



FY 2022-23 ANNUAL COMPREHENSIVE
FINANCIAL REPORT

Stockton, California



CITY OF STOCKTON, CALIFORNIA

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

**WITH REPORT ON FINANCIAL STATEMENTS
BY INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS**

**FOR THE YEAR ENDED
JUNE 30, 2023**

Prepared by:
Administrative Services Department

Kimberly Trammel
Chief Financial Officer



City of Stockton
Annual Comprehensive Financial Report
For the Year Ended June 30, 2023

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CITY OF STOCKTON

OFFICE OF THE CITY MANAGER

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www.stocktonca.gov

March 13, 2024

To the Honorable Mayor,
 City Council, Audit Committee and the
 Citizens of the City of Stockton,
 California

The Stockton City Charter, federal grant regulations, and agreements with investors require the City of Stockton, California ("City") to publish a complete set of financial statements presented in conformance with Generally Accepted Accounting Principles ("GAAP") and audited by a firm of licensed, certified public accountants. Under those requirements, we respectfully submit the Annual Comprehensive Financial Report ("ACFR") of the City of Stockton for the fiscal year ("FY") ended June 30, 2023.

Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge, the data, as presented, is accurate in all material aspects; and is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds. This report contains all disclosures necessary to enable the reader to fully understand the City's financial affairs.

An overview of the City's financial activities for the fiscal year is discussed in detail in the Management's Discussion and Analysis ("MD&A") section of the ACFR.

PROFILE OF THE GOVERNMENT

The City of Stockton is located in the center of California's San Joaquin Valley and is the seat of San Joaquin County. Stockton is located about 80 miles east of the San Francisco Bay Area and 40 miles south of Sacramento, California's Capitol.

One of the oldest cities in the State of California, Stockton was founded in 1849 and incorporated in 1850. In 1888, the voters approved Stockton's first local Charter, which was ratified by the State Legislature in 1889. The current Charter was approved by the voters in November 1922 and became effective in 1923. This Charter changed the City from a commission form of government to the current City Council-City Manager form of government. Under the Council-Manager form of government, the City Council has policy-making and legislative authority. Representatives from six districts are chosen by district election, with the Mayor being chosen by citywide election, for staggered four-year terms, with a two-term limit. The City Manager is responsible for carrying out the City Council's policies and ordinances, appointing department heads, and overseeing the City's operations. The City Council appoints the City Manager, City Attorney, City Auditor, and City Clerk.

The City Charter has been amended many times since 1922, with the most recent amendments approved by voters in November 2016. Those amendments eliminated city-wide voting for Council districts, modified the Mayor's compensation, powers, and duties, and made several changes related to budget and fiscal affairs.

The City provides a full range of municipal services, including police and fire protection, community development, economic development, affordable housing, public works and street maintenance, parks, recreational

services, libraries, and water, wastewater, and stormwater utilities. The City serves approximately 55% of water accounts in the City while the California Water Service Company, an investor-owned company, provides water service to 42%, and San Joaquin County provides water service to the remaining 3%.

This report includes the Stockton Public Financing Authority's financial activity, a separate legal entity controlled by the City. The City reports the Successor Agency to the Redevelopment Agency of the City of Stockton's financial statements as a private-purpose trust fund in these financial statements.

The Council is required to adopt an annual budget following a public hearing to review the proposed annual budget. This annual budget serves as the foundation for the City's financial planning and control. The City prepares the budget by fund, function, and department, e.g., Police. Department heads may transfer budget appropriations within a department as they see fit. Transfers between General Fund departments, however, need City Council approval. Outside the General Fund, the City Manager has the authority to transfer budget appropriations at the fund level.

THE LOCAL ECONOMY

The City encompasses nearly 65 square miles, is surrounded by the San Joaquin Valley's fertile lands and is home to the furthest inland deep-water seaport in California. The City has a well-diversified economic base that has evolved from its agricultural roots to become a regional center for commerce, including the second-largest transportation and logistics hub in the United States. In addition to the Port of Stockton, the City is equipped with a regional airport, a Burlington Northern Santa Fe intermodal facility, and interstate freeways. The University of the Pacific, California State University-Stanislaus-Stockton campus, Humphries College, and San Joaquin Delta Community College are all located in Stockton. Four school districts serve K-12 students within City limits.

In January 2023, Stockton's population was 319,731, according to the California Department of Finance, which represents a 0.7% decrease compared to last year's population of 321,911. The California Department of Finance also projects the San Joaquin County population will continue to increase at a rate of approximately 0.8% for the next several years. As the 11th largest city in California, Stockton is comparable in size to other cities such as Lexington, Corpus Christi, Irvine, and Orlando.

According to the California Employment Development Department, the unemployment rate in Stockton has increased by approximately 20.8% from July 1, 2022 to July 1, 2023, from 5.7% to 7.2%. Per the Bureau of Labor Statistics, the national unemployment rate remained unchanged at 3.5% for the same period.

As of June 2023, the median price for a detached single-family home in Stockton was approximately \$435,750 which is a decrease of 4.2% compared to the previous year of \$455,000 reflecting a leveling off in prices after almost ten years of growth.

FINANCIAL CONDITION HIGHLIGHTS

Financial results for the year compare favorably with budget estimates in most areas of the City's operations. For the General Fund, financial results for the year were better than estimated. Expenditures (including encumbrances and carryovers and other uses of funds) came to 6.2% under budget. Revenues (including other sources of funds) were 12.7% above budget estimates. As a result, the General Fund balance on June 30, 2023 was \$212.4 million and \$201.9 million excluding related funds. The Working Capital operating reserve of \$48.3 million comprises most of the unassigned funds (\$48.5 million). City Council designated reserves in the committed balance total \$78.8 million (known contingencies reserves of \$68.0 million and risk-based reserve categories of \$10.8 million). Another \$53.0 million is committed for capital projects, priority projects, external obligations, and encumbered contracts. The remaining balance of \$21.5 million is allocated for new one-time Council priority projects.

The City Council has a reserve policy that calls for the City to maintain a 17% operating reserve and establishes additional reserves for known contingencies, unforeseen revenue changes, infrastructure failures, and catastrophic events. Additionally, the policy sets an automatic process to deposit one-time revenue increases and expenditure

savings into the reserves. These policies are consistent with the Government Finance Officers' Association (GFOA) best practice recommendations and Governmental Accounting and Standards Board (GASB) guidance.

The Statement of Net Position (revenues and sources of funds less expenses and uses of funds) for the City is approximately \$1.9 billion. The City's net position is roughly \$99.6 million higher, or 5.6%, than the prior fiscal year, with most of the growth in Governmental Activities.

The City's Long-Range Financial Plan

The City maintains a comprehensive and detailed 20-year Long-Range Financial Plan ("L-RFP"), which provides a long-term forecast for the City's General Fund and other funds' impacts on the General Fund. The L-RFP is a vital tool and reflects the City's commitment to fiscal health and sustainability. This financial model is used to evaluate the immediate impact of budgetary decisions and the ongoing costs of those decisions over multiple years. The L-RFP was developed as part of the City's bankruptcy exit plan, or Plan of Adjustment, which included certain assumptions and agreements reached with creditors. Since its development, the L-RFP has become a dynamic tool that is updated based on current revenue and expenditure trends. Though the individual variables and assumptions may change over time, the L-RFP provides a consistent model to forecast the City's fiscal position.

A summary of the L-RFP is available in the City's Annual Budget:

https://www.stocktonca.gov/government/budget_financial_reports/index.php

For a more detailed analysis of the financial performance of the City, refer to the Management's Discussion and Analysis sections titled Financial Analysis of the City's Funds and General Fund Budgetary Highlights.

The City's Irrevocable Post-Employment Benefits Trust

On November 7, 2017, the City created an irrevocable post-employment benefits trust program, also known as an Internal Revenue Code Section 115 trust (Trust). This Trust is designed to pre-fund pension costs and to offset GASB 68 net pension liabilities. The ending balance in the trust as of June 30, 2023 was \$81.5 million (\$73.9 million General Fund). The Trust allows the City to set aside funds through a tax-exempt funding mechanism to mitigate long-term contribution rate volatility. The Trust will enable the City to control the assets and when the City utilizes them. Also, the statutory investment restrictions that apply to the City's investment portfolio do not apply to assets held in a post-employment benefits trust. The City will strive to accrue an amount in the Trust sufficient to fund annual CalPERS costs during economic downturns or other periods when annual revenues are forecast to be insufficient.

Access to the Financial Markets

The City has no long-term bonds backed by the General Fund. The last rating actions on the City's General Fund-backed debt was a Standard & Poor upgrade to "BB", with a continuing positive outlook in August 2018. In April 2019, Moody's issued an upgrade for the City's General Fund of "A3", from "Baa1". The City's Wastewater utility maintained ratings of "A" by Standard & Poor's and "A+" by Fitch. In 2023, both Standard & Poor's and Fitch re-affirmed the City's Water debt ratings of "A" and "AA-", respectively. The Parking Revenue Bonds are currently rated at BBB- after revenues declined during the COVID pandemic shutdowns.

The City does not anticipate issuing any bonds backed by the General Fund. However, the City does plan on incurring additional debt through various funding sources over the next several years to upgrade its wastewater facilities, including the renovation of the Regional Wastewater Control Facility (RWCF). The City is in the process of completing a \$46.8 million draw on a low-interest loan through the California Clean Water State Revolving Fund (CWSRF) program and anticipates receipt of funds in spring 2024.

In addition, there may also be a need to issue land-based debt to support residential and industrial/commercial development.

RESERVE POLICIES

The City's General Fund reserve policy calls for the City to maintain a 17% operating reserve (approximately two months of expenditures) and establishes additional reserves for known contingencies, unforeseen revenue changes, infrastructure failures, and catastrophic events. The known contingencies include amounts to address staff recruitment and retention, prefund future CalPERS costs, and replace aging infrastructure and systems. The City's Governmental Funds reported a combined ending fund balance of \$611.0 million at the close of June 30, 2023, an increase of \$3.9 million compared with the prior fiscal year. The General Fund balance in this report, as of June 30, 2023, was \$212.4 million without encumbrances. Included in this fund balance and under the guidance of the Reserve and Fund Balance Policy – General Fund (excluding related funds), Council took action to fully fund the priority one working capital reserve at \$48.3 million, partially fund known contingency reserves at \$68.0 million, and maintain the risk-based reserves to \$10.8 million.

The policy establishes an automatic process to deposit one-time revenue increases and expenditure savings into the reserves. These policies are consistent with GFOA's best practice recommendations and GASB guidance.

The reserve policy is available on the City's website at:

https://www.stocktonca.gov/Documents/Government/Budget%20And%20Financial%20Reports/General_Fund_Reserve_Policy.pdf

DEBT POLICY AND ANNUAL CONTINUING DISCLOSURES

The City's debt policy is available on its website as follows:

https://www.stocktonca.gov/Documents/Government/Budget%20And%20Financial%20Reports/Financial%20Reports/Capital_Financing_Debt_Management_Policy.pdf

The City's annual financial disclosures are available on the Municipal Securities Rulemaking Board's and Electronic Municipal Market Access website at <http://emma.msrb.org>.

INVESTMENT POLICY

The City adopts an investment policy annually that provides guidelines for the prudent investment of the City's cash balances. The City contracts with Public Financial Management for the day-to-day management of the City's long-term investment portfolio. The Administrative Services Department oversees both the City's long-term investment portfolio management and liquid cash requirements.

The City's investment policy is posted on the City's website:

https://www.stocktonca.gov/Documents/Government/Budget%20And%20Financial%20Reports/Financial%20Reports/Investment_Policy.pdf

CASH AND INVESTMENTS

The California Government Code and the City's investment policy adopted in compliance with that Code define how the City can invest its cash. The City's policy also outlines the principles for maximizing the City's cash management operations' efficiency while meeting the daily cash flow demands of the City. The average overall return rate on funds not held by fiscal agents for the fiscal year ending June 30, 2023, was 1.95%. This amount includes both realized and unrealized gains distributed to funds. Absent unrealized Fair Market Value gains and Accrued Interest amounts distributed on June 30, 2023, distributed returns would have been 1.56%.

Additional information on the City's cash and investment management can be found in Notes 1 and 2 in the notes to the financial statements.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

The GASB establishes GAAP for local and state governments in the United States and Canada. Its counterpart for private-sector entities is the Financial Accounting Standard Board. The American Institute of Certified Public Accountants and state and federal regulators require that financial reports follow GAAP to receive an unmodified audit opinion. The GFOA and the California Committee on Municipal Accounting entail additional standards that govern disclosures in the ACFR.

GAAP requires management to provide a narrative overview and analysis discussing the City's financial position to accompany the basic financial statements. This narrative overview is called Management's Discussion and Analysis (MD&A), which provides an analytical overview of the City's financial position for its significant funds, as defined by GAAP, on a government-wide basis. This letter of transmittal is intended to complement the MD&A and not to duplicate the MD&A. It provides additional qualitative information on impacts to the City to help improve the reader's understanding of the data presented in the ACFR.

The City's ACFR conforms to the requirements established by GAAP, the City's Charter, GFOA standards, and agreements with investors. The ACFR includes basic financial statements, footnotes, supplemental information required by GASB for GAAP financial reports, MD&A of the financial statements, the City's independent auditor's opinion regarding the conformance of the financial statements with GAAP, and other information required to conform to GFOA standards.

INDEPENDENT AUDIT

The City Charter, Article XIX, Section 1911, states: "after the close of the fiscal year, an annual audit shall be made of the City's funds. Such an audit shall be made by a firm of independent certified public accountants." The Pun Group, LLP, an independent firm of licensed, certified public accountants, has audited the City of Stockton's financial statements.

The purpose of the independent audit is to obtain reasonable assurance that the City's financial statements are free of material misstatement and are fairly presented in conformity with GAAP. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

The independent auditors issued an unmodified opinion for the fiscal year ended June 30, 2023.

SINGLE AUDIT REPORT TO FEDERAL GRANTING AGENCIES

A broader, federally-mandated "Single Audit," designed to meet federal granting agencies' needs, is also required. The standards governing Single Audit engagements require the independent auditor to report on the fair presentation of the financial statements and the audited government's internal controls and compliance with legal requirements, emphasizing internal controls and legal requirements involving the administration of federal awards.

The City prepares a separate single audit report in conformity with the Federal Single Audit Act's provisions as amended and U.S. Office of Management and Budget Uniform Guidance, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards." This report is filed with the federal clearinghouse on or before March 31 each year.

RISK MANAGEMENT

During FY 2022-23, the City continued its self-insurance program for General Liability, Property, and Workers' Compensation. The City is a member of the California Joint Powers Risk Management Authority for General

Liability and All Risks Property Program, which is primarily underwritten by various insurance companies. The Property All Risks deductible is \$250,000. The self-insured retention ("SIR") for General Liability is \$1.25 million. The City is also a member of the Public Risk Innovation, Solutions and Management insurance pool for excess Workers' Compensation coverage. The SIR is \$500,000.

INTERNAL CONTROLS AND LIMITATIONS

The ACFR intends to provide the City Council and the public with an understanding of the City's financial position. City management assumes responsibility for the completeness, accuracy, and reliability of the information presented in this report. City management established an internal control framework intended to protect the City's assets from loss, theft, or misuse and to compile sufficient, reliable information for the preparation of the City's financial statements.

The City's comprehensive system of internal controls continues to be the subject of an ongoing review to ensure the timeliness and accuracy of the ACFR and improve management reporting and controls. The City's Finance team, along with the City's Internal Auditor (Moss Adams LLP) continues to work together to close out prior audit findings and continually improve the City's key controls, systems, and policies and procedures.

Budgetary control is at the department level for the General Fund and the fund level for all other funds. Transfers within funds and like categories of the same department require City Manager approval. Revisions to increase appropriation authority above a department's original adopted budget require City Council approval.

ACKNOWLEDGEMENTS

This report would not have been possible without the dedicated professionals in the Administrative Services Department and employees' cooperation from throughout the City who provided detailed information and other support and assistance.

We also want to thank the Mayor, City Council, and the Audit Committee for your interest and support in planning and conducting the City's financial operations responsibly and sustainably.

Respectfully submitted,



HARRY BLACK
CITY MANAGER



KIMBERLY K. TRAMMEL
CHIEF FINANCIAL OFFICER

CITY OF STOCKTON CITY COUNCIL



KEVIN J. LINCOLN II
MAYOR



KIMBERLY WARMSLEY
VICE MAYOR
District 6



MICHELE PADILLA
COUNCILMEMBER
District 1



DAN WRIGHT
COUNCILMEMBER
District 2



MICHAEL BLOWER
COUNCILMEMBER
District 3



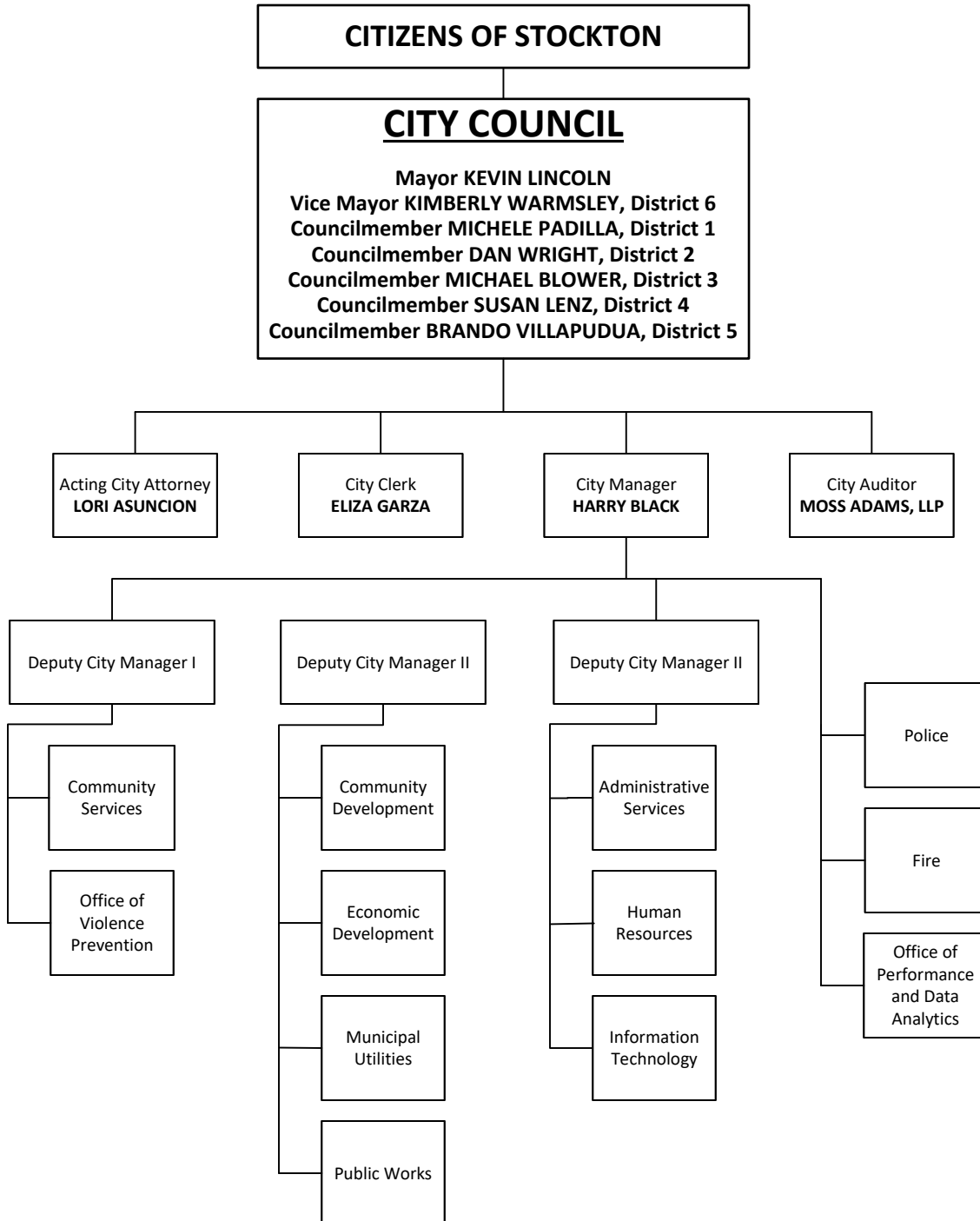
SUSAN LENZ
COUNCILMEMBER
District 4



BRANDÓ VILLAPUDUA
COUNCILMEMBER
District 5



CITY OF STOCKTON ORGANIZATION CHART AS OF JUNE 30, 2023





200 E. Sandpointe Avenue, Suite 600
Santa Ana, California 92707



INDEPENDENT AUDITORS' REPORT

www.pungroup.cpa



To the Honorable Mayor and the Members of the City Council
of the City of Stockton
Stockton, 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 Stockton, California (the "City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2023 and the respective changes in financial position, and, where applicable, cash flows thereof 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1Y to the financial statements, the City adopted new accounting guidance, Governmental Accounting Standard Board ("GASB") Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Prior Period Adjustments

As discussed in Note 19 to the basic financial statements, the City recorded restatements due to GASB 96, *Subscription-Based Information Technology Arrangements* implementation for the governmental activities and internal service funds in the amount of \$66,143 and \$47,312, respectively. In addition, the City also recorded prior period adjustments in the Special Grants Special Revenue Fund and Other Governmental Funds in the amount of \$(38,524,453) and \$621,346 due to correction of revenue recognition. Our opinion is not modified with respect to this matter.



