,872	0.54%
18 Nestle Dreyers Ice Cream Co.	Cold Storage	10,491,493	0.52%
19 Brocchini Family Partnership LP	Office Building	10,443,411	0.52%
20 Daniel M. & Belinda A. Sarich, Trust	Light Industrial	10,416,331	0.51%
		<u>\$443,004,317</u>	<u>21.91%</u>

Source: California Municipal Statistics, Inc

CITY OF MANTECA
MANTECA REDEVELOPMENT MERGED PROJECT AREA
TOP TWENTY ASSESSED VALUES
June 30, 2025

		2024-25 Total Local Secured Taxpayers	
		Assessed Valuation	\$35,510,997
		2005 Merged Project Amended Area	
Property Owner	Primary Land Use	2024-25 Assessed Valuation	% of Total Assessed Valuation
1 Las Animas Development LLC	Medical Offices	\$4,138,481	11.65%
2 Lovejot Aulakh	Truck Terminal	4,029,000	11.35%
3 AGS Gasoline LLC	Service Station	3,350,588	9.44%
4 Makhan Sandhu	Commercial Land	1,480,384	4.17%
5 Kahlon Group LLC	Residential	1,300,000	3.66%
6 Rogelio Castaneda Nava and Veron Castaneda	Residential	1,104,150	3.11%
7 Jaswant S. Pannu	Commercial Land	1,059,741	2.98%
8 National San Joaquin LLC	Assisted Living	1,018,589	2.87%
9 Major Singh Brar	Commercial Land	940,000	2.65%
10 Gian S and Ghangu Sandeep Bhangu	Residential	830,376	2.34%
11 Chattarpal S. Pabla	Multi-Family Residential	805,000	2.27%
12 Van Tran and Dao Luu	Residential	759,900	2.14%
13 Ranjit & Jaswinder Khangura	Residential	721,700	2.03%
14 Natalyn J. and Thomas E. Bergman Jr.	Residential	669,597	1.89%
15 Gustavo and Martha Ramirez	Residential	663,255	1.87%
16 Jasvir and Sarbjit K. Singh Trust	Light Industrial	657,569	1.85%
17 James H. Zimmerman	Residential	586,884	1.65%
18 Arturo Ramirez	Residential	506,800	1.43%
19 Alfredo Valenzuela Felix	Residential	477,126	1.34%
20 Amarjit Singh	Residential	440,000	1.24%
		<u>\$25,539,140</u>	<u>71.93%</u>

Source: California Municipal Statistics, Inc

CITY OF MANTECA
MANTECA REDEVELOPMENT AMENDED MERGED PROJECT AREA
TOP TWENTY ASSESSED VALUES
June 30, 2025

2024-25 Total Local Secured Taxpayers
Assessed Valuation \$539,499,293
2004 Amended Area

Property Owner	Primary Land Use	2024-25 Assessed Valuation	% of Total Assessed Valuation
1 GWR Manteca LLC	Water Park/Resort	\$201,247,587	37.30%
2 The Atherton Manteca LLC	Apartments	72,822,077	13.50%
3 Anson Logistics Assets LLC	Warehouse	59,640,127	11.05%
4 Valencia Place Apartments LLC	Apartments	55,302,435	10.25%
5 Manteca Lifestyle Center LLC	Shopping Center	40,370,610	7.48%
6 RV Retailer Northern California Real Estate	RV Sales	15,606,000	2.89%
7 Big Box Property Owner A LLC	Light Industrial	12,824,462	2.38%
8 Cedar Real Estate Group IV LLC	Truck Terminal	10,612,079	1.97%
9 Manteca Lodging LLC	Shopping Center	10,335,916	1.92%
10 Andreetta Properties LP	Food Processing	8,515,882	1.58%
11 JC Penney Properties Inc.	Shopping Center	7,983,178	1.48%
12 Tesoro Commons LLC	Residential Land	4,500,000	0.83%
13 JEN California 23 LLC	Residential Development	2,639,707	0.49%
14 P & P Investments LLC	Public Storage	2,545,135	0.47%
15 Manteca Truck Terminal LLC	Industrial Land	2,427,893	0.45%
16 Ergonis Land Co. LP	Light Industrial	2,413,586	0.45%
17 Plumrose USA Inc.	Truck Terminal	2,340,899	0.43%
18 Jarnail Singh Kamboj	Vacant	1,980,958	0.37%
19 Rajinder Aulakh	Commercial Land	1,561,372	0.29%
20 Parmvir Sidhu	Apartments	1,524,429	0.28%
		<u>\$517,194,332</u>	<u>95.86%</u>

Source: California Municipal Statistics, Inc

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

	2015	2016	2017	2018	2019
Apparel Stores	\$42,537	\$44,158	\$46,781	\$50,143	\$51,211
General Merchandise	198,554	203,016	212,248	214,730	220,108
Food Stores	28,535	30,245	30,401	31,540	32,195
Eating and Drinking Places	107,809	116,177	125,661	130,613	140,213
Building Materials	113,578	121,128	128,925	129,723	135,369
Auto Dealers and Supplies	151,717	163,496	168,973	179,318	179,014
Service Stations	90,313	89,246	102,907	122,935	130,431
Other Retail Stores	128,152	130,676	126,974	126,018	126,131
All Other Outlets	226,773	245,295	263,859	294,936	322,087
Total	<u>\$1,087,968</u>	<u>\$1,143,437</u>	<u>\$1,206,729</u>	<u>\$1,279,956</u>	<u>\$1,336,759</u>

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.

2020	2021	2022	2023	2024
\$38,668	\$62,539	\$62,144	\$62,017	\$66,041
213,182	262,639	297,348	281,795	277,903
38,458	37,431	39,132	40,347	39,554
131,768	177,421	196,009	202,745	212,599
138,684	162,761	174,245	158,037	152,366
188,657	238,976	227,734	185,562	156,712
111,817	165,463	209,413	190,702	182,794
134,618	171,905	184,931	180,448	185,247
333,889	452,350	510,963	588,088	602,731
<u>\$1,329,741</u>	<u>\$1,731,485</u>	<u>\$1,901,919</u>	<u>\$1,889,741</u>	<u>\$1,875,947</u>

**CITY OF MANTECA
DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year	City Direct Rate	Measure M	Measure K	State of California
2015-16	1.00	0.50	0.50	6.50
2016-17	1.00	0.50	0.50	6.25 (a)
2017-18	1.00	0.50	0.50	6.25
2018-19	1.00	0.50	0.50	6.25
2019-20	1.00	0.50	0.50	6.25
2020-21	1.00	0.50	0.50	6.25
2021-22	1.00	0.50	0.50	6.25
2022-23	1.00	0.50	0.50	6.25
2023-24	1.00	0.50	0.50	6.25
2024-25	1.00	0.50	0.50	6.25

Source: California State Board of Equalization / California Department of
Tax and Fee Administration

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

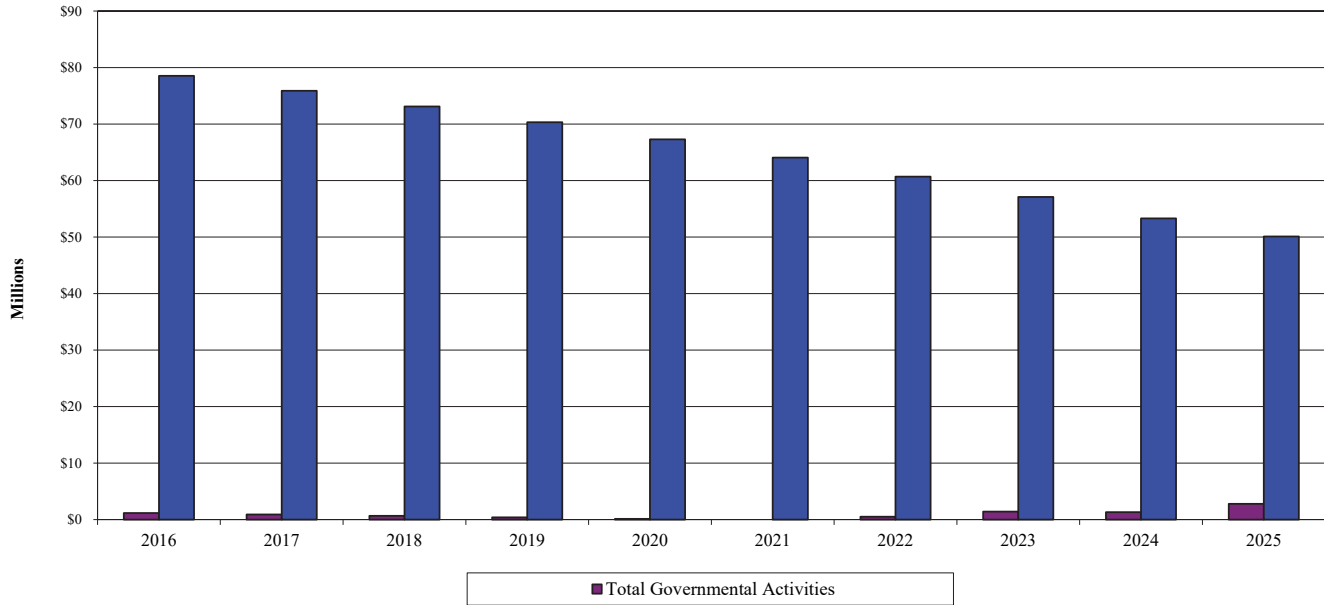
**CITY OF MANTECA
PRINCIPAL SALES TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
IN ALPHABETICAL ORDER**

Calendar Year 2024	Calendar Year 2015
Amazon Com Services	Ahmeds Chevron
Amazon MFA	American Modular Systems
American Modular Systems	Arco
Arco	B. R. Funsten & Company
Arco AM PM	Bass Pro Shops Outdoor World
Arco AM PM	Burlington
B R Funsten & Company	Cabral Chrysler Jeep Dodge Ram Fiat
Bass Pro Shops Outdoor World	Chevron
Blue Compass Rv	Costco
Cabral Chrysler Jeep Dodge Ram Fiat	Country Kia
Chevron	Home Depot
Chick Fil A	J. M. Equipment Company
Core & Main	J C Penney
Costco	Kmart
Country Kia	Kohls
Great Wolf Lodge	Manteca Ford
Home Depot	Manteca Trailer & Motorhome
J M Equipment Company	Quik Stop
Knife River Concrete	Roberts & Brune Co
Living Spaces Furniture	Ross
Manteca Ford	Save Mart
Ross Family	Super Stop Gas & Liquor
Target	Target
TJ Maxx	TJ Maxx
Walmart Supercenter	Walmart Supercenter

Percent of fiscal year total paid by top 25 accounts:	
55.49%	55.16%

Sources: State Board of Equalization, California Department of Taxes
and Fees Administration, State Controller's Office, TheHdL Companies

**CITY OF MANTECA
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**



Governmental Activities

Fiscal Year	Capital Leases	Lease Liabilities	Subscription Liabilities	Total
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				0
2022		\$504,872		504,872
2023		1,305,330	\$103,392	1,408,722
2024		902,624	403,417	1,306,041
2025		127,039	2,661,641	2,788,680

Business-Type Activities

Fiscal Year	Water Revenue Bonds	Sewer Revenue Bonds	Leases Liabilities	Total	Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
2016	\$37,787,462	\$40,748,487		\$78,535,949	\$79,686,928	4.74%	\$1,079
2017	36,404,147	39,484,393		75,888,540	76,793,910	4.47%	1,007
2018	34,970,831	38,135,300		73,106,131	73,757,330	4.09%	907
2019	33,487,516	36,831,206		70,318,722	70,706,887	3.68%	844
2020	31,954,201	35,337,112		67,291,313	67,407,274	3.22%	795
2021	30,350,886	33,728,018		64,078,904	64,078,904	2.80%	734
2022	28,677,570	31,988,924	\$34,666	60,701,160	61,206,032	2.47%	705
2023	26,929,255	30,149,830	22,701	57,101,786	58,510,508	2.16%	659
2024	25,105,939	28,170,736	22,702	53,299,377	54,605,418	1.69%	583
2025	23,202,623	26,886,642	19,706	50,108,971	52,897,651	1.64%	564

Sources: City of Manteca
State of California, Department of Finance (population)
Bureau of Economic Analysis

Note: Debt amounts exclude any premiums, discounts, or other amortization amounts.
(a) See Demographic Statistics for personal income and population data.

**CITY OF MANTECA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 2025**

2024-25 Assessed Valuation: \$13,257,151,600

JURISDICTION	Total Debt 6/30/2025	% Applicable (1)	City's Share of Debt 6/30/25
OVERLAPPING TAX AND ASSESSMENT DEBT			
San Joaquin Delta Community College District	\$148,565,000	10.322%	\$15,334,879
Yosemite Community College District	229,290,111	0.302%	692,456
Manteca Unified School District	378,163,008	52.272%	197,673,368
Ripon Unified School District	32,157,036	6.945%	2,233,306
Manteca Unified School District Community Facilities District No. 1989-2	13,770,000	79.150%	10,898,955
Manteca Unified School District Community Facilities District No. 2018-5	44,325,000	100%	44,325,000
Manteca Unified School District Community Facilities District No. 2000-3	43,555,000	100%	43,555,000
City of Manteca Community Facilities District No. 2023-1, I.A. No. 1	5,640,000	100%	5,640,000
City of Manteca Community Facilities District No. 2023-1, I.A. No. 2	10,110,000	100%	10,110,000
City of Manteca Community Facilities District No. 2023-1, I.A. No. 3	5,515,000	100%	5,515,000
California Statewide Communities Development Authority CFD No. 2012-2	5,610,000	100%	5,610,000
California Statewide Communities Development Authority CFD No. 2024-16	6,595,000	100%	6,595,000
California Statewide Communities Development Authority 1915 Act Bonds	76,305,779	100%	76,305,779
Reclamation District No 17 Assessment District	19,320,000	6.969%	1,346,411
TOTAL OVERLAPPING DEBT	\$911,090,155		\$425,835,154
DIRECT AND OVERLAPPING GENERAL FUND DEBT			
San Joaquin County Certificates of Participation	\$43,190,000	11.384%	\$4,916,750
Manteca Unified School District Certificates of Participation	9,985,000	52.272%	5,219,359
CITY OF MANTECA GENERAL FUND OBLIGATIONS	0	100%	0
Total Gross Direct and Overlapping General Fund Debt	\$53,175,000		10,136,109
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$10,136,109 (2)
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	78,800,000	100%	\$78,800,000
TOTAL DIRECT DEBT			\$0 (2)
TOTAL OVERLAPPING DEBT			\$514,771,263 (2)
COMBINED TOTAL DEBT			\$514,771,263 (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 2024-25 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	3.21%
Total Direct Debt	0.00%
Combined Total Debt	3.88%

Ratios to Redevelopment Incremental Valuation (\$3,491,586,455)

Total Overlapping Tax Increment Debt	2.26%
--------------------------------------	-------

Source: California Municipal Statistics, Inc.