To the Honorable Mayor and the Members of the City Council
of the City of Stockton
Stockton, California
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Responsibilities of Management for the Financial Statements

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

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

Auditors' 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 auditors' 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 the auditing standards generally accepted in the United States of America 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.

To the Honorable Mayor and the Members of the City Council
of the City of Stockton
Stockton, California
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Required Supplementary Information

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

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' 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.

To the Honorable Mayor and the Members of the City Council
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

The PwC Group, LLP

Santa Ana, California
March 13, 2024

**MANAGEMENT'S DISCUSSION AND ANALYSIS
UNAUDITED**

JUNE 30, 2023



INTRODUCTION

As management of the City of Stockton (“City”), we offer readers of the City’s financial statements this overview and analysis of the City’s financial activities for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the accompanying Transmittal Letter, the Basic Financial Statements, and the Notes to the Financial Statements. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

FINANCIAL HIGHLIGHTS

Government-wide:

- The City’s total net position for the governmental and business-type activities show that, as of June 30, 2023, total assets and deferred outflow of resources exceeded its liabilities and deferred inflow of resources by \$1.9 billion. Of this amount, \$70.0 million represents the unrestricted net position, \$521.1 million is restricted for City's ongoing obligation related to programs with external restrictions, and \$1.3 billion represents the City's net investment in capital assets, less any related outstanding debt used to acquire those assets.
- Governmental revenues and transfers total \$478.4 million and include program revenues of \$136.7 million and general revenues of \$341.7 million. Governmental expenses were \$379.9 million.
- Business-type program revenues and investment earnings net with transfers were \$170.3 million, while business-type expenses were \$134.6 million.

Fund Level:

- The City’s Governmental Funds reported a combined ending fund balance of \$611.0 million at the close of June 30, 2023, an increase of \$41.8 million compared with the prior fiscal year. The General Fund balance in this report, as of June 30, 2023, was \$212.4 million. Included in this fund balance and under the guidance of the Reserve and Fund Balance Policy – General Fund (excluding related funds), Council took action to fund the priority one working capital reserve at \$48.3 million, partially fund known contingency reserves at \$68.0 million, and maintain the risk-based reserves to \$10.8 million.
- The total Governmental Fund revenues decreased from the prior fiscal year by 5.0 percent. A large portion of this decrease is attributable to special federal and state grants received in Fiscal Year (FY) 2021-22 with approximately \$75.5 million related to COVID-19 pandemic recovery efforts. Offsetting increases to revenues were due to growth in business license taxes, sales taxes, franchise fees, and improved investment earnings.
- The total Governmental Fund expenditures increased by 5.0 percent compared to the prior fiscal year primarily due to a \$21.8 million increase in public safety expenditures. This increase is attributable to a 10 percent salary increase for sworn positions effective July 1, 2022 and employee retirement expenses. Capital outlay expenditures increased \$12.9 million reflecting the use federal and state one-time grant dollars.

OVERVIEW OF THE FINANCIAL STATEMENTS

The City’s Annual Comprehensive Financial Report consists of four main components: 1) management’s discussion and analysis, 2) the basic financial statements, 3) required supplementary information, and 4) combining non-major fund financial statements. The basic financial statements include two kinds of statements that present different views of the City - the government-wide and the fund financial statements:

- The government-wide financial statements provide both long-term and short-term information about the City’s overall financial status.
- The fund financial statements focus on the City government's individual parts, reporting the City’s operations in more detail than the government-wide statements.

OVERVIEW OF THE FINANCIAL STATEMENTS, CONTINUED

The basic financial statements also include notes that provide additional information essential to understanding the data contained in the government-wide and fund financial statements. The statements and notes are followed by the Schedule of Changes in Net Pension Liability and Relations Ratios and Schedule of Changes in Contributions for the City's pension plans which require supplemental information. In addition to these required elements, we have included combining statements and schedules that provide details about the City's other Governmental Funds, other Nonmajor Enterprise Funds, Internal Service Funds, Investment Trust Funds, and Custodial Funds, each of which is presented in a column in the basic financial statements.

Government-Wide Financial Statements:

The government-wide financial statements report information about the City using accounting methods like those used by private-sector companies. The statement of net position includes all the City's assets and liabilities and any deferred outflows and inflows of resources. The statement of activities includes all the current year's revenues and expenses regardless of when cash is received or paid. These government-wide statements report the City's net position and how the City's net position has changed during the fiscal year. Over time, increases or decreases in position may serve as a useful indicator of whether the financial health of the City is improving or deteriorating.

The government-wide financial statements of the City are divided as follows:

- Governmental activities – Most of the City's basic services are included here, such as police, fire, public works, community development, parks and recreation, and general government. Taxes and state and federal grants finance most of these activities.
- Business type activities – Certain services provided by the City are funded by customer fees. Among these are the City's utility services, parking authority, and other non-major enterprise funds.

This Annual Comprehensive Financial Report ("ACFR") includes the financial activity of the separate legal entity controlled by the City, the Stockton Public Financing Authority.

The Successor Agency's activities are reported as a Private-Purpose Trust Fund in the ACFR. The City Council sits as the Successor Agency to the Stockton Redevelopment Agency's Board. All actions about the Successor Agency's obligations are made by the Successor Agency Countywide Oversight Board, which is comprised of members representing the interests of local jurisdictions affected by redevelopment activities and revenue claims.

The government-wide financial statements can be found on pages 17-19 of this report.

Fund Financial Statements:

A fund is a group of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate finance-related legal compliance. Fund financial statements provide more detailed information about the City's largest funds, not the City as a whole. The City has three types of fund financial statements: Governmental Funds, Proprietary Funds, and Fiduciary Funds.

Governmental Funds – Governmental Fund statements tell how general government services such as police, fire, and public works, among others, were financed in the short term as well as what remains for future spending. Most of the City's basic services are included in Governmental Funds, focusing on (1) short-term inflows and outflows of spendable resources and (2) the remaining year-end balances available for spending. Because this information does not encompass the additional long-term focus of the government-wide statements, reconciliations that explain the relationship (or differences) between Governmental Funds and Governmental Activities follow the Governmental Fund Statements.

The basic Governmental Fund Financial Statements can be found on pages 23-26 of this report.

OVERVIEW OF THE FINANCIAL STATEMENTS, CONTINUED**Fund Financial Statements, Continued:**

Proprietary Funds - Services for which customer fees are intended to finance the costs of operations are generally reported in Proprietary Funds. Proprietary Fund statements, like the government-wide statements, provide short-term and long-term financial information about the activities the City operates like businesses, such as utility services, parking facilities, and marina operations.

The basic Proprietary Fund financial statements can be found on pages 28-37 of this report.

Fiduciary Funds - Fiduciary Fund statements provide information about the financial relationships in which the City acts solely as a trustee or agent for the benefit of others to whom the resources belong. The City is the trustee, or fiduciary, for a closed pension plan. It is also responsible for other assets reported in an investment trust fund, which, because of trust agreements, can be used only for the trust beneficiaries. The City was elected to serve as the Successor Agency for its former Redevelopment Agency, which was dissolved by state law. The Successor Agency activity is accounted for in a Private Purpose Trust Fund. The City is responsible for ensuring that assets reported in these funds are used for their intended purposes. All the City's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the City's government-wide financial statements because the City cannot use these resources to finance its operations.

The basic Fiduciary Fund's financial statement can be found on pages 41-42 of this report.

Notes to the Basic Financial Statements

The notes on the financial statements provide additional information that is essential to a full understanding of the financial information provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 45-110 of this report.

Other information

In addition to the basic financial statements, this report presents certain required supplementary information. This information provides a budgetary comparison schedule for the General Fund, Federal Housing Grants Special Revenue Fund, the Special Grants Fund, and the Capital Projects Fund, as well as information about the City's participation in the PERS and PARS defined benefit pension plans.

Required supplementary information can be found on pages 111-129 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS**Analysis of Net Position**

The City's net position may serve over time as a useful indicator of a government's financial health or financial position. As of June 30, 2023, the City's total assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$1.9 billion, which is an increase of \$134.1 million or 7.7 percent compared to the prior fiscal year.

GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED**Analysis of Net Position, Continued:**

The following is the condensed statement of net position for the fiscal years ended June 30, 2023, and 2022 (amounts in thousands):

	Governmental		Business-Type		Total	
	Activities		Activities			
	2023	2022*	2023	2022	2023	2022
Assets:						
Current and other assets	\$ 985,073	\$ 936,598	\$ 253,107	\$ 269,527	\$ 1,238,180	\$ 1,206,125
Capital assets	882,742	822,681	844,652	819,159	1,727,394	1,641,840
Total assets	1,867,815	1,759,279	1,097,758	1,088,686	2,965,573	2,847,965
Deferred Outflow of Resources:						
Unamortized loss on refunding of debt	-	-	12,736	13,645	12,736	13,645
Pension-related deferred outflows of resources	178,504	59,815	6,239	2,989	184,743	62,804
Total Deferrals-Outflows	178,504	59,815	18,975	16,634	197,479	76,449
Liabilities:						
Current and other liabilities	147,551	145,400	28,685	40,483	176,236	185,883
Long-term obligations	122,994	113,328	370,352	385,126	493,346	498,454
Net Pension liability	583,215	313,515	16,642	8,391	599,857	321,906
Total liabilities	853,760	572,243	415,679	434,000	1,269,439	1,006,243
Deferred Inflow of Resources:						
Pension-related deferred inflows of resources	10,025	162,705	478	6,373	10,503	169,078
Leases	1,378	1,449	32	59	1,410	1,508
Total Deferrals Inflows	11,403	164,154	510	6,432	11,913	170,586
Net position:						
Net investment in capital assets	817,086	764,337	473,568	438,675	1,290,654	1,203,012
Restricted	495,695	489,870	25,367	25,394	521,062	515,264
Unrestricted (deficit)	(131,625)	(171,510)	201,609	200,819	69,984	29,309
Total net position	\$ 1,181,156	\$ 1,082,697	\$ 700,544	\$ 664,888	\$ 1,881,700	\$ 1,747,585

*June 30, 2022 net position is restated with prior period adjustments.

The primary components of the City's net position consist of the following elements:

- The investment in capital assets (e.g., infrastructure, land, buildings, improvements other than buildings, construction in progress, and equipment), less any related debt used to acquire assets still outstanding, represents the largest portion of the City's net position at \$1.3 billion or 68.6 percent. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City reports its investment in its capital assets net of related debt, the resources needed to repay this debt must be provided from other sources because proceeds from the sale of capital assets are not used to liquidate these liabilities.
- External restrictions represent \$521.1 million or 27.7 percent of net position and are subject to various external restrictions on how they may be used. Creditors, grantors, contributions, or laws and regulations of other governments have imposed this component of the net position; or it has been imposed by law through enabling legislation or constitutional provisions.
- The unrestricted net position is \$70.0 million or 3.7 percent of the total net position. Information about changes in net position for FY 2022-23 and FY 2021-22 is summarized on the following page. The ACFR discusses the reasons for the changes in the sections for governmental activities and business-type activities.

GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED**Analysis of Net Position, Continued:**

The following table indicates the change in net position for Governmental and Business-type activities (amounts in thousands):

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues:						
Charges for services	\$ 68,006	\$ 72,491	\$ 156,442	\$ 156,777	\$ 224,448	\$ 229,268
Operating grants and contributions	42,072	100,879	1,653	2,500	43,725	103,379
Capital grants and contributions	26,667	47,352	12,363	12,231	39,030	59,583
General revenues:						
Property taxes	42,578	41,066	-	-	42,578	41,066
In lieu of sales tax	-	-	-	-	-	-
Utility user taxes	42,445	38,328	-	-	42,445	38,328
Sales and use taxes (City levied)	82,833	75,037	-	-	82,833	75,037
Franchise taxes	22,784	21,186	-	-	22,784	21,186
Business licenses	23,748	15,905	-	-	23,748	15,905
Hotel/motel room taxes	3,433	3,620	-	-	3,433	3,620
Document transfer taxes	1,029	1,626	-	-	1,029	1,626
Other taxes	4,628	4,016	-	-	4,628	4,016
Motor vehicle fees in lieu	29,344	27,310	-	-	29,344	27,310
Sales and use taxes (State levied)	76,954	76,239	-	-	76,954	76,239
Investment earnings	1,707	(25,552)	235	(7,018)	1,942	(32,570)
Miscellaneous	9,715	10,369	-	-	9,715	10,369
Gain (loss) on disposal of capital assets	44	(132)	-	-	44	(132)
Total revenues	477,986	509,740	170,693	164,489	648,679	674,230
Expenses						
General government	54,875	72,154	-	-	54,875	72,154
Public safety	227,637	170,563	-	-	227,637	170,563
Public works	50,045	43,601	-	-	50,045	43,601
Library	16,275	13,107	-	-	16,275	13,107
Parks and recreation	21,141	14,300	-	-	21,141	14,300
Interest and fiscal charges	9,968	7,894	-	-	9,968	7,894
Water utility	-	-	50,185	54,532	50,185	54,532
Wastewater utility	-	-	68,976	66,991	68,976	66,991
Stormwater utility	-	-	7,914	7,288	7,914	7,288
Central parking district	-	-	6,153	5,687	6,153	5,687
Other	-	-	1,395	1,375	1,395	1,375
Total expenses	379,942	321,619	134,622	135,873	514,564	457,492
Increase/(decrease) in net position before transfers	98,044	188,121	36,071	28,616	134,115	216,738
Transfers	416	438	(416)	(438)	-	-
Change in net position	98,460	188,559	35,656	28,178	134,115	216,738
Net position, beginning	-	928,608	-	636,710	-	1,565,317
Prior period adjustment	-	(34,470)	-	-	-	(34,470)
Net position, beginning, as restated	1,082,697	894,138	664,888	636,710	1,747,585	1,530,847
Net position, end of year	\$ 1,181,156	\$ 1,082,697	\$ 700,544	\$ 664,888	\$ 1,881,700	\$ 1,747,585

*June 30, 2022 net position is restated with prior period adjustments.

GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED**Analysis of Net Position, Continued:**

Governmental activities: The change in net position increased by \$98.5 million compared to the prior fiscal year. Below is an analysis of year over year variances:

- Total governmental activities revenues decreased by \$31.8 million or 6.2 percent compared to the prior fiscal year. The decrease was mostly attributable to a reduction in operating and capital grants after an abnormally high year in FY 2021-22. General revenues from taxes were up year over year by \$25.4 million and investment earnings were significantly better than the prior year when earnings were negative due to a fair market value adjustment.
- Total governmental activities expenses show an increase of \$58.3 million. This increase is primarily attributable to a 10 percent salary increase for sworn positions effective July 1, 2022, employee retirement expenses, and an increase in special one-time expenses.

Business-type activities: The change in net position increased by \$35.7 million compared to the prior fiscal year primarily due to improved investment earnings. Program revenues were down \$1.1 million with a reduction in grant funding and expenses declined by \$1.3 million compared to the prior year.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. This analysis should be read in conjunction with fund financial statements beginning on page 23.

Governmental Funds

As of June 30, 2023, the City's Governmental Funds reported a combined ending balance of \$611.0 million, an increase of \$41.8 million compared to the prior fiscal year. The total fund balance of the Governmental Funds consists of the following:

- The non-spendable fund balance of \$4.2 million were amounts that inherently cannot be spent, such as inventories and prepaid items. Also, long-term loans and notes receivable, and property held for resale would be reported here unless the proceeds are restricted, committed, or assigned.
- Restricted fund balance of \$403.4 million that is based on restrictions imposed by external parties or enabling legislation.
- Committed fund balance of \$150.8 million was constrained for a specific purpose by the City Council through resolution. It would require action by the same group to remove or change the constraints placed on the resources.
- Assigned fund balance of \$5.4 million was constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts. The amount reported as assigned should not result in a deficit in the unassigned fund balance.
- The unassigned fund balance of \$47.1 million includes the working capital reserve established in the Reserve and Fund Balance Policy-General Fund to accommodate normal fluctuations in the timing of revenues and unforeseen operational costs.

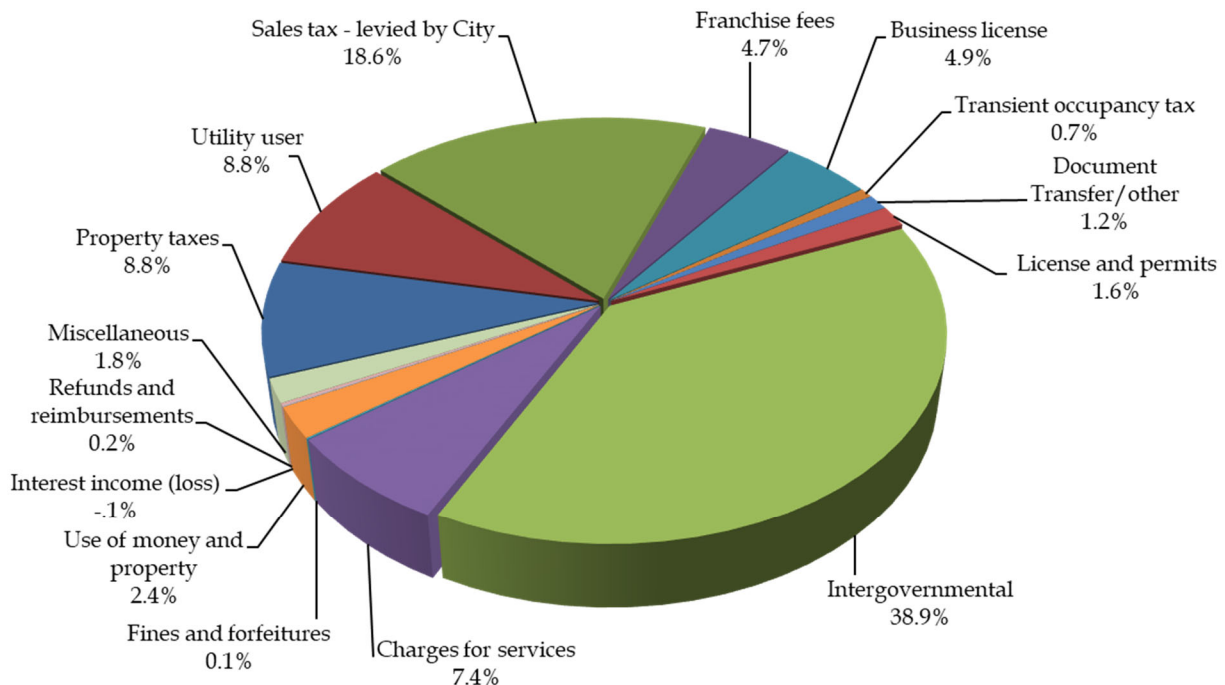
FINANCIAL ANALYSIS OF THE CITY'S FUNDS, CONTINUED

Governmental Funds, Continued:

Revenues – The following table presents revenues (amounts in thousands) classified by source with a comparison to the prior fiscal year:

Revenue by Source	2023		2022		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Property taxes	\$ 42,578	8.8%	\$ 41,066	8.1%	\$ 1,512	3.7%
Utility user	42,445	8.8%	\$ 38,328	7.5%	\$ 4,117	10.7%
Sales tax - levied by City	90,305	18.6%	\$ 82,951	16.3%	\$ 7,355	8.9%
Franchise fees	22,547	4.7%	\$ 19,932	3.9%	\$ 2,615	13.1%
Business license	23,748	4.9%	\$ 15,905	3.1%	\$ 7,842	49.3%
Transient occupancy tax	3,433	0.7%	\$ 3,620	0.7%	\$ (187)	-5.2%
Document Transfer/other	5,657	1.2%	\$ 5,641	1.1%	\$ 16	0.3%
License and permits	7,762	1.6%	\$ 9,129	1.8%	\$ (1,367)	-15.0%
Intergovernmental	188,691	38.9%	\$ 246,713	48.4%	\$ (58,022)	-23.5%
Charges for services	35,677	7.4%	\$ 39,532	7.8%	\$ (3,856)	-9.8%
Fines and forfeitures	317	0.1%	\$ 2,001	0.4%	\$ (1,684)	-84.1%
Use of money and property	11,704	2.4%	\$ 9,955	2.0%	\$ 1,749	17.6%
Interest income (loss)	(248)	-0.1%	\$ (13,673)	-2.7%	\$ 13,425	-98.2%
Refunds and reimbursements	1,029	0.2%	\$ 550	0.1%	\$ 479	87.0%
Miscellaneous	8,951	1.8%	\$ 8,258	1.6%	\$ 693	8.4%
Total	\$ 484,596	100.0%	\$ 509,910	100.0%	\$ (25,314)	-5.0%

The graph below shows 2023 revenue categories as a percent of the total.



FINANCIAL ANALYSIS OF THE CITY'S FUNDS, CONTINUED**Governmental Funds, Continued:**

Overall, governmental fund revenues were down \$25.3 million compared to the prior year. Significant changes in revenues compared with the prior fiscal year are described below:

- Federal and state grant funds in the intergovernmental category were \$58.0 million lower than the prior year primarily due to additional COVID relief funds received in the prior year.
- Sales tax - levied by City is up \$7.4 million or 8.9 percent, representing the transaction tax component of sales taxes. These tax revenues experienced growth, primarily in the first two quarters of the fiscal year, with the continued expansion of consumer spending.
- Business license tax revenues increased 49.3 percent in part due to the strong economic growth of the past few years reflected in gross receipt reporting and a clean-up of business license data resulting in more accurate and timely billing of business license accounts. The increased revenues also represent new types of cannabis businesses reporting annual sales activities for the first time.
- Due to the historic low interest rate environment, interest income resulted in a deficit in the prior year when adjusting for fair market value. FY 2022-23 interest income reflects an improved rate environment.

Expenditures - The following table presents expenditures (amounts in thousands) by function compared with the prior fiscal year:

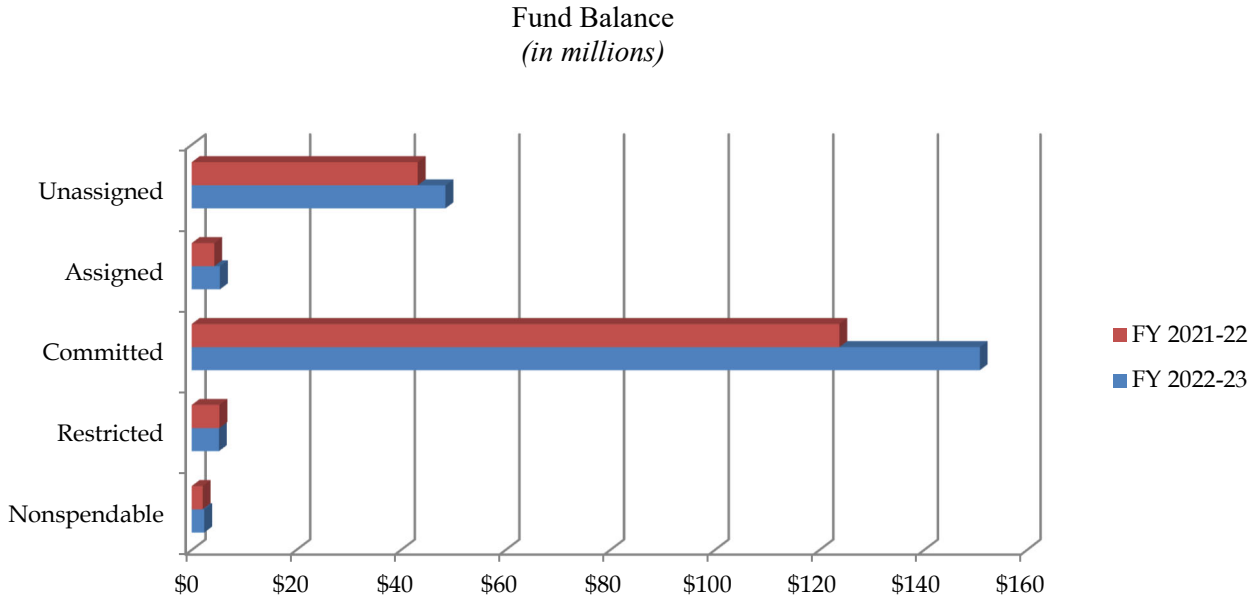
Expenditures by Function	2023		2022		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Current:						
General government	\$ 53,152	12.4%	\$ 76,830	18.8%	\$ (23,678)	-30.8%
Public safety	227,859	53.1%	206,107	50.4%	21,752	10.6%
Public works	35,659	8.3%	34,263	8.4%	1,396	4.1%
Library	15,643	3.6%	14,658	3.6%	985	6.7%
Parks and recreation	17,601	4.1%	14,552	3.6%	3,049	21.0%
Capital outlay	65,959	15.4%	53,033	13.0%	12,926	24.4%
Debt service	13,326	3.1%	9,340	2.3%	3,986	42.7%
Total	\$ 429,199	100.0%	\$ 408,783	100.0%	\$ 20,416	5.0%

Significant changes compared with the prior fiscal year include:

- General government expenditure decreased by \$23.7 million including a \$17.7 million reduction in expenditures funded by special grants. FY 2021-22 expenditures were at all time highs with the distribution of state and federal COVID-19 relief dollars.
- Public safety expenditures increased by 10.6 percent compared to the prior fiscal year primarily due to a 10 percent salary increase for sworn positions effective July 1, 2022, and employee retirement expenses.
- Parks and recreation expenditures increased over the prior year primarily from an expansion in special event programming at large venues and community centers that was suspended or reduced in previous fiscal years due to COVID restrictions.
- Capital outlay expenses increased \$12.9 million compared to the prior year with construction expenses for major projects such as the new City Hall, the Northeast Library and Recreation center, and upgrades at the Stockton Soccer Complex.
- Debt service expenses increased \$4.0 million with an additional payment toward a Section 108 loan from Community Development Block Grant funds and increased payments toward the Assured Guaranty settlement agreement based on the set repayment schedule and improved core revenues.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS, CONTINUED**General Fund**

Below is a graph that depicts the change in General Fund balances between FY 2022-23 and FY 2021-22. The committed and unassigned balances have increased from the prior fiscal year.



The City's General Fund provides police, fire, development, public works, and administrative services to the City's residents, other funds, businesses, and visitors. The General Fund is distinct from the City's other funds because it is the only source of unrestricted funds that the City Council can allocate at its discretion for any municipal purpose.

General Fund revenues were \$335.5 million at the close of June 30, 2023, an increase of \$31.5 million (10.4 percent) compared to the prior fiscal year. Significant changes in General Fund revenues compared with the previous fiscal year include:

- Business license tax revenues increased by \$8.0 million in part due to the strong economic growth of the past few years reflected in gross receipt reporting and a clean-up of business license data resulting in more accurate and timely billing of business license accounts. The increased revenues also represent new types of cannabis businesses reporting annual sales activities for the first time.
- Due to the historic low interest rate environment, interest income resulted in a deficit in the prior year when adjusting for fair market value. FY 2022-23 interest income reflects an improved rate environment.
- Sales tax levied by the City and the State increased \$5.0 million in the General Fund compared to the prior fiscal year from a combination of pandemic driven shifts in consumer spending habits, federal stimulus dollars, and price inflation.
- Utility User tax revenues improved \$4.1 million because of electricity and gas usage and rate increases.

General Fund expenditures were \$263.7 million, an increase of \$19.5 million or 8.0 percent compared to the prior fiscal year. General government expenses decreased by \$2.3 million compared to the last fiscal year. Public safety expense growth of \$15.6 million was primarily the result of a 10 percent salary increase for sworn positions effective July 1, 2022, and employee retirement expenses. Parks and recreation expenses increased \$2.5 million over the prior year primarily due to the resurgence of entertainment venue activities that were suspended or reduced in previous fiscal years due to COVID restrictions.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS, CONTINUED**Proprietary Funds**

The City's Proprietary Fund Financial Statements provide the same type of information found in the Government-Wide Financial Statements but in more detail. At the end of June 30, 2023, business-type activities' net position was \$700.5 million, an increase of \$35.7 million or 5.4 percent compared to the prior fiscal year.

The assets and deferred outflows of resources increased by a combined total of 11.4 million. Of this amount, the current cash and investments and other existing assets decreased by \$16.4 million, and non-current assets, including capital assets and deferred outflows, increased by \$29.1 million.

The liabilities and deferred inflows of resources decreased by \$24.2 million due primarily to the principal payments made on debt and pension-related adjustments.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City's FY 2022-23 General Fund Adopted Budget funded the City's most pressing needs in support of the Council's strategic priorities. However, it continued to be constrained by the City's long-term financial outlook, especially in consideration of future pension and labor costs. The FY 2022-23 budget was developed as the City continued to respond to a once-in-a-century pandemic crisis with a focus on moving forward through the crisis and into recovery. With an unprecedented amount of state and federal dollars coming in to provide relief and recovery to Stockton citizens, capacity to deliver new operating budget programs was limited. The budget included some incremental service enhancements and high-priority one-time appropriations. This analysis should be read in conjunction with the General Fund Budgetary Information beginning on page 114.

The General Fund's original budgeted revenues totaled \$303.3 million and were increased to \$305.9 million during the fiscal year. The General Fund ended the fiscal year with total revenues of \$335.5 million, reflecting a \$29.6 million, or 9.7 percent, increase over the final budget. The most significant revenue variance was sales tax revenues at \$14.6 million more than the budget. Collection of Business license taxes improved during and after the pandemic resulting in \$7.6 million more revenues than anticipated in the final budget. The next largest budget variance was in Utility user taxes (\$3.7 million) which occurred from electricity and gas rate increases.

The General Fund's original expenditure budget of \$278.5 million was adjusted by encumbrances and commitments carried forward from the prior year for a total final budget of \$302.0 million. All General Fund departmental activities ended the fiscal year below budget. The debt service category shows an overage due to the booking of subscription related entries for the GASB 96. Actual expenditures and transfers-out were lower than the final approved budget appropriations by \$72.7 million, or 19.3 percent. Of this variance, \$48.4 million in appropriations rolled into FY 2023-24 for encumbrances, capital projects, and specific City Council authorized activities. General Government departments experienced budget savings of \$9.9 million, Public Works activities were under budget by \$1.6 million, Parks and recreation activities were under budget by \$3.2 million, Library expenses were \$2.5 million below budget, and \$20.2 million was saved in Public Safety. A significant contributing factor to the savings was staff vacancies. Approximately \$18.9 million of the savings was the result of higher-than-anticipated vacancies across all General Fund departments. Many local governments are experiencing difficulties filling full-time positions in a very tight labor market. The number of full-time employees in FY 2022-23 was lower than the last five fiscal years and authorized positions have increased during this period.

GENERAL FUND BUDGETARY HIGHLIGHTS, CONTINUED

The City's General Fund balance on June 30, 2023, was \$202.1 million on a budgetary basis, which is an increase of \$23.5 million from the prior year. The City Council authorized \$13.8 million of this increase to be added to General Fund reserves for a total funded reserve of \$127.1 million. The ACFR reporting of General Fund balance at \$212.4 million includes general services to the public such as public safety and streets, libraries, recreation centers, and emergency dispatch, whereas the quarterly budget status reports released through the City Council break down the general operations (\$201.7 million) separate from ancillary services of libraries, recreation, etc. Of the \$212.4 million total General Fund balance, \$48.5 million is unassigned, \$78.8 million is in reserves, and the remainder is restricted, committed or assigned for specific activities, projects, and commitments.

CAPITAL ASSETS AND DEBT ADMINISTRATION***Capital Assets***

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2023, amounted to \$1.7 billion (net of accumulated depreciation and amortization). Net investment in capital assets includes infrastructure, land, buildings, and improvements other than buildings, intangible assets, equipment, construction in progress, and leases. The total change in the City's net investment in capital assets for the current fiscal year was an increase of 5.2 percent.

The City's capital assets, net of accumulated depreciation, for the governmental and business-type activities are presented below to illustrate changes from the prior year (amounts in thousands):

	Governmental Activities		Business-Type Activities		Total	
	2023	2022*	2023	2022*	2023	2022
Land	\$ 38,197	\$ 38,197	\$ 15,127	\$ 15,127	\$ 53,324	\$ 53,324
Intangible Assets	4,355	4,355	-	-	4,355	4,355
Building and Improvements	174,028	180,483	586,998	603,076	761,026	783,558
Machinery and Equipment	29,142	28,780	6,351	4,866	35,494	33,645
Infrastructure	374,060	377,710	-	-	374,060	377,710
Construction in Progress	252,839	192,072	233,679	193,438	486,519	385,510
Lease & Subscription Assets	10,120	11,731	2,496	2,697	12,617	14,428
Total	\$ 882,742	\$ 833,326	\$ 844,652	\$ 819,205	\$ 1,727,393	\$ 1,652,531

* due to GASB 96 implementation

Additional information on the City's capital assets can be found in Note 7 - Capital Assets of this report.

Bond Indebtedness

At the end of the fiscal year, the City's total long-term debt was \$447.4 million. The outstanding net bonded debt, including bankruptcy settlements, was \$435.8 million. Of this amount, \$64.5 million is related to governmental activities, and \$382.9 million are debt obligations of business-type activities.

Governmental activities bonded indebtedness decreased by \$198,847 because of the scheduled principal payments.

Business-type activities bonded indebtedness also decreased by \$12.8 million due to the scheduled debt service payments for the enterprise debt.

Governmental outstanding net bonded debt of \$52.9 million reflects the settlement liability to the bond insurer (Assured Guaranty) for 2007 bonds adjusted in bankruptcy.

CAPITAL ASSETS AND DEBT ADMINISTRATION, CONTINUED

Business-type activities outstanding net bonded debt obligations of \$382.9 million includes \$189.0 million of revenue bonds of the Water Utility, \$151.9 million in revenue bonds and EPA WIFIA loan for the Wastewater Utility, and \$28.7 million in revenue bonds for the Parking Authority. Marina operations have a loan obligation of \$10.9 million through the State Department of Parks and Recreation. This obligation no longer accrues interest due to the bankruptcy settlement. The General Fund annually subsidizes the Marina's operations, and payments on this loan will not commence until subsidization is no longer needed.

Successor Agency bonded debt of \$86.9 million is reported separately in a Private Purpose Trust Fund. The balance outstanding at June 30, 2023, includes \$79.6 million of tax-exempt tax allocation bonds issued to refinance revenue bonds for various former redevelopment projects and \$7.3 million of taxable tax allocation bonds issued to refinance revenue bonds for various housing projects.

Additional information on the City's long-term debt can be found in Note 8 - Long-Term Liabilities of this report.

Requests for Information

This financial report is designed to provide citizens, taxpayers, customers, grantors, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Administrative Services Department of the City of Stockton at City Hall, 425 North El Dorado Street, Stockton, CA 95202.