CITY OF MANTECA
COMPUTATION OF LEGAL BONDED DEBT MARGIN
June 30, 2025

ASSESSED VALUATION:

Assessed Value	\$13,257,152,000
Add back: Exempt real property	<u>0</u>
Total Assessed Valuation	<u><u>\$13,257,152,000</u></u>

BONDED DEBT LIMIT (15.0% OF ASSESSED VALUE) (a) \$1,988,572,800

AMOUNT OF DEBT SUBJECT TO LIMIT: 0

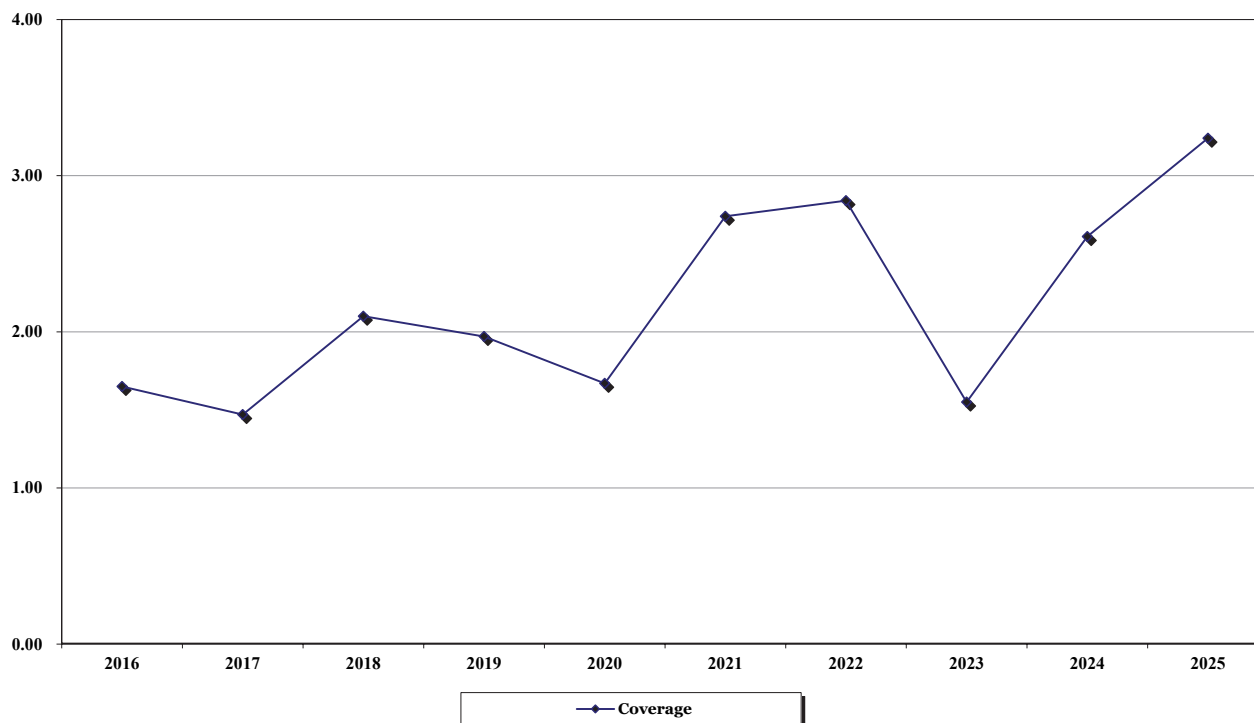
LEGAL BONDED DEBT MARGIN \$1,988,572,800

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
2016	\$926,579,505	\$0	\$926,579,505	0.00%
2017	993,777,916	0	993,777,916	0.00%
2018	1,074,262,278	0	1,074,262,278	0.00%
2019	1,156,369,671	0	1,156,369,671	0.00%
2020	1,268,723,873	0	1,268,723,873	0.00%
2021	1,394,303,550	0	1,394,303,550	0.00%
2022	1,497,223,050	0	1,497,223,050	0.00%
2023	1,657,959,900	0	1,657,959,900	0.00%
2024	1,827,719,250	0	1,827,719,250	0.00%
2025	1,988,572,800	0	1,988,572,800	0.00%

NOTE:

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

**CITY OF MANTECA
REVENUE BOND COVERAGE
WATER REVENUE BONDS
LAST TEN FISCAL YEARS**



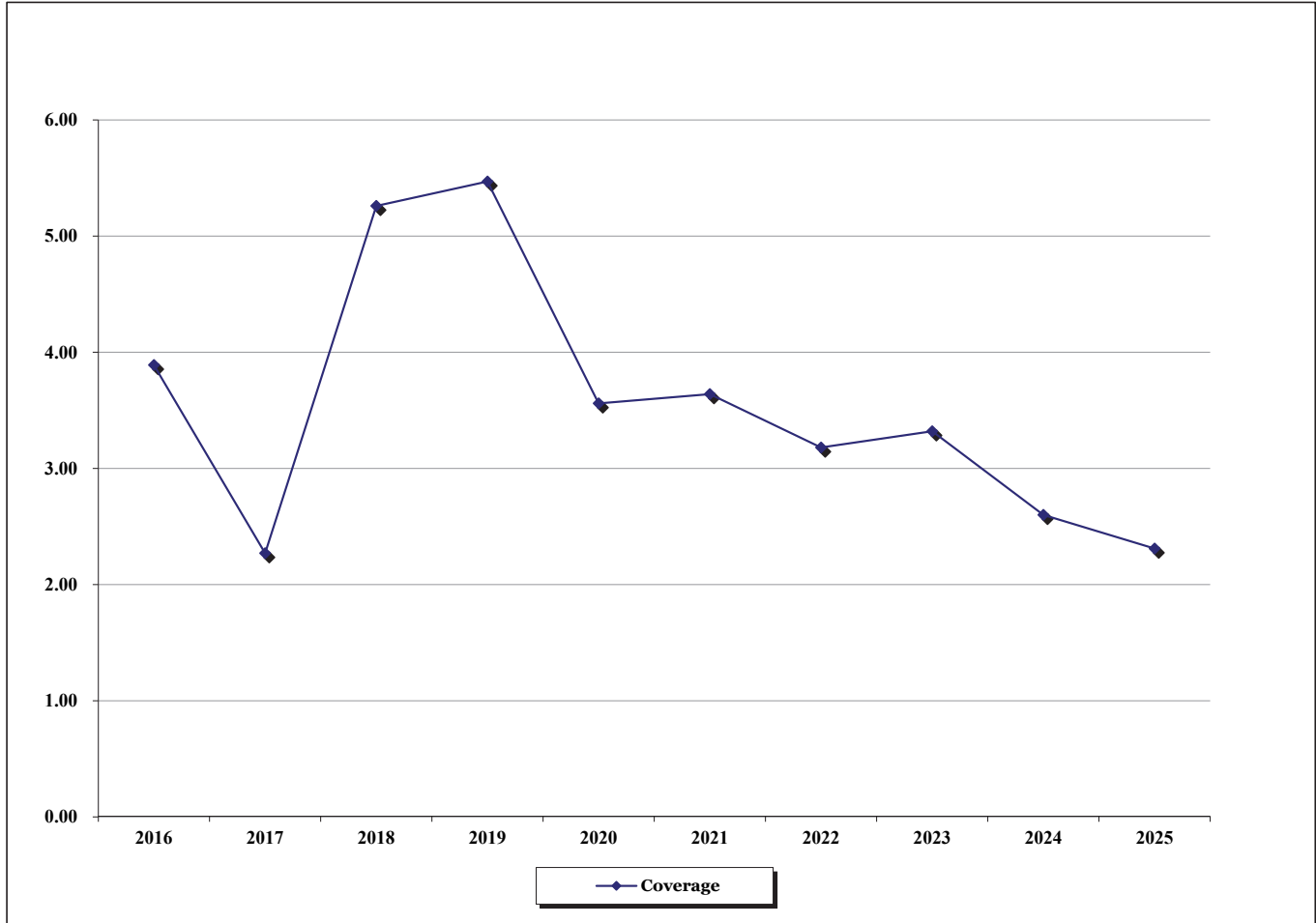
Fiscal Year	Gross Revenue	Operating Expenses	Depreciation Non-Operating Revenues (a)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
					Principal	Interest	Total	
2016	\$13,911,824	(\$13,569,363)	\$4,219,136	\$4,561,597	\$1,145,000	\$1,618,950	\$2,763,950	1.65
2017	15,475,870	(15,374,241)	3,955,645	4,057,274	1,190,000	1,572,250	2,762,250	1.47
2018	17,874,779	(16,190,492)	4,115,119	5,799,406	1,240,000	1,523,650	2,763,650	2.10
2019	16,630,981	(16,540,348)	5,353,867	5,444,500	1,290,000	1,473,050	2,763,050	1.97
2020	17,460,808	(17,781,017)	4,918,205	4,597,996	1,340,000	1,413,750	2,753,750	1.67
2021	21,103,961	(17,381,197)	3,838,008	7,560,772	1,410,000	1,345,000	2,755,000	2.74
2022	21,846,755	(17,204,712)	3,187,306	7,829,349	1,480,000	1,272,750	2,752,750	2.84
2023	18,828,384	(19,455,588)	4,905,189	4,277,985	1,555,000	1,196,875	2,751,875	1.55
2024	24,451,854	(23,678,287)	6,384,288	7,157,855	1,630,000	1,117,250	2,747,250	2.61
2025	27,501,701	(26,863,823)	8,254,650	8,892,528	1,710,000	1,033,750	2,743,750	3.24

Source: City of Manteca Annual Financial Statements

Note: (a) Depreciation expense is added back to exclude it from net revenues. Interest income is included the calculation of net revenues.