Financial reports are available on the City's website at:

https://www.stocktonca.gov/government/budget_financial_reports/index.php



CITY OF STOCKTON





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CITY OF STOCKTON



GOVERNMENT-WIDE FINANCIAL STATEMENTS



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City of Stockton
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and investments	\$ 656,004,858	\$ 217,776,554	\$ 873,781,412
Restricted cash and investments	83,166,239	7,771,268	90,937,507
Interest receivable	2,779,987	926,299	3,706,286
Accounts receivable, net	26,090,976	27,139,385	53,230,361
Due from other governments, net	47,242,936	2,854,434	50,097,370
Internal balances	6,368,227	(6,368,227)	-
Inventory of supplies	851,268	2,306,897	3,158,165
Prepaid items	6,730,456	378,739	7,109,195
Lease receivable	1,426,125	33,074	1,459,199
Advance deposits	2,319,207	98,171	2,417,378
Loans to Successor Agency, net	1,106,580	-	1,106,580
Loans to property owners, net	150,986,202	190,000	151,176,202
Capital assets:			
Nondepreciable and nonamortizable	295,390,858	248,806,391	544,197,249
Depreciable and amortizable, net	587,350,839	595,845,189	1,183,196,028
Total assets	1,867,814,758	1,097,758,174	2,965,572,932
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on refunding of debt	-	12,735,989	12,735,989
Pension-related deferred outflows of resources	178,503,759	6,238,971	184,742,730
Total deferred outflows of resources	178,503,759	18,974,960	197,478,719
LIABILITIES			
Accounts payable and accrued expenses	29,468,249	6,273,915	35,742,164
Accrued payroll and benefits	3,574,689	1,404,934	4,979,623
Due to other governments/agencies	2,108,039	95,237	2,203,276
Accrued interest	1,679,168	3,512,040	5,191,208
Deposits and other liabilities	2,822,250	2,374,306	5,196,556
Retention payable	1,147,710	913,284	2,060,994
Unearned revenue	79,120,793	-	79,120,793
Long-term liabilities:			
Due within one year:			
Compensated absences	6,738,503	979,540	7,718,043
Claims payable	13,698,028	-	13,698,028
Long-term debt	7,193,254	13,356,713	20,549,967
Due in more than one year:			
Compensated absences	5,309,112	577,282	5,886,394
Claims payable	60,369,597	-	60,369,597
Long-term debt	57,314,877	369,549,596	426,864,473
Aggregate net pension liability	583,215,119	16,641,863	599,856,982
Total liabilities	853,759,388	415,678,710	1,269,438,098
DEFERRED INFLOWS OF RESOURCES			
Pension-related deferred inflows of resources	10,024,391	478,230	10,502,621
Leases	1,378,369	32,495	1,410,864
Total deferred inflows of resources	11,402,760	510,725	11,913,485
NET POSITION			
Net investment in capital assets	817,085,856	473,567,976	1,290,653,832
Restricted	495,695,091	25,366,543	521,061,634
Unrestricted (deficit)	(131,624,578)	201,609,180	69,984,602
Total net position	\$ 1,181,156,369	\$ 700,543,699	\$ 1,881,700,068

See accompanying Notes to the Basic Financial Statements.

City of Stockton
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government	\$ 54,871,482	\$ 26,165,322	\$ 33,789,364	\$ 363,828
Public safety	227,637,434	20,469,222	7,785,463	-
Public works	50,048,314	11,885,891	456,273	26,303,410
Library	16,275,308	8,293,844	40,751	-
Parks and recreation	21,141,439	1,191,418	-	-
Interest and fiscal charges	9,967,641	-	-	-
Total governmental activities	379,941,618	68,005,697	42,071,851	26,667,238
Business-type activities:				
Water utility	50,184,760	60,821,762	-	7,467,108
Wastewater utility	68,975,880	84,392,918	-	3,605,734
Stormwater utility	7,913,660	6,159,326	-	1,290,132
Parking Authority	6,152,646	4,657,460	1,653,425	-
Downtown Marina	1,215,944	391,362	-	-
Golf Courses	179,117	19,093	-	-
Total business-type activities	134,622,007	156,441,921	1,653,425	12,362,974
Total	\$ 514,563,625	\$ 224,447,618	\$ 43,725,276	\$ 39,030,212

City of Stockton
Statement of Activities (Continued)
For the Year Ended June 30, 2023

Functions/Programs	Net (Expense) Revenue and Change in Net Position		
	Governmental Activities	Business-Type Activities	Totals
PRIMARY GOVERNMENT:			
Governmental activities:			
General government	\$ 5,447,032	\$ -	\$ 5,447,032
Public safety	(199,382,749)	-	(199,382,749)
Public works	(11,402,740)	-	(11,402,740)
Library	(7,940,713)	-	(7,940,713)
Parks and recreation	(19,950,021)	-	(19,950,021)
Interest and fiscal charges	(9,967,641)	-	(9,967,641)
Total governmental activities	(243,196,832)	-	(243,196,832)
Business-type activities:			
Water utility	-	18,104,110	18,104,110
Wastewater utility	-	19,022,772	19,022,772
Stormwater utility	-	(464,202)	(464,202)
Parking Authority	-	158,239	158,239
Downtown Marina	-	(824,582)	(824,582)
Golf Courses	-	(160,024)	(160,024)
Total business-type activities	-	35,836,313	35,836,313
Total	(243,196,832)	35,836,313	(207,360,519)
General revenues and transfers:			
General revenues:			
Taxes:			
Property	42,577,881	-	42,577,881
Utility user	42,445,100	-	42,445,100
Sales - levied by City	82,832,708	-	82,832,708
Franchise fees	22,783,730	-	22,783,730
Business license	23,747,768	-	23,747,768
Transient occupancy tax	3,432,978	-	3,432,978
Document transfer	1,028,481	-	1,028,481
Other	4,628,261	-	4,628,261
Shared revenue:			
Vehicle license fees	29,343,468	-	29,343,468
Sales and use tax levied by state	76,954,150	-	76,954,150
Investment earnings (loss)	1,707,268	234,678	1,941,946
Miscellaneous	9,715,201	-	9,715,201
Gain (loss) on disposal of capital assets	44,165	-	44,165
Transfers	415,471	(415,471)	-
Total general revenues and transfers	341,656,630	(180,793)	341,475,837
Changes in net position	98,459,798	35,655,520	134,115,318
Net position:			
Beginning of year, as restated (Note 19)	1,082,696,571	664,888,179	1,747,584,750
End of year	\$ 1,181,156,369	\$ 700,543,699	\$ 1,881,700,068



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CITY OF STOCKTON



FUND FINANCIAL STATEMENTS



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GOVERNMENT FUND FINANCIAL STATEMENTS**Governmental Fund Types**

Governmental funds consist of the general fund, special revenue, debt service, capital projects, and permanent funds.

Special revenue and capital projects funds are used to account for the financial resources that are restricted, committed, or assigned to expenditures for special purposes or capital outlays, including the acquisition and development of capital facilities and other capital assets.

The City's major governmental funds include:

General Fund

To account for resources not accounted for in another fund. The General Fund is the City's main operating fund reflecting transactions related to municipal governmental services supported by taxes, intergovernmental revenues, charges for services and other governmental type revenues.

Federal Housing Grants Special Revenue Fund

To account for federal programs and other resources that provide for development of a viable urban community by providing a suitable living environment, loans to non-profit housing developers to acquire and rehabilitate abandoned and foreclose homes, and provides down payment assistance to qualified low- and moderate-income households. This fund includes the City's annual federal funding from the Community Development Block Grant, Community Rehabilitation Loan program, federal revolving loan program, revitalization activities in the designated Urban Development Action Grant area, Housing and Urban Development (HUD) Section 108, (HOME Program) Housing grants and loans, and Neighborhood Stabilization Loan Program (NSP Funds).

Special Grants Special Revenue Fund

To account for one-time resources received through the federal CARES and American Rescue Plan Act and in addition to some comparatively smaller grants from federal and state governments to support public safety and other community programs which are not otherwise accounted in other special revenue funds.

Capital Improvement Capital Projects Fund

To account for the acquisition, construction and improvement of capital facilities as required by City Council action or state law in which the projects are financed by grants, lease proceeds and transfers from other City governmental funds.

Individual nonmajor funds are presented in the Supplementary Information section.



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City of Stockton
Balance Sheet
Governmental Funds
June 30, 2023

	Major Funds					Total Governmental Funds
	General Fund	Special Revenue Funds		Capital Projects	Other Governmental Funds	
		Federal Housing Grants	Special Grants	Capital Improvement		
ASSETS						
Cash and investments	\$ 186,840,849	\$ 5,611,106	\$ 73,075,843	\$ 20,186,134	\$ 221,575,494	\$ 507,289,426
Cash and investments with fiscal agents	-	1,622,042	-	-	-	1,622,042
Receivables, net:						
Interest	1,112,175	8,159	-	5,433	963,957	2,089,724
Accounts and other receivables	18,074,245	-	940,943	-	2,537,176	21,552,364
Lease	1,424,126	-	-	-	1,999	1,426,125
Due from other governments, net	23,572,299	26,270	3,627,908	7,957,705	12,058,754	47,242,936
Inventory of supplies	788,707	-	-	-	-	788,707
Prepaid items	76,409	-	1,166,340	-	1,646,025	2,888,774
Advance deposits	1,532,011	-	108,354	-	125,387	1,765,752
Loans to Successor Agency, net	-	-	-	-	1,106,580	1,106,580
Loans to property owners, net	-	80,162,042	-	-	70,824,160	150,986,202
Total assets	\$ 233,420,821	\$ 87,429,619	\$ 78,919,388	\$ 28,149,272	\$ 310,839,532	\$ 738,758,632
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	7,441,280	545,716	3,826,786	7,526,468	3,875,902	23,216,152
Accrued payroll and benefits	1,170,444	40,466	281,919	123,423	1,482,513	3,098,765
Due to other governments	1,790,513	9,305	-	-	308,221	2,108,039
Deposits and other liabilities	1,721,167	-	-	-	1,051,979	2,773,146
Retention payable	-	-	-	1,147,710	-	1,147,710
Unearned revenue	1,593,856	-	72,526,937	5,000,000	-	79,120,793
Total liabilities	13,717,260	595,487	76,635,642	13,797,601	6,718,615	111,464,605
Deferred inflows of resources:						
Unavailable revenue - other	5,963,537	-	3,627,908	3,793,002	1,574,543	14,958,990
Lease	1,376,374	-	-	-	1,995	1,378,369
Total deferred inflows of resources	7,339,911	-	3,627,908	3,793,002	1,576,538	16,337,359
Fund Balances:						
Nonspendable	2,397,127	-	-	-	1,771,412	4,168,539
Restricted	5,218,261	86,834,132	-	10,558,669	300,772,967	403,384,029
Committed	150,810,799	-	-	-	-	150,810,799
Assigned	5,447,316	-	-	-	-	5,447,316
Unassigned (deficit)	48,490,147	-	(1,344,162)	-	-	47,145,985
Total fund balances (deficit)	212,363,650	86,834,132	(1,344,162)	10,558,669	302,544,379	610,956,668
Total liabilities, deferred inflows of resources and fund balances	\$ 233,420,821	\$ 87,429,619	\$ 78,919,388	\$ 28,149,272	\$ 310,839,532	\$ 738,758,632

City of Stockton
Reconciliation of the Balance Sheet of Governmental Funds
to the Government-Wide Statement of Net Position
June 30, 2023

Total Fund Balances - Total Governmental Funds	\$	610,956,668
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the governmental funds.		
Non-depreciable (net of \$29,949,805 reported in the Internal Service Funds)		265,441,053
Depreciable and amortizable (net capital assets \$28,961,957 reported in the Internal Service Funds)		558,388,882
Internal Service Funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the Government-Wide Statement of Net Position.		
		217,421,195
Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the Governmental funds' Balance Sheet.		
Compensated absences (net of \$461,840 reported in Internal Service Funds)		(11,585,775)
Bonds payable and other long-term debt (net of \$6,487,080 in leases and subscription liabilities reported in Internal Service Funds)		(58,021,051)
Accrued interest payable (net of \$11,326 reported in Internal Service Funds)		(1,667,842)
Aggregate net pension liability is not due and payable in the current period and therefore is not required to be reported in the governmental funds.		
		(583,215,119)
Actuarially determined pension deferred outflows of resources are reported in the government-wide statements but are not reported in the governmental funds.		
		178,503,759
Actuarially determined pension deferred inflows of resources are reported in the government-wide statements but are not reported in the governmental funds.		
		(10,024,391)
Revenues which are unavailable on the Fund Balance Sheet, because they are not available currently, are reported in revenue in the Statement of Activities:		
Unavailable revenue - other		14,958,990
Net position of governmental activities	\$	<u>1,181,156,369</u>

City of Stockton
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	Major Funds					Total Governmental Funds
	General Fund	Special Revenue Funds		Capital Projects		
		Housing Grants	Special Grants	Capital Improvement	Other Governmental	
REVENUES:						
Taxes:						
Property	\$ 42,577,881	\$ -	\$ -	\$ -	\$ -	\$ 42,577,881
Utility user	42,445,100	-	-	-	-	42,445,100
Sales - levied by City	49,703,488	-	-	-	40,601,949	90,305,437
Franchise fees	18,937,580	-	-	-	3,609,749	22,547,329
Business license	21,992,189	-	-	-	1,755,579	23,747,768
Hotel/motel room	3,432,978	-	-	-	-	3,432,978
Document transfer	1,028,481	-	-	-	-	1,028,481
Other	4,628,261	-	-	-	-	4,628,261
Licenses and permits	467,794	-	-	-	7,294,252	7,762,046
Intergovernmental:						
Federal grants and subsidies	107,090	2,874,895	22,672,588	9,148,605	-	34,803,178
Sales and use tax - levied by state	76,954,150	-	-	-	-	76,954,150
Other governmental	44,427,118	1,747,243	8,423,416	1,059,358	21,276,118	76,933,253
Charges for services	11,357,788	1,575	-	-	24,317,438	35,676,801
Fines and forfeitures	181,618	-	-	-	135,775	317,393
Use of money and property	9,653,318	1,158,232	-	-	892,167	11,703,717
Interest income (loss)	451,357	47,397	-	(1,350)	(745,310)	(247,906)
Refunds and reimbursements	958,953	-	-	-	69,722	1,028,675
Miscellaneous	6,173,301	-	5,000	507,799	2,265,012	8,951,112
Total revenues	335,478,445	5,829,342	31,101,004	10,714,412	101,472,451	484,595,654
EXPENDITURES:						
Current:						
General government	17,690,153	2,474,331	23,424,127	-	9,563,497	53,152,108
Public safety	200,148,348	-	2,782,437	-	24,928,029	227,858,814
Public works	18,234,334	-	122,741	71,671	17,229,825	35,658,571
Library	11,996,043	-	733,250	-	2,913,944	15,643,237
Parks and recreation	12,769,610	-	1,585	-	4,829,685	17,600,880
Capital outlay	2,020,978	72,627	3,610,274	52,140,760	8,114,402	65,959,041
Debt service:						
Principal retirement	798,168	2,454,070	47,366	-	219,460	3,519,064
Interest and fiscal charges	17,667	98,218	1,755	-	9,689,514	9,807,154
Total expenditures	263,675,301	5,099,246	30,723,535	52,212,431	77,488,356	429,198,869
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	71,803,144	730,096	377,469	(41,498,019)	23,984,095	55,396,785
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	32,664,965	9,950,644	42,615,609
Transfers out	(39,305,080)	(349,449)	-	(202,469)	(17,752,547)	(57,609,545)
Issuance of debt	1,208,028	72,627	-	-	63,238	1,343,893
Proceeds from sale of capital assets	44,165	-	-	-	-	44,165
Total other financing sources (uses)	(38,052,887)	(276,822)	-	32,462,496	(7,738,665)	(13,605,878)
CHANGES IN FUND BALANCES	33,750,257	453,274	377,469	(9,035,523)	16,245,430	41,790,907
FUND BALANCES (DEFICIT):						
Beginning of year, as restated (Note 19)	178,613,393	86,380,858	(1,721,631)	19,594,192	286,298,949	569,165,761
End of year	\$ 212,363,650	\$ 86,834,132	\$ (1,344,162)	\$ 10,558,669	\$ 302,544,379	\$ 610,956,668

See accompanying Notes to the Basic Financial Statements.

City of Stockton
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Government-Wide Statement of Activities
For the Year Ended June 30, 2023

Net change in fund balances - Total Governmental Funds: \$ 41,790,907

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

Governmental funds report capital outlays as expenditures. Donated capital assets do not create or use financial resources, and are not reported in governmental funds. However, in the statement of activities, the cost/fair value of those assets are allocated over their estimated useful lives and reported as depreciation expense. Capital outlays, donated capital assets, capital asset disposals, loss from disposal of capital assets and depreciation expense are as follows:

Capital outlays (net of \$10,576,255 in Internal Service Fund and net \$929,844 expensed)	65,029,197
Net transfer of capital assets to the internal service fund	(2,877,554)
Capital contribution	471,314
Depreciation and amortization expenses (net of depreciation and amortization \$7,770,593 reported in Internal Service Funds)	(20,320,237)

Long-term debt (including refunding debt), net of bond premiums and discounts, provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of principal (including bond refundings) and costs of issuance are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets, and the costs of issuance increase deferred charges in the statement of net assets. Long-term debt proceeds, bond premiums, discounts, repayment of principal, costs of issuance and bond refundings are as follows:

Repayment of principal, net of \$3,372,139 in Internal Service Fund	3,519,064
Inception of lease and subscription liabilities	(1,343,893)

Internal service funds are used by management to charge the costs of certain activities, such as central garage, equipment and insurance, to individual funds. The net revenue (expense) of internal service funds is reported with governmental activities. Excluding extraordinary items as a result of remeasurement of liabilities.

19,707,618

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 expenditure in governmental funds (net change):

Change in compensated absences (net of \$22,851 in Internal Service Fund)	(69,563)
Change in accrued interest	(16,760)
Change in unavailable revenue - other	(9,100,393)
Changes in deferred outflows, deferred inflows, and net pension liability	1,670,098

Changes in net position of governmental activities \$ 98,459,798

PROPRIETARY FUND FINANCIAL STATEMENTS**Proprietary Fund Types**

Proprietary funds focus on the determination of operating income, changes in net positions, financial position, and cash flows. There are two different types: enterprise funds and the internal service funds. Enterprise funds are used to report activities for which a fee is charged to external users for goods and services. Internal service funds may be used to report any activity that provides goods and services on a cost-reimbursement basis to other City funds, departments, or agencies of the primary government and its component units, or to other governments. The City's internal service funds include: General Liability Insurance, Workers' Compensation Insurance, Employee Health Insurance, Retirement Benefits, Other Benefits and Insurance, Vehicle Fleet Equipment, Computer Equipment, Radio Equipment, and Other Equipment funds.