Source: City of Manteca Annual Financial Statements

**CITY OF MANTECA
REVENUE BOND COVERAGE
SEWER REVENUE BONDS
LAST TEN FISCAL YEARS**

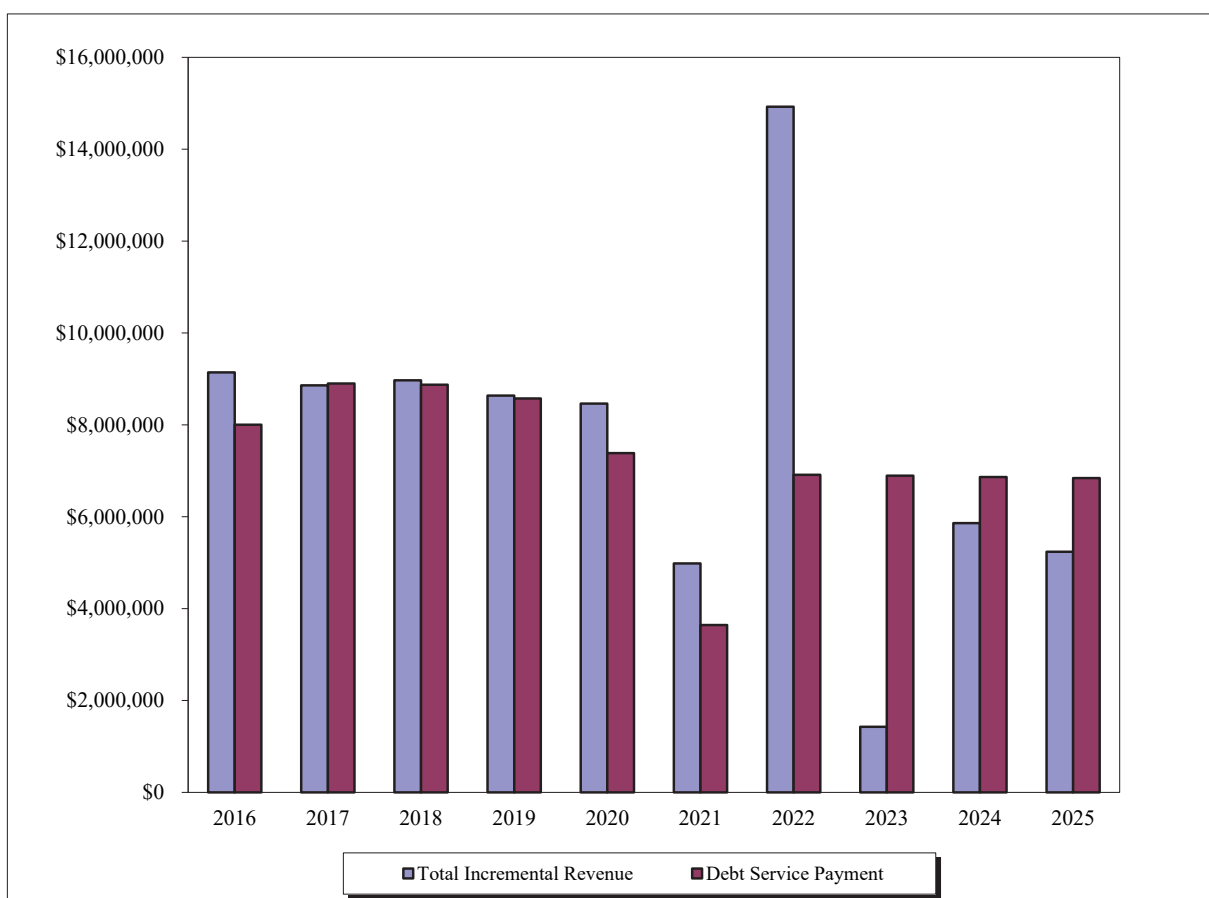


Fiscal Year	Operating Revenue	Operating Expenses	Depreciation Non-Operating Revenues (a)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
					Principal	Interest	Total	
2016	\$20,088,298	(\$12,427,362)	\$3,823,516	\$11,484,452	\$1,105,000	\$1,844,216	\$2,949,216	3.89
2017	23,353,626	(20,270,910)	3,693,782	6,776,498	1,180,000	1,809,941	2,989,941	2.27
2018	26,752,536	(14,696,631)	3,953,777	16,009,682	1,265,000	1,779,591	3,044,591	5.26
2019	26,407,556	(15,734,144)	5,554,762	16,228,174	1,220,000	1,744,741	2,964,741	5.47
2020	22,632,685	(16,910,860)	5,314,430	11,036,255	1,410,000	1,687,291	3,097,291	3.56
2021	24,878,743	(17,983,713)	4,527,785	11,422,815	1,525,000	1,613,916	3,138,916	3.64
2022	26,764,183	(20,033,066)	3,464,611	10,195,728	1,655,000	1,550,966	3,205,966	3.18
2023	26,115,040	(20,907,297)	5,553,416	10,761,159	1,755,000	1,482,266	3,237,266	3.32
2024	27,788,557	(26,520,819)	7,289,038	8,556,776	1,895,000	1,391,016	3,286,016	2.60
2025	30,759,579	(34,941,393)	9,987,675	5,805,861	1,200,000	1,313,990	2,513,990	2.31

Note (a) Depreciation expense is added back to exclude it from net revenues. Interest income is included the calculation of net revenues.

Source: City of Manteca Annual Financial Statements

CITY OF MANTECA
BONDED DEBT PLEDGED-REVENUE COVERAGE
REDEVELOPMENT AGENCY TAX ALLOCATION BONDS
LAST TEN FISCAL YEARS



Fiscal Year	Tax		Debt Service Requirements				Coverage	
	Increment		Principal		Interest (c)	Total		
Revenue								
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)	7,385,396	1.15
2021	4,982,819	(a) (b)	1,985,000	(a)	1,657,216	(a) (d)	3,642,216	1.37
2022	14,926,936	(a) (b)	4,190,000	(a)	2,723,702	(a)	6,913,702	2.16
2023	1,427,520	(a) (b)	4,255,000	(a)	2,639,891	(a)	6,894,891	0.21
2024	5,861,798	(a) (b)	4,315,000	(a)	2,551,099	(a)	6,866,099	0.85
2025	5,238,030	(a) (b)	4,385,000	(a)	2,458,104	(a)	6,843,104	0.77

Note: (a) The Redevelopment Agency was dissolved effective January 31, 2012, and its liabilities were assumed by a Successor Agency. Amounts reported here include tax revenue and debt service of both the former Redevelopment Agency and the Successor Agency.

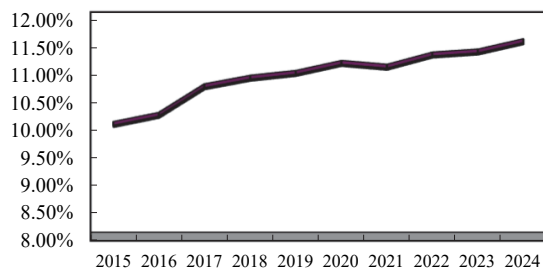
(b) Beginning in fiscal year 2012, tax increment reported in this table is the amount calculated by the County Auditor-Controller. Under the provisions of the laws dissolving the Redevelopment Agency, the Successor Agency only receives the funds necessary to fulfill its approved obligations.

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

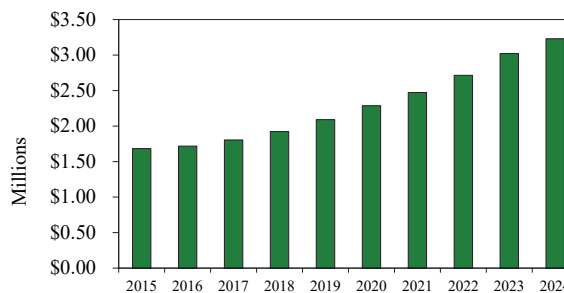
(d) Excludes principal retirements related to the issuance of the Series 2020A and 2020B Refunding Bonds.

Source: City of Manteca Annual Financial Statements

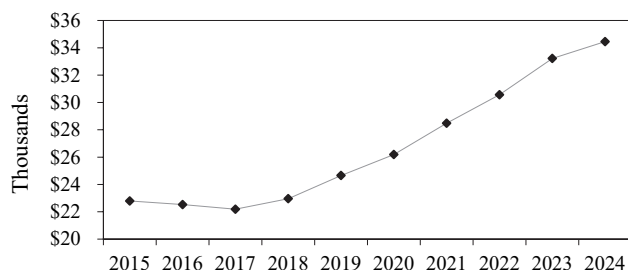
**CITY OF MANTECA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**



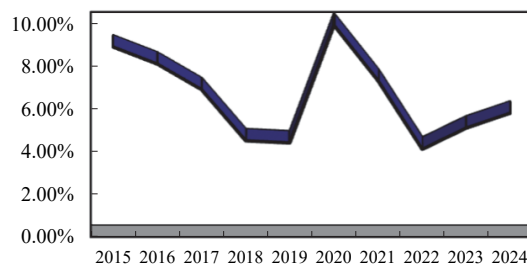
■ City Population as a % of County Population



■ Personal Income (in thousands)



—◆— Per Capita Personal Income



■ Unemployment Rate

Calendar Year	City Population	Total Personal Income (in thousands)	Per Capita Personal Income	(a)	Unemployment Rate (%)	San Joaquin County Population	City Population % of County
2015	73,841	\$1,682,925	\$22,791		8.9%	735,677	10.04%
2016	76,247	1,717,719	22,528		8.1%	747,263	10.20%
2017	81,345	1,804,801	22,187		6.9%	758,744	10.72%
2018	83,781	1,923,643	22,960		4.5%	770,385	10.88%
2019	84,800	2,091,006	24,658		4.4%	773,505	10.96%
2020	87,319	2,286,735	26,188		9.9%	783,534	11.14%
2021	86,859	2,473,733	28,480		7.3%	784,298	11.07%
2022	88,803	2,714,458	30,567		4.1%	786,145	11.30%
2023	90,917	3,020,305	33,220		5.1%	800,965	11.35%
2024	93,733	3,229,445	34,454		5.8%	812,340	11.54%

Source: California State Department of Finance - City Population (1/1/20)
Bureau of Labor Statistics - Unemployment Rate (Not Seasonally Adjusted)
Bureau of Economic Analysis - Per Capita (San Joaquin County)

Note: Data for Per Capita 2016 and 2017 was not available. Numbers are projections.