The City's major enterprise funds include:

Water Utility Enterprise Fund

To account for activities associated with the acquisition or construction of water treatment facilities, production, distribution and transmission of potable water to users, and operations related to the provision of services.

Wastewater Utility Enterprise Fund

To account for activities associated with the acquisition or construction, and operation and maintenance of wastewater facilities for collection, treatment, and disposal of wastewater, and operations related to the provision of services.

Individual nonmajor funds are presented in the Supplementary Information section.

City of Stockton
Statement of Net Position
Proprietary Funds
June 30, 2023

ASSETS	Major Enterprise Funds		Nonmajor Enterprise Funds
	Water Utility	Wastewater Utility	
Current assets:			
Cash and investments	\$ 114,125,570	\$ 92,988,785	\$ 10,662,199
Receivables, net:			
Interest	448,839	409,668	67,792
Accounts and other receivables	11,847,821	14,427,881	863,683
Lease - due in one year	-	-	26,446
Loans to other funds - current	-	-	-
Due from other governments	2,854,434	-	-
Inventory of supplies	-	2,306,897	-
Deposits and advances	-	-	98,171
Prepays items	100,578	217,224	60,937
Total current assets	129,377,242	110,350,455	11,779,228
Noncurrent assets:			
Restricted assets:			
Cash and investments	-	-	-
Cash and investments with fiscal agents	5,862	2,950,201	4,815,205
Lease - due in more than one year	-	-	6,628
Loans to other funds - long-term	-	-	-
Loans receivable	-	-	190,000
Capital assets, net:			
Nondepreciable	11,955,277	229,765,006	7,086,108
Depreciable and amortizable, net	278,801,288	235,753,542	81,290,359
Total noncurrent assets	290,762,427	468,468,749	93,388,300
Total assets	420,139,669	578,819,204	105,167,528
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on refunding of debt	11,273,593	1,052,477	409,919
Pension-related deferred outflows	1,720,815	4,097,022	421,134
Total deferred outflows of resources	12,994,408	5,149,499	831,053

City of Stockton
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2023

ASSETS	Totals	Governmental Activities Internal Service Funds
Current assets:		
Cash and investments	\$ 217,776,554	\$ 148,715,432
Receivables, net:		
Interest	926,299	690,263
Accounts and other receivables	27,139,385	4,538,612
Lease - due in one year	26,446	-
Loans to other funds - current	-	1,075,810
Due from other governments	2,854,434	-
Inventory of supplies	2,306,897	62,561
Deposits and advances	98,171	553,455
Prepays items	378,739	3,841,682
Total current assets	251,506,925	159,477,815
Noncurrent assets:		
Restricted assets:		
Cash and investments	-	81,544,197
Cash and investments with fiscal agents	7,771,268	-
Lease - due in more than one year	6,628	-
Loans to other funds - long-term	-	6,657,263
Loans receivable	190,000	-
Capital assets, net:		
Nondepreciable	248,806,391	29,949,805
Depreciable and amortizable, net	595,845,189	28,961,957
Total noncurrent assets	852,619,476	147,113,222
Total assets	1,104,126,401	306,591,037
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized loss on refunding of debt	12,735,989	-
Pension-related deferred outflows	6,238,971	-
Total deferred outflows of resources	18,974,960	-

City of Stockton
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2023

	Major Enterprise Funds		Nonmajor Enterprise Funds
	Water Utility	Wastewater Utility	
LIABILITIES			
Current liabilities:			
Accounts payable	1,272,740	4,337,531	663,644
Accrued payroll	387,897	883,496	133,541
Loans from other funds - current	-	-	655,208
Due to other governments	95,237	-	-
Deposits and other liabilities	2,147,011	74,622	152,673
Retention payable	8,202	902,770	2,312
Accrued interest	1,987,330	1,087,751	436,959
Compensated absences - current	426,029	458,165	95,346
Lease liabilities - due in one year	-	890	184,069
Subscription liability - due in one year	6,523	11,693	3,774
Self-insurance claims and judgments - current	-	-	-
Bonds payable - current	7,030,073	5,364,981	754,710
Total current liabilities	13,361,042	13,121,899	3,082,236
Noncurrent liabilities:			
Compensated absences - long-term	284,123	236,466	56,693
Lease liabilities - due in more than one year	-	-	2,311,313
Subscription liability - due in more than one year	7,865	902	180
Self-insurance claims and judgments - long-term	-	-	-
Loans from other funds - long-term	-	-	5,713,019
Certificates of participation	-	146,483,900	-
Bonds payable	181,916,189	-	38,829,247
Net pension liability	4,572,369	10,971,524	1,097,970
Total noncurrent liabilities	186,780,546	157,692,792	48,008,422
Total liabilities	200,141,588	170,814,691	51,090,658
DEFERRED INFLOWS OF RESOURCES			
Pension-related deferred inflows	136,311	303,337	38,582
Leases	-	-	32,495
Total deferred inflows of resources	136,311	303,337	71,077
NET POSITION			
Net investment in capital assets	113,061,306	313,805,889	46,700,781
Restricted for capital projects	5,862	7,989,504	3,089,585
Restricted for debt service	-	12,555,972	1,725,620
Restricted for pensions	-	-	-
Unrestricted	119,789,010	78,499,310	3,320,860
Total net position	\$ 232,856,178	\$ 412,850,675	\$ 54,836,846

City of Stockton
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2023

	Totals	Governmental Activities Internal Service Funds
LIABILITIES		
Current liabilities:		
Accounts payable	6,273,915	6,252,097
Accrued payroll	1,404,934	475,924
Loans from other funds - current	655,208	420,602
Due to other governments	95,237	-
Deposits and other liabilities	2,374,306	49,104
Retention payable	913,284	-
Accrued interest	3,512,040	11,326
Compensated absences - current	979,540	280,306
Lease liabilities - due in one year	184,959	316,680
Subscription liability - due in one year	21,990	3,436,336
Self-insurance claims and judgments - current	-	13,698,028
Bonds payable - current	13,149,764	-
Total current liabilities	29,565,177	24,940,403
Noncurrent liabilities:		
Compensated absences - long-term	577,282	181,534
Lease liabilities - due in more than one year	2,311,313	301,896
Subscription liability - due in more than one year	8,947	2,432,168
Self-insurance claims and judgments - long-term	-	60,369,597
Loans from other funds - long-term	5,713,019	944,244
Certificates of participation	146,483,900	-
Bonds payable	220,745,436	-
Net pension liability	16,641,863	-
Total noncurrent liabilities	392,481,760	64,229,439
Total liabilities	422,046,937	89,169,842
DEFERRED INFLOWS OF RESOURCES		
Pension-related deferred inflows	478,230	-
Leases	32,495	-
Total deferred inflows of resources	510,725	-
NET POSITION		
Net investment in capital assets	473,567,976	52,424,682
Restricted for capital projects	11,084,951	-
Restricted for debt service	14,281,592	-
Restricted for pensions	-	81,544,197
Unrestricted	201,609,180	83,452,316
Total net position	\$ 700,543,699	\$ 217,421,195

City of Stockton
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Major Enterprise Funds		Nonmajor Enterprise Funds
	Water Utility	Wastewater Utility	
OPERATING REVENUES:			
Charges for services	\$ 53,367,037	\$ 82,906,319	\$ 10,989,750
Miscellaneous	7,454,725	1,486,599	237,491
Total operating revenues	60,821,762	84,392,918	11,227,241
OPERATING EXPENSES:			
Operation and maintenance	15,049,339	44,084,202	8,317,858
General and administrative	4,603,616	9,248,980	2,580,961
Depreciation and amortization	8,055,262	12,901,960	3,428,411
Purchased water	14,542,273	-	-
Total operating expenses	42,250,490	66,235,142	14,327,230
OPERATING INCOME (LOSS)	18,571,272	18,157,776	(3,099,989)
NONOPERATING REVENUES (EXPENSES):			
Taxes	-	-	1,449,627
Grants and subsidies	-	-	203,798
Investment income:			-
Interest income (loss)	(646,887)	733,610	147,955
Interest expense and fiscal charges	(7,934,270)	(2,740,738)	(1,134,137)
Other nonoperating revenues	-	-	-
Total nonoperating revenues (expenses)	(8,581,157)	(2,007,128)	667,243
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	9,990,115	16,150,648	(2,432,746)
CONTRIBUTIONS AND TRANSFERS:			
Capital contributions	7,467,108	2,455,370	-
Developer contributions	-	1,150,364	1,290,132
Transfers in	-	-	372,000
Transfers out	(233,900)	(157,371)	(396,200)
Total contributions and transfers	7,233,208	3,448,363	1,265,932
CHANGES IN NET POSITION	17,223,323	19,599,011	(1,166,814)
NET POSITION:			
Beginning of year, as restated (Note 19)	215,632,855	393,251,664	56,003,660
End of year	\$ 232,856,178	\$ 412,850,675	\$ 54,836,846

City of Stockton
Statement of Revenues, Expenses, and Changes in Net Position (Continued)
Proprietary Funds
For the Year Ended June 30, 2023

	Totals	Governmental Activities Internal Service Funds
OPERATING REVENUES:		
Charges for services	\$ 147,263,106	\$ 169,360,977
Miscellaneous	9,178,815	278
Total operating revenues	156,441,921	169,361,255
OPERATING EXPENSES:		
Operation and maintenance	67,451,399	154,138,429
General and administrative	16,433,557	7,863,055
Depreciation and amortization	24,385,633	7,770,592
Purchased water	14,542,273	-
Total operating expenses	122,812,862	169,772,076
OPERATING INCOME (LOSS)	33,629,059	(410,821)
NONOPERATING REVENUES (EXPENSES):		
Taxes	1,449,627	-
Grants and subsidies	203,798	-
Investment income:		
Interest income (loss)	234,678	1,948,214
Interest expense and fiscal charges	(11,809,145)	(143,727)
Other nonoperating revenues	-	223,441
Total nonoperating revenues (expenses)	(9,921,042)	2,027,928
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	23,708,017	1,617,107
CONTRIBUTIONS AND TRANSFERS:		
Capital contributions	9,922,478	2,681,104
Developer contributions	2,440,496	-
Transfers in	372,000	15,409,407
Transfers out	(787,471)	-
Total contributions and transfers	11,947,503	18,090,511
CHANGES IN NET POSITION	35,655,520	19,707,618
NET POSITION:		
Beginning of year, as restated (Note 19)	664,888,179	197,713,577
End of year	\$ 700,543,699	\$ 217,421,195

City of Stockton
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Major Enterprise Funds		Nonmajor Enterprise Funds
	Water Utility	Wastewater Utility	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 55,480,391	\$ 79,506,738	\$ 10,820,494
Receipts for interfund services provided	-	-	-
Payments to suppliers and employees	(33,359,514)	(67,891,955)	(10,704,872)
Miscellaneous receipts	7,454,725	1,486,599	237,491
Net cash provided by (used in) operating activities	29,575,602	13,101,382	353,113
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in (out), net	(233,900)	(157,371)	(24,200)
Loans to and from other funds	-	-	(643,105)
Receipt of cash subsidies and federal grants	(2,284,904)	-	12
Other nonoperating revenues	-	-	-
Proceeds from taxes	-	-	1,653,425
Net cash provided by (used in) noncapital financing activities	(2,518,804)	(157,371)	986,132
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from sale of capital assets	1,901,914	1,782,390	188,165
Purchases of capital assets	(6,003,186)	(44,580,926)	(3,034,058)
Capital contributions received	7,467,108	3,605,734	1,290,132
Principal paid on debt	(7,014,360)	(5,156,025)	(728,360)
Unamortized loss on refunding of debt and discount	721,389	170,583	-
Interest paid on debt	(8,007,835)	(2,814,238)	(1,145,431)
Net cash (used in) capital and related financing activities	(10,934,970)	(46,992,482)	(3,429,552)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment earnings (loss)	(859,666)	632,153	111,602
Net cash provided by (used in) investing activities	(859,666)	632,153	111,602
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	15,262,162	(33,416,318)	(1,978,705)
CASH AND CASH EQUIVALENTS:			
Beginning of year	98,869,270	129,355,304	17,456,109
End of year	\$ 114,131,432	\$ 95,938,986	\$ 15,477,404

City of Stockton
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2023

	Totals	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers and users	\$ 145,807,623	\$ -
Receipts for interfund services provided	-	165,680,214
Payments to suppliers and employees	(111,956,341)	(159,743,152)
Miscellaneous receipts	9,178,815	8,667,392
Net cash provided by (used in) operating activities	43,030,097	14,604,454
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers in (out), net	(415,471)	15,409,407
Due to and from other funds	(643,105)	621,593
Receipt of cash subsidies and federal grants	(2,284,892)	-
Other nonoperating revenues	-	223,441
Proceeds from taxes	1,653,425	-
Net cash provided by (used in) noncapital financing activities	(1,690,043)	16,254,441
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from sale of capital assets	3,872,469	-
Purchases of capital assets	(53,618,170)	(10,576,255)
Capital contributions received	12,362,974	-
Principal paid on debt	(12,898,745)	(3,372,139)
Unamortized loss on refunding of debt	891,972	-
Interest paid on debt	(11,967,504)	(147,467)
Net cash (used in) capital and related financing activities	(61,357,004)	(14,095,861)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment earnings (loss)	(115,911)	1,818,369
Net cash provided by (used in) investing activities	(115,911)	1,818,369
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(20,132,861)	18,581,403
CASH AND CASH EQUIVALENTS:		
Beginning of year	245,680,683	211,678,226
End of year	\$ 225,547,822	\$ 230,259,629

City of Stockton
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2023

	Major Enterprise Funds		Nonmajor Enterprise Funds
	Water Utility	Wastewater Utility	
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS:			
Cash and investments	\$ 114,125,570	\$ 92,988,785	\$ 10,662,199
Restricted assets:			
Cash and investments	-	-	-
Cash and investments with fiscal agents	5,862	2,950,201	4,815,205
Total cash and investments	\$ 114,131,432	\$ 95,938,986	\$ 15,477,404
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income (loss)	\$ 18,571,272	\$ 18,157,776	\$ (3,099,989)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization	8,055,262	12,901,960	3,428,411
Changes in assets and liabilities:			
Accounts receivables	2,113,354	(3,399,581)	(169,005)
Due from other funds	-	-	-
Prepaid items	1,104,856	157,371	2,320
Lease receivable	-	-	26,337
Lease related deferred inflows	-	-	(26,588)
Inventory of supplies	-	(260,616)	-
Deposits and advances	-	-	(8,650)
Accounts payable	(232,696)	(12,810,939)	85,133
Accrued payroll	15,656	53,201	16,239
Accrued liabilities	-	-	24
Deposits and other liabilities	289,398	(1,175,554)	11,784
Compensated absences	47,585	(72,215)	141,546
Self-insurance - claims and judgments	-	-	-
Net pension liability	2,289,593	5,273,371	687,525
Pension-related deferred outflows	(908,301)	(2,065,726)	(275,680)
Pension-related deferred inflows	(1,770,377)	(3,657,666)	(466,294)
Net cash provided by (used in) operating activities	\$ 29,575,602	\$ 13,101,382	\$ 353,113
NONCASH TRANSACTIONS:			
Amortization of loss on refunding	\$ 721,389	\$ 170,583	\$ -
Capital contributions received	-	1,150,364	1,290,132
Total noncash capital and related financing activities	\$ 721,389	\$ 1,320,947	\$ 1,290,132

City of Stockton
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2023

	Totals	Governmental Activities Internal Service Funds
RECONCILIATION OF CASH AND CASH EQUIVALENTS		
TO THE STATEMENT OF NET POSITION -		
PROPRIETARY FUNDS:		
Cash and investments	\$ 217,776,554	\$ 148,715,432
Restricted assets:		
Cash and investments	-	81,544,197
Cash and investments with fiscal agents	7,771,268	-
Total cash and investments	<u>\$ 225,547,822</u>	<u>\$ 230,259,629</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET		
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Operating income (loss)	\$ 33,629,059	\$ (410,821)
Adjustments to reconcile operating income (loss)		
to net cash provided by (used for) operating activities:		
Depreciation and amortization	24,385,633	7,770,592
Changes in assets and liabilities:		
Accounts receivables	(1,455,232)	(4,198,152)
Due from other funds	-	517,111
Prepaid items	1,264,547	(626,399)
Lease receivable	26,337	-
Lease related deferred inflows	(26,588)	-
Inventory of supplies	(260,616)	117,165
Deposits and advances	(8,650)	(278,960)
Accounts payable	(12,958,502)	3,036,855
Accrued payroll	85,096	(13,180)
Due to other funds	24	-
Deposits and other liabilities	(874,372)	-
Compensated absences	116,916	22,851
Self-insurance - claims and judgments	-	8,667,392
Net pension liability	8,250,489	-
Pension-related deferred outflows	(3,249,707)	-
Pension-related deferred inflows	(5,894,337)	-
Net cash provided by (used in) operating activities	<u>\$ 43,030,097</u>	<u>\$ 14,604,454</u>
NONCASH TRANSACTIONS:		
Amortization of loss on refunding	\$ 891,972	\$ -
Capital contributions received	2,440,496	2,681,104
Total noncash capital and related financing activities	<u>\$ 3,332,468</u>	<u>\$ 2,681,104</u>



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FIDUCIARY FUND FINANCIAL STATEMENTS**Fiduciary Fund Types**

The fiduciary funds are used to report assets held in a trustee or agency capacity for others and which, therefore, cannot be used to support the government's own programs. The financial activities of these funds are excluded from the government-wide financial statements, but are presented in separate Fiduciary Funds financial statements. The fiduciary funds category includes custodial funds and private-purpose trust funds.

Custodial Funds

To account for land secured financing, developer area of benefit fees, pass-thru public fees on behalf of other entities, funds held in trust as security for development projects, and various community enhancement programs the City administers on behalf of other entities.

Successor Agency to the Redevelopment Agency of the City of Stockton

To account for a separate legal entity, which was formed to hold the assets and liabilities of the former Redevelopment Agency pursuant to the City Council actions taken on August 23, 2011. The nature and significance of the relationship between the City and the Successor agency is such that it would be misleading to exclude the Successor Agency from the City's financial statements. The Successor Agency is presented herein in the City's fiduciary funds as a private-purpose trust fund.