(a) Personal income is a product of the countywide per capita amount and the City's population

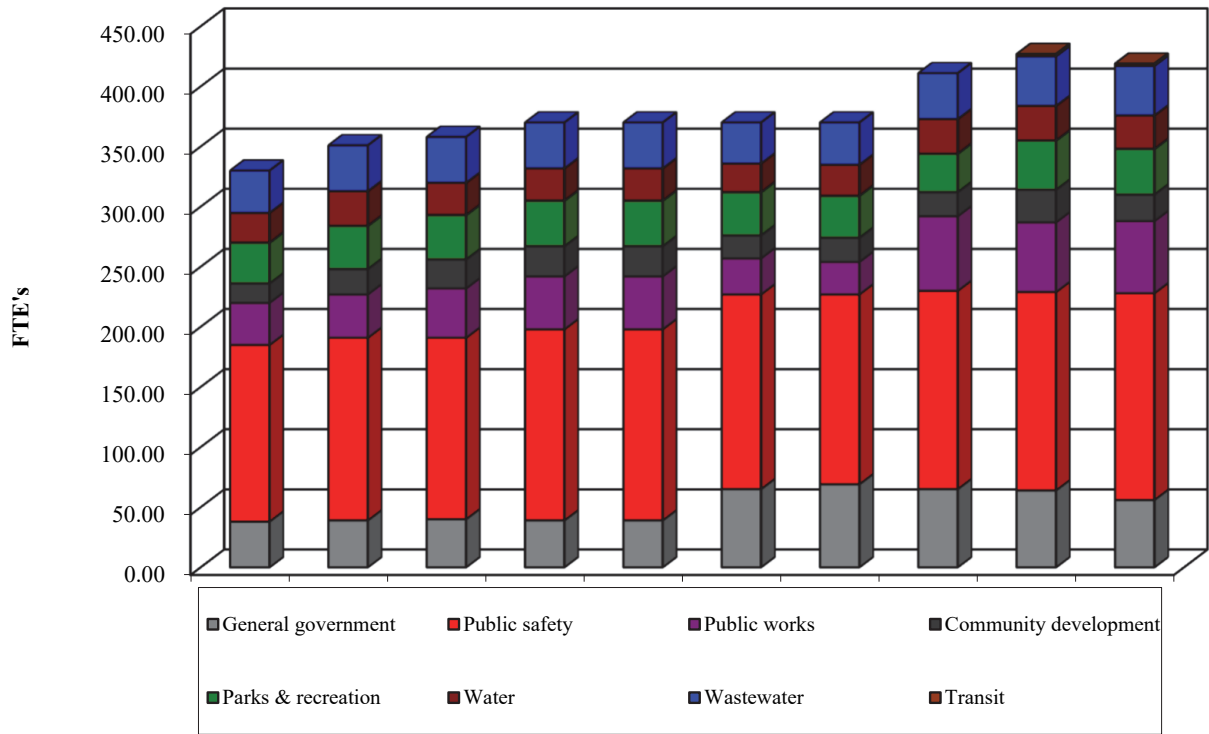
CITY OF MANTECA
Principal Employers
Current Year and Nine Years Ago

Employer	2024-25			2015-16		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Manteca Unified School District	687	1	0.7%	2,313	1	3.1%
Amazon.com Services, LLC	683	2	0.7%			
Gardener Trucking, Inc				520	3	0.7%
GWR Manteca, LLC.	453	3	0.5%			
Doctors Hospital of Manteca	385	4	0.4%	449	4	0.6%
City of Manteca				367	5	0.5%
Kaiser Foundation Hospital	314	5	0.3%	619	2	0.8%
Wal-Mart Store #1840	307	6	0.3%	332	6	0.4%
Costco Wholesale #1031	307	6	0.3%	220	10	0.3%
Bass Pro Outdoor World	300	7	0.3%			
Sunvalley Smoked Meats Inc	270	8	0.3%			
Lassen Canyon Nursery	250	9	0.3%	250	7	0.3%
Eckert Cold Storage	250	9	0.3%	250	7	0.3%
Karma Inc., (DBA Manteca Care & Rehab)	217	10	0.2%	225	9	0.3%
Guardian Care and Rehab Center	217	10	0.2%			
Home Depot #1006	205	11	0.2%			
Protech Staffing Services, Inc.	200	12	0.2%			
Golden Brands - Manteca	200	12	0.2%			
Advance Packaging Distribution Specialist Inc.				200	8	0.3%
Harvest Crossing Post Acute	194	13	0.2%			
Give Every Child a Chance	183	14	0.2%			
American Modular System	180	15				
Total Employees - Principal Employers	5,802		6.2%	5,745		7.8%
Total City Population	93,733			73,841		

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

(a) FY 2015-16 MUSD employees included the entire district; FY2024-25 includes only MUSD employees in the City of Manteca.

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



	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Function										
General government	38.00	39.00	40.00	39.00	39.00	65.00	69.00	65.00	64.00	56.00
Public safety	147.00	152.00	151.00	159.00	159.00	162.00	158.00	165.00	165.00	172.00
Public works	35.00	36.00	41.00	44.00	44.00	30.00	27.00	62.00	58.00	60.00
Community development	16.00	21.00	24.00	25.00	25.00	19.00	20.00	20.00	27.00	22.00
Parks & recreation	34.00	36.00	37.00	38.00	38.00	36.00	35.00	32.00	41.00	38.00
Water	25.00	29.00	27.00	27.00	27.00	24.00	26.00	29.00	29.00	28.00
Wastewater	35.00	38.00	38.00	38.00	38.00	34.00	35.00	38.00	41.00	41.00
Solid Waste	37.00	36.00	37.00	37.00	37.00	36.00	38.00	40.00	41.00	48.00
Transit									2.00	2.00
Total	367.00	387.00	395.00	407.00	407.00	406.00	408.00	451.00	468.00	467.00