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City of Stockton
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

	Custodial Funds	Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund
ASSETS		
Cash and investments	\$ 24,343,524	\$ 8,999,903
Cash and investments with fiscal agents	11,829,489	1,214
Receivables, net:		
Interest	132,884	34,601
Accounts and other receivables	2,203,123	1,133
Lease	-	33,710
Capital assets:		
Nondepreciable	-	12,231,979
Depreciable and amortizable, net	-	11,405,560
Total assets	38,509,020	32,708,100
LIABILITIES		
Accounts payable	16,061	2,549
Accrued payroll	-	7,255
Deposits and other liabilities		561
Due to other governments	1,712,129	-
Loans from the City	-	1,106,580
Accrued interest	-	1,188,613
Lease liabilities - current	-	7,179
Lease liabilities - noncurrent	-	5,398
Bonds payable - current	-	4,455,555
Bonds payable - noncurrent	-	82,442,932
Pollution remediation	-	275,000
Total liabilities	1,728,190	89,491,622
Deferred Inflows of Resources		
Lease	-	33,324
Total deferred inflows of resources	-	33,324
NET POSITION (DEFICIT)		
Held in Trust	-	(56,816,846)
Restricted for individual, organization, and other governments	36,780,830	-
Total net position (deficit)	\$ 36,780,830	\$ (56,816,846)

City of Stockton
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2023

	Custodial Funds	Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund
ADDITIONS:		
Property tax	\$ 8,268,542	\$ 9,303,430
Use of money and property	5,473	7,020
Investment income (loss)	238,041	9,256
Debt issued	19,504,313	-
Miscellaneous	-	84,409
Total additions	<u>28,016,369</u>	<u>9,404,115</u>
DEDUCTIONS:		
General government	394,189	272,710
Public works	14,625,514	-
Debt obligations	8,654,088	3,050,484
Depreciation and amortization	-	574,543
Miscellaneous	-	2,759,589
Total deductions	<u>23,673,791</u>	<u>6,657,326</u>
CHANGE IN NET POSITION	4,342,578	2,746,789
NET POSITION (DEFICIT):		
Beginning of year	32,438,252	(59,563,635)
End of year	<u>\$ 36,780,830</u>	<u>\$ (56,816,846)</u>



CITY OF STOCKTON





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City of Stockton
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For the Year Ended June 30, 2023

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City of Stockton
Notes to the Basic Financial Statements
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies

The basic financial statements of the City of Stockton, California (the “City”) have been prepared in accordance with the Accounting Principles Generally Accepted in the United States of America (“U.S. GAAP”) as applied to governmental agencies. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting standards in the United States. The more significant of the City’s accounting policies are described below.

A. Financial Reporting Entity

The City was incorporated on July 25, 1850, under the general laws of the State of California. Under the charter adopted in 1923, the City operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety, community services, engineering services, planning services, public works, general administrative services, and capital improvements.

These basic financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization’s governing body and either the City can impose its will on that organization, or there is a potential for that organization to provide financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable for an organization if that organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the City are such that their exclusion would cause the City’s financial statements to be misleading or incomplete. Blended component units, although legally separate entities are, in substance, part of the City’s operations and data from these units are combined with data of the City. Each blended component unit has a June 30 year-end. The following entities are reported component units:

Fiduciary Component Unit – Successor Agency

The Successor Agency to the Redevelopment Agency of the City of Stockton (“Successor Agency”) is a separate legal entity, which was formed to hold the assets and liabilities of the former Redevelopment Agency under City Council action taken on August 23, 2011. The nature and significance of the relationship between the City and the Successor Agency are such that it would be misleading to exclude the Successor Agency from the City’s financial statements. The Successor Agency is presented herein in the City’s fiduciary funds as a private-purpose trust fund for the fiscal year ended June 30, 2023.

The Stockton Public Financing Authority (the “SPFA”)

The SPFA was created in June 1990 and carries out bonded debt and lease financing for the City. The governing body of the SPFA is comprised of City Council members. The SPFA is authorized to borrow money for the purpose of financing the acquisition of bonds, notes and other obligations of, or for the purpose of making loans to the City and to refinance outstanding obligations of the City. The SPFA does not prepare separate financial statements.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

A. Financial Reporting Entity (Continued)

Excluded Agencies

A governmental agency in which the City participates is the San Joaquin Area Flood Control Agency (“SJAFCA”) which is jointly governed by the City and the County of San Joaquin (“County”). The City retains neither an on-going financial interest in nor obligation to SJAFCA. Therefore financial information for the SJAFCA is not included in the accompanying financial statements.

B. Basis of Presentation, Measurement Focus, and Basis of Accounting

The accounts of the City are organized by funds. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance or net position, revenues and expenditures or expenses, as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The City’s financial position and results of operations are presented from two perspectives in the following two sets of financial statements:

Government-Wide Financial Statements

The City’s Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of governmental activities and business-type activities for the City, the primary government, accompanied by a total column. Fiduciary activities of the City are not included in these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or programs are offset by program revenues. Direct expenses are those expenses specifically associated with a service, program, or department and, are identifiable with a specific function or program. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and enterprise funds are reported as separate columns in the fund financial statements with nonmajor funds aggregated in and combined with the major funds.

The Government-Wide financial statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets, including capital assets, and infrastructure assets, and long-term liabilities are included in the accompanying Statement of Net Position. The Statement of Activities presents the Change in Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation, Measurement Focus, and Basis of Accounting (Continued)

Government-Wide Financial Statements (Continued)

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made for inter-fund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and netted in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, transactions between governmental and business-type activities have not been eliminated and reported as transfers. The following inter-fund activities have been eliminated:

- Loans to, Loans from other funds
- Transfers in, Transfers out

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds and nonmajor funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances as presented in these statements to the net position presented in the government-wide financial statements.

All governmental funds are accounted for on a spending or “*current financial resources*” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing use) in fund balances.

Revenues are recognized in the accounting period in which they become both “*measurable*” and “*available*” to finance expenditures of the current period. Revenues are considered to be available when they are collectible within the current period as soon enough after that to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, sales tax, intergovernmental revenues, and other taxes.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt and compensated absences, which are recognized as expenditures to the extent they have matured or been earned. Governmental capital asset acquisitions are reported as expenditures in governmental funds as capital outlay. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as other financing sources. Revenues and expenditures not meeting recognition criteria are treated as deferred inflows or outflows (Note 1C).

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation, Measurement Focus, and Basis of Accounting (Continued)

Governmental Fund Financial Statements (Continued)

The City reports the following major governmental funds:

- **General Fund**
To account for resources not accounted for in another fund. The General Fund is the City's main operating fund reflecting transactions related to municipal governmental services supported by taxes, intergovernmental revenues, charges for services and other governmental type revenues.
- **Federal Housing Grants Special Revenue Fund**
To account for federal grant programs and other resources that provide for development of a viable urban community by providing a suitable living environment, loans to non-profit housing developers to acquire and rehabilitate abandoned and foreclose homes and providing affordable housing assistance to qualified low- and moderate-income households. This fund includes the City's annual federal funding from the Community Development Block Grant, Community Rehabilitation Loan program, federal revolving loan program, revitalization activities in the designated Urban Development Action Grant area, Housing and Urban Development (HUD) Section 108, HOME Housing grants and loans, and Neighborhood Stabilization Loan Program (NSP Funds).
- **Special Grants Special Revenue Fund**
To account for one-time resources received through the federal CARES and American Rescue Plan Act and in addition to some comparatively smaller grants from federal and state governments to support public safety and other community programs which are not otherwise accounted for in other special revenue funds.
- **Capital Improvement Capital Projects Fund**
To account for the acquisition, construction and improvement of general governmental capital facilities as required by City Council action or state law in which the projects are financed by grants, lease proceeds, and transfers from other City governmental funds.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Change in Net Position, and a Statement of Cash Flows for all proprietary funds.

Proprietary funds are accounted for using the “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Change in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation, Measurement Focus, and Basis of Accounting (Continued)

Proprietary Fund Financial Statements (Continued)

The City reports the following major enterprise funds:

- ***Water Utility Enterprise Fund***
To account for activities associated with the acquisition or construction of water treatment facilities, production, distribution and transmission of potable water to users, and operations related to the provision of services.
- ***Wastewater Utility Enterprise Fund***
To account for activities associated with the acquisition or construction, and operation and maintenance of wastewater facilities for the collection, treatment, and disposal of wastewater, and operations related to the provision of services.

A column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the government-wide financial statements. Internal service funds are a type of proprietary fund used to report the provision of goods and services to other funds, departments, or agencies of the primary government and its component units on a cost-reimbursement basis. The City's internal service funds include eight individual funds which provide services directly to other City funds.

- The Internal Service Funds of the City are the General Liability Insurance, Workers' Compensation Insurance, Employee Health Insurance, Retirement Benefits, Other Benefits and Insurance, Vehicle Fleet Equipment, Computer and Radio Equipment, and Other Equipment funds.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position and a Statement of Changes in Fiduciary Net Position. The City's fiduciary funds represent agency funds and private purpose trust funds. Both custodial funds and the private purpose trust funds are accounted for on the full accrual basis of accounting. The City reports the following fiduciary funds:

The **Private Purpose Trust Fund** is used to account for the activities of the Successor Agency to the Stockton Redevelopment Agency.

The **Custodial Funds** account for resources held by the City in custodial capacity for collections to bondholders and for programs that the City administers on behalf of other governmental and private sector entities and organizations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

C. *Deferred Outflows/Inflows of Resources*

The Statement of Net Position and Balance Sheet – Governmental Funds report separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources represent a consumption of net assets that apply to future periods.

Deferred Inflows of Resources represent an acquisition of net assets that apply to future periods.

D. *Encumbrances*

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve that portion of the applicable appropriation, is employed as an extension of budgetary controls.

E. *Cash, Cash Equivalents, and Investments*

The City pools its available cash for investment purposes. The City considers pooled cash and investment amounts, with original maturities of three months or less, to be cash equivalents. The statement of cash flows requires presentation of “cash and cash equivalents.” For the statement of cash flows, the City considers all proprietary fund pooled cash and investments as “cash and cash equivalents,” including restricted cash held by fiscal agents for debt service and capital projects.

The City participates in an external investment pool managed by the State of California (the “State”), the Local Agency Investment Fund (“LAIF”). The City records its investment in LAIF at fair value based on information obtained from the State on the holdings in the pool.

The change in fair value of investments is recognized as an increase or decrease in investment assets and investment income or loss. Investment income (loss) consists of interest income, dividend income, and recognized gains or losses on investments. Money market investments and certain guaranteed investment contracts are carried at cost. Highly liquid market investments with maturities of one year or less at the time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available. The City allocates the fair value adjustment for unrealized gains and losses at June 30 of each year. Interest earnings on investments are allocated to the individual pooled funds quarterly based on each fund’s average quarterly pooled cash and investments balances. The City reported its investments at fair value, and the unrealized losses on investments amounted to (\$35,280,860) for the fiscal year ended June 30, 2023.

Certain disclosure requirements, if applicable, for Deposits and Investment Risks in the following areas are presented in the footnotes:

- Interest Rate Risk
- Credit Risk
 - Overall
 - Custodial Credit Risk
 - Concentration of Credit Risk
- Foreign Currency Risk

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)***F. Restricted Cash and Investments***

Restricted cash and investments consist of cash and investments held by fiscal agents that are restricted due to limitations on their use by bond covenants or cash or investments with donor limitations. Fiscal agents acting on behalf of the bond investors hold investments arising from the proceeds of long-term debt issuances. The funds may be used for specific capital outlays or for the payment of certain bonds, certificate of participation or tax allocation bonds and have been invested as permitted by specific State statutes or applicable City ordinance, resolution or bond indenture. Cash held in the Water and Wastewater Rate Stabilization Fund was established under the issuance of bonds in 2009 and 2014, respectively.

G. Fair Value Measurement

U.S. GAAP defines fair value, establishes a framework for measuring fair value and establishes disclosure about fair value measurement. Investments, unless otherwise specified at fair value in the financial statements, are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Levels of inputs are as follows:

- Level 1 – Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.
- Level 2 – Inputs, other than quoted prices included in Level 1, that are observable for the assets or liabilities through corroboration with market data at the measurement date.
- Level 3 – Unobservable inputs that reflect management’s best estimate of what market participants would use in pricing the assets or liabilities at the measurement date.

H. Receivables

Revenues are recorded when received in cash, except revenues subject to accrual (up to 90 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are sales tax, special assessments, intergovernmental revenues, other taxes, interest revenue, rental revenue and certain charges for services.

Federal and State grants are considered receivable and accrued as revenue when all eligibility requirements have been met on the accrual basis of accounting in the government-wide statement of net positions. The amount recognized as revenue under the modified accrual basis of accounting in the governmental funds is limited to the amount that is deemed measurable and available.

Long-term loans receivable, which consist of the principal amount of the loan plus the accrued borrower’s deferred interest is reported in the governmental fund statements and classified as restricted fund balance as the use of the proceeds from the collection of those receivables was restricted. Long-term loans receivable reported in the governmental activities on the government-wide statement of net position as it is recorded on an accrual basis at its net realizable value based on an estimate of uncollectible amounts for loan losses.

Billed but not collected and unbilled utility revenue earned is recognized as revenue and accounts receivable in the enterprise funds.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

I. Interfund Loans and Advances

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either “due to/from other funds” (i.e., the current portion of inter-fund loans) or “loans to/from other funds” (i.e., the non-current portion of inter-fund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Management has determined that there are some inter-fund balances which may or may not be repaid within a reasonable period. U.S. GAAP permits the reporting of inter-fund balances such as inter-fund loans and advances only when repayment is expected within a reasonable period. However, City policy does not permit the elimination of inter-fund balances without City Council approval. Accordingly, inter-fund balances, which are not expected to be repaid within a reasonable period or not at all, have been offset by an allowance for uncollectible advances in both the borrowing and the lending funds.

J. Inventory of Supplies

Inventories consist of expendable supplies held for consumption. Inventories are valued at weighted average cost using the first-in-first-out basis. Inventories of all funds are recorded as expenditures/expenses when consumed rather than purchased. Inventory of supplies is recorded in the Wastewater Fund, for the City’s Water, Wastewater, and Stormwater Enterprise Funds which operates as a central store for all of the City’s utilities.

K. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements by using purchase method. A nonspendable fund balance has been reported in the governmental funds to show that the prepaid items do not constitute “available spendable resources,” even though they are a component of current assets.

L. Lease Receivable

The City is a lessor for leases of land, buildings, and cell towers and recognizes leases receivable and deferred inflows of resources in the financial statements. Variable payments based on future performance or usage of the underlying asset are not included in the measurement of the lease receivable.

At the commencement of a lease, the lease receivable is measured at the present value of payments expected to be received during the lease term. The City established a threshold of \$5,000 for lease receivables. Subsequently, the lease receivable is reduced by the principal portion of lease payments received.

The deferred inflows of resources are 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 inflows of resources are recognized as revenue over the life of the lease term in a systematic and rational method.

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.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

L. Lease Receivable (Continued)

- The City uses incremental borrowing rate (IBR) provided by the financial institution at July 1, 2021 for existing leases or the current rate at the time a new lease is executed.
- The lease term includes the noncancelable period of the lease plus any option periods that are likely to be exercised.
- 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.

M. Capital Assets

Capital assets are valued at historical cost or estimated historical cost if the actual historical cost was not available. Donated capital assets are valued at their estimated fair market value on the date donated. City policy has set the capitalization threshold for reporting capital assets at \$5,000 for equipment and works of art; \$10,000 for land, buildings, improvements and intangible assets; \$50,000 for infrastructure, all of which must have an estimated useful life more than one year. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

Infrastructure	30-100 years
Buildings and Improvements	20-50 years
Machinery and equipment	3-30 years

Major outlays for capital assets are capitalized as projects progress and once constructed begin depreciation. Repairs and maintenance costs are expensed. Interest accrued during capital assets construction, if any, is capitalized for the business-type funds as part of the asset cost.

Capital assets are valued at historical cost or estimated historical cost if the actual historical cost was not available. Donated capital assets are valued at their estimated fair market value on the date donated.

The City established a \$5,000 threshold to recognize right-to-use assets, including lease assets or subscription-based information technology arrangement (“SBITA”) assets (“subscription assets”), in the government-wide financial statements and proprietary fund financial statements.

Right-of-Use Lease Assets

Lease assets are recorded at the amount of the initial measurement of the lease liabilities and adjusted by any lease payments made to the lessor at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term along with any initial direct costs that are ancillary charges necessary to place the lease assets into service. Lease assets are amortized using the straight-line method over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the City has determined is reasonably certain of being exercised. In this case, the lease asset is amortized over the useful life of the underlying asset.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

M. Capital Assets (Continued)

Right-of-Use Subscription Assets

Subscription assets are recorded at the amount of the initial measurement of the SBITA liabilities (“subscription liabilities”) and adjusted by any subscription payments to the SBITA vendor at or before the commencement of the subscription term, less any incentives received from the SBITA vendor at or before the commencement of the subscription term along with subscription implementation costs. Subscription assets are amortized over the shorter of the subscription term or the useful life of the underlying information technology assets.

N. Capital Contributions

Capital contributions are comprised of cash and assets donated from developers. Connection fees are reported as capital contributions in the Water Utility and Wastewater Utility enterprise funds.

O. Accrued Payroll and Related Liabilities

The City is on a semi-monthly payroll period, and employees are paid seven calendar days after the end of the payroll periods ending on the 15th and the end of the month or the last working day before that date. As of June 30, 2023, the payroll accrual is recorded in the respective funds when the related liability is incurred.

P. Compensated Absences

By negotiated labor agreements, employees accumulate earned, but unused vacation, other compensated leave, and sick leave pay benefits. Employees were allowed to apply 100% of accrued sick leave hours for additional California Public Employees’ Retirement System (“CalPERS”) service credit upon retirement depending upon bargaining unit and date of hire. As of July 1, 2013, employees separating from service will receive their full vacation payout.

After subtracting the sick leave balance equivalent of one full year of service credit (2080 hours), which may be applied to CalPERS service credit, any sick leave balance remaining upon separation shall be paid at a specific percentage of the cash value to employees who have remained in City service until the dates specified in the labor agreements.

Government-Wide Financial Statements

For governmental and business-type activities, compensated absences are recorded as expenses when earned.

Fund Financial Statements

For governmental funds, compensated absences are recorded as expenditures in the year paid. The General Fund is typically used to liquidate compensated absences. In proprietary funds, compensated absences are expensed to the various funds in the period they are earned, and such fund’s share of the unpaid liability is recorded as a long-term liability of the fund.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

Q. Long-Term Debt

In the government-wide and proprietary fund financial statements, long-term debt and other long-term financial obligations are reported as liabilities.

Bond issuance premiums and discounts, as well as prepaid insurance, are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable premium or discount except for insurance prepaid bond insurance premiums.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, in the year of issuance. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. The differences between the government-wide and fund financial statements are shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

R. Lease Liabilities

The City recognizes lease liabilities with an initial, individual value of \$5,000 or more with a lease term greater than one year in the government-wide and proprietary fund financial statements. Variable payments based on future performance of the lessee or usage of the underlying asset are not included in the measurement of the lease liability.

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.

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

- The City uses incremental borrowing rate provided by the financial institution at July 1, 2021 for existing leases or the current rate at the time a new lease is executed.
- 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.
- Lease payments included in the measurement of the lease payable is composed of fixed payments to the lessor.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

S. Subscription Liabilities

The City recognizes subscription liabilities with an initial, individual value of \$5,000 or more with a subscription term greater than one year in the government-wide and proprietary fund financial statements. Variable payments based on future performance of the City, usage of the underlying information technology assets, or number of user seats are not included in the measurement of the subscription liability.

At the commencement of a subscription, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made.

Key estimates and judgments related to SBITA 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.

- The City uses the incremental borrowing rate provided by institution at July 1, 2022 by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITA.
- The subscription term includes the noncancellable period of the SBITA. Subscription payments included in the measurement of the subscription 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 SBITA and will remeasure any subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

T. Pensions

For purposes of measuring the net pension liability and deferred outflows of resources and deferred 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 plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable by benefit terms. Investments are reported at fair value.

General Fund and special revenue are typically used to liquidate pension liabilities for governmental funds.

The following time frames are used for pension reporting:

CALPERS

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

PARS

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

T. Pensions (Continued)

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

U. Net Position

In governmental-wide and proprietary fund financial statements, Net Position is classified as follows:

Net Investment in Capital Assets – This component of net position of capital assets, net of accumulated depreciation, and amortization reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets, and excludes unspent debt proceeds. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted – This component of the net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of the net position.

When expenses are incurred for purposes for which both restricted and unrestricted net position are available, the City's policy is to first spend the restricted net position.

V. Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – Amounts that cannot be spent because they are (1) not in spendable form, such as prepaid items, inventories and long-term receivables for which the payment of proceeds are not restricted or committed with respect to the nature of the specific expenditures of that fund or (2) legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan funds.

Restricted – Amounts that are restricted by external parties such as creditors or imposed by grants, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The City has legislative restrictions on amounts collected and reported in the City's various governmental funds. As a result, these restrictions have been classified as restricted for community development, debt service reserve, general government, housing projects/loans, libraries and arts, parks and recreation, public safety, public services, redevelopment projects, solid waste/recycling and streets, transit and traffic.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

V. Fund Balances (Continued)

Committed – This amount indicates the portion of fund balances which can only be used for specific purposes under formal resolution or ordinance of the City Council. Commitments may be changed or lifted only by the City taking the same formal action that imposed the constraint originally.

Assigned – Amounts that have been allocated by action of an official authorized by the Stockton City Council in which the City’s intent is to use the funds for a specific purpose. The City considers this level of authority to be the City Manager.

Unassigned – This amount is for any portion of the fund balances that do not fall into one of the above categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the City’s policy is first to expend restricted fund balances, then unrestricted fund balances as they are needed.

When expenditures are incurred for purposes where only unrestricted fund balances are available, the City uses the unrestricted resources in the following order: committed, assigned, and unassigned depending on the nature of the expenditure.

W. Property Taxes

Property taxes are levied on October 1 and are payable by property owners in two installments: November 1 and February 1 of each year. Property taxes become delinquent on December 10 and April 10, for the first and second installments, respectively. The lien date is January 1. The County of San Joaquin, California (“County”) bills and collects property taxes and remits them to the City according to a payment schedule established by the County. The County generally operates under the Teeter Plan, whereby the County pays the City 100% of the taxes levied. The County assumes responsibility for collecting any delinquent amounts and upon collection retains the penalty and interest portion of those amounts. Therefore, no allowance for doubtful accounts is considered necessary.

Property Valuations are established by the Assessor of the County of San Joaquin for the secured and unsecured property tax rolls: the utility property tax rolls are valued by the State Board of Equalization. Under the provisions of Article XIII A of the State Constitution (Proposition 13 adopted by the voters on June 6, 1978) properties are assessed at 100% of full value. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal.

Property tax revenue is recognized in the fiscal year for which the taxes have been levied, provided the taxes are received within 90 days after the end of the fiscal year. Property taxes received after this date are not considered available as a resource that can be used to finance the current year operations of the City and, therefore, are not recorded as revenue until collected.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

X. Use of Estimates

The preparation of basic financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from these estimates and assumptions.

Y. Implementation of New GASB Pronouncements

GASB Statement No. 91 In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations* (GASB Statement No. 91), to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Implementation of this Statement did not have a significant effect on the City's financial statements for the fiscal year ended June 30, 2023.

GASB Statement No. 94 In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB Statement No. 94) to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). Implementation of this Statement did not have a significant effect on the City's financial statements for the fiscal year ended June 30, 2023.

GASB Statement No. 96 In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB Statement No. 96), to provide guidance on the accounting and financial reporting for subscription based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset- -an intangible asset and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. Implementation of this Statement had a significant effect on the City's financial statements for the fiscal year ended June 30, 2023.

GASB Statement No. 99 - In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The Statement is effective immediately for the requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63. The Statement is effective for fiscal year years beginning after June 15, 2022 for requirements related to leases, PPPs, and SBITAs. Implementation of this Statement did not have a significant effect on the City's financial statements for the fiscal year ended June 30, 2023.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Cash and Investments

The following is a summary of cash, cash equivalents, and investments, including restricted cash and investments on June 30, 2023:

Deposits:	
Cash on Hand	\$ 24,630
Demand Deposits	62,587,640
Total Deposits	62,612,270
Investments	947,280,779
Total Cash and Investments	\$ 1,009,893,049
 Presented in the government-wide statement of net position:	
Cash and Investments	\$ 873,781,412
Restricted Cash and Investments	90,937,507
 Presented in the statement of fiduciary net position:	
Cash and Investments	33,343,427
Cash and investments with fiscal agents	11,830,703
Total Cash and Investments	\$ 1,009,893,049

A. Cash Deposits

The carrying amount of the City's pooled cash deposits was \$62,587,640 at June 30, 2023. Bank balances before reconciling items were \$69,422,418 at that date, the total amount of which was insured or collateralized with securities held by the pledging financial institutions in the City's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the Fund's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits, which are fully insured by the Federal Deposit Insurance Corporation. The City, however, has not waived the collateralization requirements.

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures or by donor direction. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Cash and Investments (Continued)**B. Authorized Investments****Investments Authorized by the California Government Code and City's Investment Policy**

The table below identifies the investment types that are authorized for the City by the California Government Code (“CGC”) or the City’s investment policy, where more restrictive. The table also identifies certain provisions of the California Government Code or the City’s investment policy, which are more restrictive to address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by the bond trustee that are governed by the provisions of debt agreements of the City.

Authorized Investment Type	Maximum Maturity	Maximum in Portfolio	Minimum Legal Rating	Maximum Investments in One Issuer
Securities of the U.S. Government or its agencies:				
U.S. Treasury Bonds, Notes and Bills	No Limit	No Limit	N/A	No limit
State of California Obligations	10 Years	No Limit	N/A	5%
49 other States Obligations	10 Years	No Limit	N/A	5%
California Non Stockton Local Agency Obligations	10 Years	No Limit	N/A	No limit
U.S. Agency and U.S. Government sponsored				
Enterprise Securities	10 Years**	No Limit	N/A	No limit
City of Stockton Obligations	5 Years*	None	None	No limit
Negotiable Certificates of Deposit	5 Years*	30%	AA	5%
Time Certificates of Deposit	5 Years	20%	N/A	No limit
Bankers' Acceptances	180 Days	40%	A, A-1	5%
Commercial Paper	270 Days	25%	A1, P1, F-1	5%; 10% of outstanding CP of any single issuer
Medium-Term Corporate Notes	5 Years	30%	A	5%
California Local Agency Investment Fund				
- Investments made in County or other types of investment pools require due diligence	Upon Demand	\$75,000,000 per account	N/A	\$75,000,000 per account
California Asset Management Program	Upon Demand	No Limit	N/A***	10%
Repurchase Agreements	1 year	None	N/A	No limit
Reverse Repurchase Agreements	92 days	20%	N/A	No limit
- If the City invests in Repurchase Agreements, a Master Repurchase Agreement is required				
Demand Accounts - Insured/Collateralized Medium Term Notes	N/A	No Limit	N/A	No limit
Mutual Funds				
SEC registered Money Market Funds limited to a percentage of the City's surplus as narrowly defined in the California Government Code Section 53601 et seq.	N/A	20%	AAA	No limit

N/A- Not Applicable

* Limited to 5 years, except permits investment in variable rate demand obligations (VRDO) that are City obligations up to 10 years maturity, as allowed under IRS and SEC rulings. VRDO investments are limited to 15% of the portfolio.

Securities with term to maturity greater than 5 years shall not

** exceed 30% of the total portfolio value.

*** Pool composition restricted by CSA 53601.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Cash, Cash Equivalents and Investments (Continued)**B. Authorized Investments (Continued)*****Investments Authorized by Debt Agreements***

Investments of debt proceeds held by the City’s bond trustee are governed by provisions of the debt agreement, rather than the general provisions of the California Government Code or the City’s investment policy. The table below identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Minimum Legal Rating	Maximum in Portfolio	Maximum Investment in One Issuer
Repurchase Agreements	30 days	Top Four Rating Categories	No Limit	No Limit
U.S. Treasury Bonds, Notes and Bills	No Limit	N/A	No Limit	No Limit
U.S. Agency and U.S. Government Sponsored Enterprise Securities	No limit	No Limit	No Limit	No Limit
State Obligations	No Limit	Not lower than their bond rating	No Limit	No Limit
Commercial Paper	270 days	A-1+	No Limit	No Limit
Negotiable Certificates of Deposit	No Limit	N/A	No Limit	No Limit
Time Certificates of Deposit	No Limit	N/A	No Limit	No Limit
Corporate Notes and Bonds	No Limit	Not lower than their bond rating	No Limit	No Limit
Guaranteed Investment Contracts	No Limit	Not lower than their bond rating	No Limit	No Limit
Shares of Beneficial Interest	No Limit	Top Rating Category	No Limit	No Limit
Money Market Mutual Funds	No Limit	AAm	20%	No Limit
Bankers' Acceptances	365 days	A-1+	30%	30%
Municipal Bonds	No Limit	AAA	No Limit	No Limit
California Local Agency Investment Fund (LAIF)	Upon Demand	N/A	\$75,000,000	\$75,000,000
California Asset Management Program	Upon Demand	N/A	No Limit*	No Limit*
Investment Agreements	No Limit	AA-	No Limit	No Limit

*Pool is constrained by Code 53601 as to % that the pool must abide by

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Cash and Investments (Continued)

C. Investments in Local Agency Investment Fund

The City is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments in LAIF included a portion of pool funds invested in structured notes and asset-backed securities:

Structured Notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities, the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from mortgages (such as Collateralized mortgage obligations) or credit card receivables.

As of June 30, 2023, the City had \$30,073,756 invested in LAIF, which had invested 2.78% of the Pool investment funds in medium-term and short-term structured notes as well as asset-backed securities. The face value of the City's position in the pool is the same as the value of the pool shares.

D. Investments in California Asset Management Program

The City is a participant in CAMP which is a California Joint Powers Authority ("JPA") established in 1989 to provide California public agencies with professional investment services. The CAMP Pool is a permitted investment for all local agencies under California Government Code Section 53601(p). Structured Notes and Asset Backed Securities are not permitted under CAMP's current investment policy.

As of June 30, 2023, the City had \$112,656,911 invested in CAMP, which had invested 11.62% of the Pool investment funds in medium-term and short-term structured notes or asset backed securities. The face value of the City's position in the pool is the same as the value of the pool shares.

E. Fair Value of Investments

At June 30, 2023, investments are reported at fair value. The following table presents the fair value measurements of investments on a recurring basis and the levels with GASB 72 fair value hierarchy in which the fair value measurements fall at June 30, 2023. Deposits and withdrawals related to the investments in LAIF, CAMP, and money market funds are valued on amortized cost, which approximates fair value. Accordingly, under the fair value hierarchy these investments are uncategorized.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Cash, Cash Equivalents and Investments (Continued)

E. Fair Value of Investments (Continued)

Investments subject to fair value measurement categorizations:	June 30, 2023	Measurement Input		
		Level 1	Level 2	Uncategorized ⁽⁴⁾
U. S. Agencies ⁽¹⁾	\$ 154,177,714	\$ -	\$ 154,177,714	\$ -
U. S. Treasuries	370,960,126	370,960,126	-	-
Medium term notes ⁽¹⁾	136,786,965	-	136,786,965	-
Supranationals ⁽²⁾	11,557,397	-	11,557,397	-
Municipal Bonds ⁽¹⁾	15,941,249	-	15,941,249	-
Federal Agency CMOs ⁽¹⁾	10,680,035	-	10,680,035	-
Negotiable CD ⁽¹⁾	2,799,300	-	2,799,300	-
Commercial Paper ⁽¹⁾	10,230,562	-	10,230,562	-
Asset backed securities ⁽¹⁾	10,203,214	-	10,203,214	-
Cash - PARS 115 Trust ⁽³⁾	24,927	-	-	24,927
Equity Mutual Fund- PARS 115 Trust	19,948,073	-	19,948,073	-
Fixed Income Mutual Fund- PARS 115 Trust ⁽¹⁾	44,160,035	-	44,160,035	-
Idle Funds in Reserve Portfolio ⁽³⁾	1,847,787	-	-	1,847,787
Local Agency Investment Fund (LAIF)	30,073,756	-	-	30,073,756
California Asset Management Program (CAMP)	112,656,911	-	-	112,656,911
Money Market Funds (attributable to 115 Trust)	15,232,728	-	-	15,232,728
Total	\$ 947,280,779	\$ 370,960,126	\$ 416,484,544	\$ 159,836,109

- (1) Pricing based on Institutional Bond Quotes - evaluations based on various market and industry inputs.
(2) Pricing based on Intercontinental Exchange Extel Financial Ltd - evaluations based on various market factors.
(3) Investments are valued at an amortized cost which approximates fair value.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Cash, Cash Equivalents and Investments (Continued)

F. Risk Disclosures

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy provides that final maturities of securities cannot exceed ten years. The exceptions to this policy are that U.S. Treasury or U.S. Agency securities may be invested in greater than five years and investment in variable rate obligations of the City is permissible when allowed by the IRS and SEC. Investments maturing beyond a five-year horizon should not exceed thirty percent (30%) of the total portfolio value at any given time. The maturity of investments is evaluated before purchase depending on liquidity needs.

Information about the sensitivity of the fair values of the City's investments (including investments held by fiscal agents) 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	Fair Value	Investment Maturities			
		1 year or less	1-3 years	3-5 years	5 years or more
U.S. Agencies	\$ 154,177,715	\$ 47,984,339	\$ 82,047,011	\$ 4,244,780	\$ 19,901,585
U.S. Treasuries	370,960,127	47,425,946	174,102,540	77,238,228	72,193,413
Medium Term (Corporate) Notes	136,786,965	27,369,040	74,017,190	35,400,735	-
Supranationals	11,557,397	3,664,726	7,892,671	-	-
Municipal Bonds	15,941,249	4,356,367	11,584,882	-	-
Federal Agency CMOs	10,680,034	936,157	-	9,743,877	-
Local Agency Investment Fund	30,073,756	30,073,756	-	-	-
Capital Asset Management Program	112,656,911	112,656,911	-	-	-
Money Market Funds (attributable to 115 Trust)	15,232,727	15,232,727	-	-	-
Negotiable CD	2,799,300	-	2,799,300	-	-
Asset Backed Securities	10,203,214	-	6,054,949	4,148,265	-
Commercial paper	10,230,562	10,230,562	-	-	-
Cash - PARS 115 Trust	24,927	24,927	-	-	-
Equity Mutual Fund- PARS 115 Trust	19,948,073	19,948,073	-	-	-
Fixed Income Mutual Fund- PARS 115 Trust	44,160,035	44,160,035	-	-	-
Idle Funds in Reserve Portfolio	1,847,787	1,847,787	-	-	-
Total	<u>\$ 947,280,779</u>	<u>\$ 365,911,353</u>	<u>\$ 358,498,543</u>	<u>\$ 130,775,885</u>	<u>\$ 92,094,998</u>
Allocation by percentage	100%	35%	40%	24%	1%

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Cash, Cash Equivalents and Investments (Continued)**F. Risk Disclosure (Continued)**Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. It is measured by the assignment of a rating by a nationally recognized statistical rating organization.

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

Investment Type	AAA/AAAm	AA / AA+ / AA-	A / A+ / A-	A-1+	BBB+	Total
Held by the City and its Component Units:						
U. S. Agencies:						
Non-callable	\$ -	\$ 511,419,806	\$ -	\$ 13,183,522	\$ -	\$ 524,603,328
Callable	-	4,108,931	-	-	-	4,108,931
Medium term notes:						
Non-callable	-	23,111,458	52,562,424	-	3,683,269	79,357,151
Callable	7,477,180	5,955,571	41,402,856	-	2,594,207	57,429,814
Asset Backed Securities	8,549,721	-	-	-	-	8,549,721
Commercial Paper	-	-	-	10,230,562	-	10,230,562
Negariable CDs	-	-	2,799,300	-	-	2,799,300
Supranationals	11,557,397	-	-	-	-	11,557,397
Municipal securities	2,772,839	13,168,411	-	-	-	15,941,250
Total	<u>\$ 30,357,137</u>	<u>\$ 557,764,177</u>	<u>\$ 96,764,580</u>	<u>\$ 23,414,084</u>	<u>\$ 6,277,476</u>	<u>714,577,454</u>
Not rated or exempt from rating disclosure:						
Asset Backed Securities						1,653,493
Local Agency Investment Fund						30,073,756
California Asset Management Program						112,656,911
U. S. Agencies						7,105,616
Section 115 Trust Mutual Funds (not rated)						79,340,835
Cash Held in 115 Trust						24,927
Idle Funds in Reserve Portfolio						1,847,787
						<u>\$ 947,280,779</u>
					Total Investments	<u>\$ 947,280,779</u>

The City's portfolio manager utilized ratings of S&P in compiling the previous table. In August 2011, S&P took an extraordinary stance of downgrading the debt of the United States and numerous agencies whose debt it stands behind. Moody's and Fitch only took moves to lower the outlook on U.S. debt while still maintaining the AAA ratings on these entities. On March 16, 2023, S&P affirmed the AA+ rating with a stable outlook that is still in place today. Moody their AAA rating with negative outlook in November 2023. In May of 2023 Fitch placed its AAA rating on a negative watch ultimately downgrading the U.S. to a AA+ rating in August of 2023.

Custodial Credit Risk

For an investment, custodial credit risk refers to the event in which the custodial bank (outside party) in possession of an investment security fails to supply the value of investments or collateral securities to the City upon demand. All securities, except the money market mutual funds and LAIF, are held by a third-party custodian, US Bank. US Bank is a registered member of the Federal Reserve Bank. The securities held by US bank are in the street name with a customer number assigned to the City that identifies ownership.