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				
	2016	2017	2018	2019	2020
Population					
Citizens	73,841	76,247	81,345	83,781	84,842
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	20.92 Sq Miles	20.92 Sq Miles	21.45	21.45	21.45
Registered Voters	33,105	36,327	37,775	38,575	43,642
Building Permits Issued	3,418	3,565	4,312	3,653	3,740
Employees from Budget Document	367	0	0	0	0
Fire Protection					
Number of Stations	4	4	4	4	5
Number of Reserve Personnel	22	20	24	23	15
Number of Sworn Fire Personnel *	49	60	48	48	49
Number of Calls Answered	6,682	7,132	7,579	8,230	9,052
Police Protection					
Number of Stations	1	1	1	1	1
Number of Police Officers	65	65	67	73	73
Number of Volunteers	87	62	71	65	17 (1)
Number of Support Personnel	29	33	33	40	36
Number of Calls Answered	42,717	43,229	42,114	50,094	46,874
Parks & Recreation					
Park Sites	65	69	69	69	70
Acres of Parks	382	382	465	465	470
Senior Centers	1	1	1	1	1
Swimming Pools	2	2	2	2	2
Tennis Courts	8	8	8	8	8
Pickle Ball Court					
Number of Park/Golf Trees	7,600	7,600	7,600	5,000	5,000
Number of Street Trees	18,500	18,700	18,700	12,500	12,675
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	9	10	12	12	16
Public Works					
Miles of Streets	250	259	271	271	275
Number of Street Lights	5,405	5,443	5,603	5,603	5,650
Water Utility					
Number of Meters	21,696	22,380	22,920	23,329	24,906
Miles of Water Mains	280	298	299	299	320
Average Daily Consumptions (Gal)	9.89 MGD	10.498 MGD	10.498 MGD	11.943 MGD	13.643 MGD
Wastewater					
Number of Connections	21,325	21,951	22,529	23,094	24,411
Miles of Sewer Lines	250	257	258	258	272
Number of Treatment Plants	1	1	1	1	1
Average Daily Treatment	6.25 MGD	6.21 MGD	6.21 MGD	6.21 MGD	6.83 MGD
Treatment Capacity	9.87 MGD	9.87 MGD	9.87MGD	9.87MGD	9.87 MGD
Solid Waste					
Number of Accounts	21,411	22,080	22,641	23,215	24,541
Education					
Elementary Schools	23	20	20	20	19
High Schools	5	5	5	5	5
Alternative Schools	3	3	3	3	2
Adult Education	1	1	1	1	1
Charter School	1	1	1	1	1
Teachers	1,041	1,092	1,099	1,099	1,242
Elementary Classrooms	895	899	884	884	550
High School Classrooms	457	457	445	445	272
Adult Education Classrooms	3	3	3	3	Not Available
Current Enrollment	23,981	23,852	23,599	23,599	24,061

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				
	2021	2022	2023	2024	2025
Population					
Citizens	87,319	86,859	88,803	90,917	93,733
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	21.48	21.48	21.48	22.18	22.18
Registered Voters	44,829	46,145	47,957	39,652	51,549
Building Permits Issued	4,679	4,777	4,319	4,819	4,356
Employees from Budget Document	406	408	451	468	475
Fire Protection					
Number of Stations	5	5	5	5	5
Number of Reserve Personnel	5***	5***	12	10	22
Number of Sworn Fire Personnel	49	50	50	50	50
Number of Calls Answered	10,480	10,852	10,771	11,303	11,457
Police Protection					
Number of Stations	1	1	1	1	1
Number of Police Officers	73	74	74	79	80
Number of Volunteers	56	61	65	67	60
Number of Support Personnel	38	39	41	44	44
Number of Calls Answered	44,791	45,274	43,497	41,552	42,747
Parks & Recreation					
Park Sites	71	72	72	75	77
Acres of Parks	474	480	480	485	492
Senior Centers	1	1	1	1	1
Swimming Pools	2	2	2	2	2
Tennis Courts	8	8	8	8	8
Pickle Ball Court	1	1	1	1	1
Number of Park/Golf Trees	5,000	5,000	5,000	5,000	5,000
Number of Street Trees	12,500	12,550	12,550	12,550	12,550
Acres of Golf Course	111	111	111	111	111
Public Libraries	1	1	1	1	1
Landscape Maintenance Districts	29	29	29	29	29
Benefit Area District	4	4	4	4	4
Community Facility Districts	19	23	24	27	30
Public Works					
Miles of Streets	280	290	290	309	315
Number of Street Lights	5,650	5,654	5,771	6,022	6,322
Water Utility					
Number of Meters	26,475	28,143	28,612	33,022	34,155
Miles of Water Mains	338	345	345	359	362
Average Daily Consumptions (Gal)	12.90 MGD	13.21 MGD	12.346 MGD	13.40 MGD	13.93 MGD
Wastewater					
Number of Connections	25,730	27,120	28,612	30,012	30,000
Miles of Sewer Lines	273	276	278	295	298
Number of Treatment Plants	1	1	1	1	1
Average Daily Treatment	7.30 MGD	7.50 MGD	8.1 MGD	8.35 MGD	8.26 MGD
Treatment Capacity	9.87 MGD	9.87 MGD	9.87 MGD	9.87 MGD	9.87 MGD
Solid Waste					
Number of Accounts	25,867	27,264	28,764	30,172	28,391
Education					
Elementary Schools	15	15	15	15	15
High Schools	5	5	5	4	4
Alternative Schools	2	1	1	2	2
Adult Education	0	1	1	1	1
Charter School	0	0	0	0	0
Teachers	707	751	730	670	687
Elementary Classrooms	593	549	557	842	614
High School Classrooms	331	352	353	353	279
Adult Education Classrooms	21	21	21	21	21
Current Enrollment	15,458	15,604	15,935	16,376	17,064

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, 2025**

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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 (City), California, as of and for the year ended June 30, 2025, and the related notes to the financial statements.

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, 2025, 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 January 13, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Maze & Associates". The script is cursive and fluid, with the ampersand being particularly stylized.

Pleasant Hill, California
January 13, 2026

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MANTECA FINANCING AUTHORITY

STATEMENT OF NET POSITION AND STATEMENT OF REVENUES AND CHANGES IN NET POSITION

The purpose of The Statement of Net Position and the Statement of Revenues and Changes in Net Position is to summarize the entire Authority's financial activities and financial position. They are prepared on the same basis as is used by most businesses, which means they include all the Authority's assets and deferred outflows of resources and all its liabilities and deferred inflows of resources, as well as all its revenues and expenses.

The Statement of Net Position reports the difference between the Authority's total assets and deferred outflows of resources and the Authority's total liabilities and deferred inflows of resources, including all the Authority's long-term debt. The Statement of Net Position summarizes the financial position of all the Authority's activities in a single column.

The Statement of Revenues, Expenses, and Changes in Net Position reports increases and decreases in the Authority's net position. It is also prepared on the full accrual basis, which means it includes all the Authority's revenues and all its expenses, regardless of when cash changes hands.

MANTECA FINANCING AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2025

	2009 Sewer <u>Revenue Bonds</u>
ASSETS	
Current Assets:	
Investments held by trustee (Note 2)	\$2,106,018
Interest receivable	<u>85,955</u>
Total Current Assets	2,191,973
Receivable from the City of Manteca (Note 3)	<u>16,333,982</u>
Total Assets	<u>18,525,955</u>
LIABILITIES	
Current Liabilities:	
Accrued interest payable	85,955
Lease revenue bonds payable (Note 4):	
Due in less than one year	<u>640,000</u>
Total Current Liabilities	<u>725,955</u>
Non-Current Liabilities:	
Lease revenue bonds payable (Note 4):	
Due in more than one year	<u>17,800,000</u>
Total Liabilities	<u>18,525,955</u>
NET POSITION	
Restricted for Debt Service	<u> </u>
Total Net Position	<u> </u>

See accompanying notes to financial statements

MANTECA FINANCING AUTHORITY
STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025

	<u>2009 Sewer Revenue Bonds</u>
OPERATING REVENUE	
Interest on base rental payments	<u>\$944,007</u>
Total Operating Revenue	<u>944,007</u>
OPERATING EXPENSES	
Interest and fiscal fees	<u>1,042,999</u>
Total Operating Expenses	<u>1,042,999</u>
Operating Loss	<u>(98,992)</u>
NONOPERATING INCOME	
Interest on investments	<u>98,992</u>
Net Nonoperating Income	<u>98,992</u>
Change in net position	
Net position at beginning of year	<u> </u>
Net position at end of year	<u><u> </u></u>

See accompanying notes to financial statements

MANTECA FINANCING AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	2009 Sewer <u>Revenue Bonds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from the City	\$1,605,113
Payments to bond trustees	<u>(1,045,274)</u>
Cash Flows from Operating Activities	<u>559,839</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES	
Long-term debt payment - principal	<u>(560,000)</u>
Cash Flows from Operating Activities	<u>(560,000)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment interest received	<u>98,992</u>
Cash Flows from Investing Activities	<u>98,992</u>
Net Cash Flows	98,831
Cash and investments at beginning of period	<u>2,007,187</u>
Cash and investments at end of period	<u><u>\$2,106,018</u></u>
Reconciliation of operating loss to net cash flows from operating activities:	
Operating loss	(98,992)
Change in assets:	
Receivables, net	<u>658,831</u>
Cash Flows from Operating Activities	<u><u>\$559,839</u></u>

See accompanying notes to financial statements

MANTECA FINANCING AUTHORITY NOTES TO BASIC COMPONENT UNIT FINANCIAL STATEMENTS For the Year Ended June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. *Organization and Purpose*

The Manteca Financing Authority (Authority) is a Joint Powers Authority organized by the City of Manteca (City) and the Manteca Redevelopment Agency (Agency) on May 1, 1991 under the laws of the State of California. The Authority was organized to provide assistance to the City and Agency in financing public improvements for the benefit of the residents of the City and surrounding areas. Administrative and related normal business expenses incurred in the day-to-day operations of the Authority are provided by the City and are not included in the accompanying financial statements. Such expenses are insignificant to the Authority's operations.

The Authority is an integral part of the City and the accompanying financial statements are included as a component of the basic financial statements prepared by the City. A component unit is a separate governmental unit, agency, or nonprofit corporation which, when combined with all other component units, constitutes the reporting entity as defined in the City's basic financial statements.

B. *Basis of Presentation*

The Authority's Basic Component Unit Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

These Standards require that the financial statements described below be presented.

Fund Financial Statements: The fund financial statements provide information about the Authority's funds. The emphasis of fund financial statements is on major individual funds, each of which is displayed in a separate column. The Authority considers its only fund to be a major fund.

C. *Basis of Accounting*

The Authority accounts for all transactions in a single enterprise fund (proprietary fund type). A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific governmental activity. The activities of enterprise funds closely resemble those of the private sector in which the purpose is to conserve and add to economic resources. Enterprise funds account for operations that provide services on a continuous basis and are substantially financed by revenues derived from user charges.

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

D. *Major Fund*

The Authority's only fund is required to be identified as a major fund and presented in the fund financial statements. Major funds are defined as funds that have either assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenses equal to ten percent of their fund-type total and five percent of the grand total.

MANTECA FINANCING AUTHORITY
NOTES TO BASIC COMPONENT UNIT FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Authority reported its only fund, the 2009 Sewer Revenue Bonds Enterprise Fund, as a major enterprise fund in the accompanying financial statements, and the fund is used to account for Bond transactions.

E. Fair Value Measurements

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

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

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

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

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

F. Estimates and Assumptions

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

NOTE 2 - INVESTMENTS HELD BY TRUSTEE

The Authority invests in individual investments and in investment pools. Individual investments are evidenced by specific identifiable pieces of paper called *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system.

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

MANTECA FINANCING AUTHORITY
NOTES TO BASIC COMPONENT UNIT FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 2 - INVESTMENTS HELD BY TRUSTEE (Continued)

A. Investments Authorized by Debt Agreements

In accordance with the Lease Revenue Bond Indenture of Trust, a Trustee holds the portion of Bond proceeds established as reserves for debt service on these Bonds. The California Government Code requires these funds to be invested in accordance with bond indentures or State statutes. The table below identifies the investment types and their minimum credit ratings that are authorized for investments held by trustee and certain provisions of the debt agreement. The bond indenture contains no limitations for the maximum investment in any one issuer or the maximum percentage of the portfolio that may be invested in any one investment type.

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

B. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the Authority's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Authority's investments by maturity:

Investment Type	12 Months or Less
Held by Trustees:	
Money Market Funds (U.S. Securities)	<u>\$2,106,018</u>

C. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The actual rating as of June 30, 2025, 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, 2025, have an average maturity of 1 day.

MANTECA FINANCING AUTHORITY
NOTES TO BASIC COMPONENT UNIT FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

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, 2025.

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
2026	\$640,000	\$1,009,476	\$1,649,476
2027	720,000	975,476	1,695,476
2028	810,000	936,720	1,746,720
2029	905,000	892,208	1,797,208
2030	955,000	842,786	1,797,786
2031-2035	7,535,000	3,273,201	10,808,201
2036-2037	6,875,000	388,945	7,263,945
	<u>\$18,440,000</u>	<u>\$8,318,812</u>	<u>26,758,812</u>
	<u>Less:</u>		
	Investments held by trustee		2,106,018
	Amount representing interest		8,318,812
			<u>2,106,018</u>
Receivable from the City of Manteca June 30, 2025			<u>\$16,333,982</u>

MANTECA FINANCING AUTHORITY
NOTES TO BASIC COMPONENT UNIT FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 4 - LONG TERM DEBT

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

On July 5, 2023, Moody's Investors Service withdrew the City's issuer rating and also withdrew its rating of the 2009 Revenue Bonds, due to the City's delay in issuing the audited financial statements. In addition, Fitch Ratings withdrew its AA- rating for the 2009 Revenue Bonds for the same reason.

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

Year	Principal	Interest	Total
2026	\$640,000	\$1,015,462	\$1,655,462
2027	720,000	981,462	1,701,462
2028	810,000	942,706	1,752,706
2029	905,000	898,194	1,803,194
2030	955,000	848,772	1,803,772
2031-2035	7,535,000	3,303,131	10,838,131
2036-2037	6,875,000	400,917	7,275,917
Total	<u>\$18,440,000</u>	<u>\$8,390,644</u>	<u>\$26,830,644</u>

NOTE 5 - SUBSEQUENT EVENT

2025 Wastewater Revenue Bonds

On November 5, 2025, the Manteca Financing Authority issued the 2025 Wastewater Revenue Bonds in the amount of \$46,795,000 to refinance the Manteca Financing Authority Sewer Revenue Bonds, Series 2009 and the Sewer Revenue Refunding Bonds Series 2012 and to finance certain improvements to the wastewater system. The 2025 Revenue Bonds are secured by installment payments payable by the City of Manteca under the Installment Sales Agreement dated November 1, 2025. 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 wastewater system. Principal payments are due annually on December 1, with interest payments payable semi-annually on December 1 and June 1 through December 1, 2045.

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