Concentration Credit Risk

The City's investment policy regarding the amount that can be invested in any one issuer is stipulated by the California Government Code. Concentrations of 5.0% or more in investments in any one issuer, held by individual funds in the securities of issuers other than U.S. Treasury securities, mutual funds, and external investment pools are required to be disclosed.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Cash, Cash Equivalents and Investments (Continued)**F. Risk Disclosure (Continued)**Concentration Credit Risk (Continued)

At June 30, 2023, the City's Pooled investments that represent a concentration in the securities of any individual issuers, other than U. S. Treasury securities or mutual funds, are set forth below:

Issuer	Investment Type	Reported Amount	Total Holdings
Held by City:			\$ 947,280,779
Federal National Mortgage Association	Federal Agency Securities	\$ 86,213,224	9.10%

G. Restricted Cash and Investments

Certain proceeds of revenue bonds and other long-term liabilities are classified as restricted cash and investments on the Statement of Net Position as their use is limited by applicable indentures or covenants. Covenants provide that these funds, in the absence of specific statutory provisions governing the issuance of bonds, certificates, or leases, may be invested by the ordinances, resolutions or indentures specifying the types of investments its trustees or fiscal agents may require. The ordinances, resolutions, and indentures are more restrictive than the City's investment policy. Restricted cash and investments of the City are primary for the construction or acquisition of facilities, and reserves for payment of debt service as required by the bond indentures.

Cash and investments with fiscal agents are one component of the City's restricted cash. At June 30, 2023, the restricted cash and investments with fiscal agents are as follows:

Governmental activities	\$ 83,166,239
Business-type activities:	
Water Utility	5,862
Wastewater Utility	2,950,201
Parking Authority	4,815,205
Subtotal	<u>7,771,268</u>
Fiduciary Funds	<u>11,830,703</u>
Total restricted cash and investments	<u>\$ 102,768,210</u>

The City has a reserve policy for its Water, Wastewater, and Stormwater Funds governing the establishment of reserve funds and the procedures for Rate Stabilization accounts. The reserve policy is in place to mitigate future revenue fluctuations, where revenues are interrupted or otherwise insufficient to offset the operating expenditures and to minimize the impact of rate increases. In addition to the reserve policy, the City has established a Rate Stabilization Fund in the Water Fund in connection with the issuance of its 2010 Variable Rate Demand Water Revenue Bonds and in the Wastewater Fund in connection with the 2014 Wastewater Refunding Bonds. The City use money on deposit in the Rate Stabilization Fund for any lawful purpose. All interest or other earnings in the Rate Stabilization Fund may be withdrawn and accounted for as revenues or used for any lawful purpose. The balances in the Water and Wastewater Rate Stabilization Accounts at June 30, 2023, were \$2,890,795 and \$12,605,720, respectively.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 3 – Interfund Transactions**A. Loans To/From Other Funds**

“Loans to” and “loans from” balances represent loan activity between funds. These balances are expected to be paid back per a City council approved repayment schedule. The amount of \$7,733,073 of interfund loan balances, broken down by short and long-term net of interest, as of June 30, 2023 is shown below.

The inter-fund transactions were as follows:

Fund Making Loan	Fund Receiving Loan	Short-Term	Long-term	Total
Internal Service Funds -Workers' Compensation	Parking Authority	\$ 655,208	\$ 5,713,019	\$ 6,368,227
Internal Service Funds -Workers' Compensation	Internal Service Funds -Vehicle Fleet Equipment	420,602	944,244	1,364,846
	Total			<u>\$ 7,733,073</u>

- The \$6,368,227 interfund loan balance from the Workers’ Compensation Insurance Internal Service Fund to the Parking Authority Enterprise Fund was used to pay-off the existing 2006 Lease Revenue Refunding Bonds Series A, saving the City 2% in annual interest.
- The \$1,364,846 interfund loan balance from the Workers’ Compensation Insurance Fund to the Internal Services Vehicle Fleet Equipment Fund was used to pay off three of four remaining Fire Truck Leases, saving the City 2% in annual interest.

B. Transfers

Interfund transfers report the nonreciprocal contributions of resources from one fund to another that include program support, debt service and settlement, and other one-time transfers. The following is a summary of transfers for the year ended June 30, 2023:

		Transfers In	Transfers Out	Net Transfers
Governmental Activities:				
General Fund	Program Support	\$ -	\$ (6,306,542)	\$ (6,306,542)
General Fund	Capital Improvement	-	(14,576,488)	(14,576,488)
General Fund	Debt Service	-	(8,422,050)	(8,422,050)
General Fund	Retirement	-	(10,000,000)	(10,000,000)
Federal Housing Grants	Debt Service/ Settlement	-	(349,449)	(349,449)
Nonmajor Government Funds	Program Support	976,676	(17,752,547)	(16,775,871)
Nonmajor Government Funds	Debt Service	8,973,968	-	8,973,968
Capital Improvement	Program Support	32,664,965	(202,469)	32,462,496
Internal Service Funds	Program Support	5,409,407	-	5,409,407
Internal Service Funds	Retirement	10,000,000	-	10,000,000
Total governmental activities		<u>58,025,016</u>	<u>(57,609,545)</u>	<u>415,471</u>
Business-type Activities:				
Water Utility	Program Support	-	(233,900)	(233,900)
Wastewater Utility	Program Support	-	(157,371)	(157,371)
Stormwater Utility	Program Support	-	(396,200)	(396,200)
Downtown Marina	Program Support	262,000	-	262,000
Golf Courses	Program Support	110,000	-	110,000
Total business-type activities		<u>372,000</u>	<u>(787,471)</u>	<u>(415,471)</u>
Total Government-Wide Statements		<u>\$ 58,397,016</u>	<u>\$ (58,397,016)</u>	<u>\$ -</u>

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 4 – Lease Receivable

Lease receivables consist of agreements with others for the right-to-use of the underlying assets for land and buildings owned by the City at various locations. The remaining terms of the agreements range from 26 to 600 months. The incremental borrowing rates used were between 0.2450% to 1.800% depending on the length of the lease term. For the year ended June 30, 2023, the City recognized \$71,038, \$26,587, and \$7,790 in lease revenue and \$24,436, \$195, and \$308 in interest revenue for the Governmental Activities, the Business-Type Activities, and the Successor Agency, respectively. The outstanding receivables are in the amounts of \$1,426,125, \$33,074, and \$33,710 for the Governmental Activities, the Business-Type Activities, and the Successor Agency, respectively.

The future required payments for these leases, including interest, are as follows:

Year Ending June 30,	Governmental Activities			Business-Type Activities			Fiduciary Funds		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 40,230	\$ 47,658	\$ 87,888	\$ 26,446	\$ 86	\$ 26,532	\$ 7,674	\$ 246	\$ 7,920
2025	41,129	48,703	89,832	6,628	5	6,633	7,737	183	7,920
2026	44,165	48,766	92,931	-	-	-	7,800	120	7,920
2027	47,343	48,830	96,173	-	-	-	7,864	56	7,920
2028	49,513	48,882	98,395	-	-	-	2,635	4	2,639
2029 - 2033	282,875	91,769	374,644	-	-	-	-	-	-
2034 - 2038	349,725	66,295	416,020	-	-	-	-	-	-
2039 - 2043	66,297	48,568	114,865	-	-	-	-	-	-
2044 - 2048	72,543	42,322	114,865	-	-	-	-	-	-
2049 - 2053	79,377	35,488	114,865	-	-	-	-	-	-
2054 - 2058	86,855	28,010	114,865	-	-	-	-	-	-
2059 - 2063	95,038	19,827	114,865	-	-	-	-	-	-
2064 - 2068	103,991	10,874	114,865	-	-	-	-	-	-
2069 - 2071	67,044	1,879	68,923	-	-	-	-	-	-
	<u>\$ 1,426,125</u>	<u>\$ 587,871</u>	<u>\$ 2,013,996</u>	<u>\$ 33,074</u>	<u>\$ 91</u>	<u>\$ 33,165</u>	<u>\$ 33,710</u>	<u>\$ 609</u>	<u>\$ 34,319</u>

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 5 – Successor Agency – Loans from City, Net

With the dissolution of the Redevelopment Agency effective January 31, 2012, the following loans are outstanding as of June 30, 2023, most of which are offset by an Allowance for Uncollectible Loans. The Successor Agency received its Finding of Completion from the State Department of Finance on October 30, 2014. On November 4, 2015, the Oversight Board adopted a resolution finding 51 Redevelopment loans from the City were made for legitimate redevelopment purposes. Dissolution law required that the accrued interest on outstanding loans be recalculated quarterly at a simple interest of 3% from the date the loans were originally authorized by the former Redevelopment Agency. Also, the Department of Finance required approved resolutions and signed loan agreements for the loans to be approved for repayment. However, City staff was unable to locate signed loan agreements or documents and approved resolutions for all of the 51 loans. Adjustments for the write off of all loans were disallowed by the Department of Finance in the 2016-2017 fiscal year.

In addition, the interest on the loans is limited to the Local Agency Investment Fund interest rate calculated from the inception date of each loan. The total outstanding loan balance (including accrued interest) as of June 30, 2023, is \$2,853,824 and has been offset by an allowance for uncollectible loan and interest in the amount of \$1,747,244, except the loan amount from Low – Moderate Income Housing Loans.

<u>Fund Providing Loan</u>	<u>Fund Receiving Loan</u>	<u>Outstanding Balance</u>	<u>Allowance for Uncollectible Loans</u>	<u>Net Balance</u>
Low - Moderate Income Housing RDA Loans	Private-Purpose Trust Fund - Successor Agency of the Redevelopment Agency	\$ 1,106,580	\$ -	\$ 1,106,580
Non-Major Governmental - CDBG Fund	Private-Purpose Trust Fund - Successor Agency of the Redevelopment Agency	512,853	(512,853)	-
	Interest on Redevelopment Agency Loans	1,234,391	(1,234,391)	-
	Total	<u>\$ 2,853,824</u>	<u>\$ (1,747,244)</u>	<u>\$ 1,106,580</u>

- The \$1,106,580 outstanding loan balance from the Low - Moderate Income Housing fund, a City Special Revenue Fund, to the former Redevelopment Agency Capital Projects Funds was to fund the Waterfront Redevelopment Project Area.
- The \$512,853 outstanding loan balance from the CDBG Programs, a Special Revenue Fund, to the former Redevelopment Agency Capital Projects Fund was for the project area expenditures. The outstanding principal balance is subject to a 3% simple annual interest rate. As of June 30, 2023, the outstanding accrued interest balance is \$1,234,391.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 6 – Loans to Property Owners

Loans provided to property owners are managed by the City’s Economic Development Department (EDD). Loans receivables under the City’s loan programs on June 30, 2023 are as follows:

Loan Programs	Governmental Activities			
	Principal Balance	Deferred Interest	Allowance for Uncollectible Loans	Net Balance
First Time Home Buyers Program (HOME)	\$ 41,725,245	\$ 9,839,358	\$ (1,735,238)	\$ 49,829,365
Community Development Block Grant Programs	16,176,412	2,580,380	(880,170)	17,876,622
Neighborhood Stabilization First Time Home Buyer Program	10,753,236	1,702,819	-	12,456,055
California Home Loans	2,797,421	367,121	(953,697)	2,210,845
Low & Moderate Income Housing Programs (former Agency)	53,768,473	14,844,842	-	68,613,315
Total	<u>\$ 125,220,787</u>	<u>\$ 29,334,520</u>	<u>\$ (3,569,105)</u>	<u>\$ 150,986,202</u>

First Time Home Buyers Home Investment Partnership Program (HOME)

The Home Investment Partnerships Loan Programs are funded through U.S. Department of Housing and Urban Development HOME funds. The programs include deferred gap financing loans for qualified first-time homebuyers, owner-occupied housing rehabilitation loans to qualified borrowers, and multifamily loans to qualified housing developers. Loan repayments are re-deposited into the program cash accounts and are redistributed as future loans.

Community Development Block Grant Programs

The Community Development Block Grants Loan Programs are funded through U.S. Department of Housing and Urban Development CDBG funds. The programs include deferred gap financing loans for qualified first-time homebuyers, owner occupied emergency repair loans, public facility project loans, and commercial loan programs. Loan repayments are re-deposited into the program cash accounts and are redistributed as future loans.

Neighborhood Stabilization First Time Home Buyer Program

The Neighborhood Stabilization Program loans are funded through U.S. Department of Housing and Urban Development Neighborhood Stabilization program funds. The programs include acquisition, rehabilitation, and resale of foreclosed homes (properties) to qualified home buyers, deferred gap financing loans for qualified home buyers; and acquisition, rehabilitation, and rent of foreclosed properties in targeted areas. Loan repayments are re-deposited into the program cash accounts and are redistributed as future loans.

California Home Loans Program

The California Home Loans Program are funded through the California Department of Housing and Community Development. The programs include deferred gap financing loans to qualified first-time homebuyers and owner occupied rehabilitation loans. Loan repayments are re-deposited into the program cash accounts and are redistributed as future loans.

Low and Moderate-Income Housing Program (Former Agency)

The City’s Low- and Moderate-Income Housing Programs are funded through the Low and Moderate-Income Housing City Loans Special Revenue Fund and Strong Neighborhoods Initiative Bond proceeds. The programs include loans for rehabilitation and construction of affordable housing units which are deed restricted for occupancy by low- and moderate-income households for at least fifty-five years. Interest income is recorded as payments when received.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 7 – Capital Assets**A. Government-Wide Financial Statements**

At June 30, 2023, the City’s capital assets consisted of the following:

	Governmental Activities	Business -Type Activities	Total
Capital assets, not being depreciated:			
Land	\$ 38,196,565	\$ 15,127,218	\$ 53,323,783
Intangible assets - easements	4,354,960	-	4,354,960
Construction in progress	252,839,333	233,679,173	486,518,506
Total capital assets, not being depreciated	295,390,858	248,806,391	544,197,249
Capital assets, being depreciated:			
Infrastructure	623,722,939	-	623,722,939
Buildings and improvements	324,338,702	1,058,646,939	1,382,985,641
Machinery and equipment	91,924,681	20,732,210	112,656,891
Total capital assets, being depreciated	1,039,986,322	1,079,379,149	2,119,365,471
Less accumulated depreciation for:			
Infrastructure	(249,663,022)	-	(249,663,022)
Buildings and improvements	(150,310,618)	(471,649,054)	(621,959,672)
Machinery and equipment	(62,782,244)	(14,381,154)	(77,163,398)
Total accumulated depreciation	(462,755,884)	(486,030,208)	(948,786,092)
Total capital assets, being depreciated, net	577,230,438	593,348,941	1,170,579,379
Intangible assets, being amortized:			
Intangible asset - right to use leased assets	2,291,649	2,847,464	5,139,113
Intangible asset - right to use subscriptions	11,892,463	61,204	11,953,667
Total intangible assets, being amortized	14,184,112	2,908,668	17,092,780
Less accumulated amortization for:			
Intangible asset - right to use leased assets	(398,930)	(384,186)	(783,116)
Intangible asset - right to use subscriptions	(3,664,781)	(28,234)	(3,693,015)
Total accumulated amortization	(4,063,711)	(412,420)	(4,476,131)
Total intangible assets, being amortized, net	10,120,401	2,496,248	12,616,649
Capital assets, net	\$ 882,741,697	\$ 844,651,580	\$ 1,727,393,277

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 7 – Capital Assets (Continued)**B. Governmental Activities**

Summary of changes in governmental activities capital assets for the year ended June 30, 2023, are as follows:

Governmental activities:	Balance July 1, 2022 (As restated)	Additions	Deletions	Transfers	Balance June 30, 2023
Capital assets, not being depreciated:					
Land	\$ 38,196,565	\$ -	\$ -	\$ -	\$ 38,196,565
Intangible assets - easements	4,354,960	-	-	-	4,354,960
Construction in progress	192,071,580	63,796,556	-	(3,028,803)	252,839,333
Total capital assets, not being depreciated	234,623,105	63,796,556	-	(3,028,803)	295,390,858
Capital assets, being depreciated:					
Infrastructure	615,830,270	7,892,669	-	-	623,722,939
Buildings and improvements	324,338,702	-	-	-	324,338,702
Machinery and equipment	86,136,929	2,484,084	-	3,303,668	91,924,681
Total capital assets, being depreciated	1,026,305,901	10,376,753	-	3,303,668	1,039,986,322
Less accumulated depreciation for:					
Infrastructure	(238,120,517)	(11,542,505)	-	-	(249,663,022)
Buildings and improvements	(143,856,222)	(6,454,396)	-	-	(150,310,618)
Machinery and equipment	(57,357,324)	(5,424,920)	-	-	(62,782,244)
Total accumulated depreciation	(439,334,063)	(23,421,821)	-	-	(462,755,884)
Total capital assets, being depreciated, net	586,971,838	(13,045,068)	-	3,303,668	577,230,438
Intangible assets, being amortized:					
Intangible asset - right to use leased assets	2,017,470	1,877,008	(1,602,829)	-	2,291,649
Intangible asset - right to use subscriptions	10,711,087	1,181,376	-	-	11,892,463
Total intangible assets, being amortized	12,728,557	3,058,384	(1,602,829)	-	14,184,112
Less accumulated amortization for:					
Intangible asset - right to use leased assets	(997,527)	(1,004,232)	1,602,829	-	(398,930)
Intangible asset - right to use subscriptions	-	(3,664,781)	-	-	(3,664,781)
Total accumulated amortization	(997,527)	(4,669,013)	1,602,829	-	(4,063,711)
Total intangible assets, being amortized, net	11,731,030	(1,610,629)	-	-	10,120,401
Governmental activities capital assets, net	\$ 833,325,973	\$ 49,140,859	\$ -	\$ 274,865	\$ 882,741,697

Governmental activities depreciation and amortization expenses for capital assets for the year ended June 30, 2023, are as follows:

Governmental Activities:	
General Government	\$ 1,362,853
Public Works	13,563,538
Parks and Recreation	3,379,429
Library	469,426
Public Safety	1,544,996
Internal Service Funds	7,770,592
Total	<u>\$ 28,090,834</u>

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 7 – Capital Assets (Continued)**C. Business-Type Activities**

Summary of changes in business-type activities capital assets for the year ended June 30, 2023, are as follows:

Business-type activities:	Balance July 1, 2022 (As restated)	Additions	Deletions	Transfers	Balance June 30, 2023
Capital assets, not being depreciated:					
Land	\$ 15,127,218	\$ -		\$ -	\$ 15,127,218
Construction in progress	193,438,375	43,846,166	(317,066)	(3,288,302)	233,679,173
Total capital assets, not being depreciated	208,565,593	43,846,166	(317,066)	(3,288,302)	248,806,391
Capital assets, being depreciated:					
Buildings and improvements	1,051,872,475	3,486,163	-	3,288,302	1,058,646,940
Machinery and equipment	17,956,150	3,050,925	-	(274,865)	20,732,210
Total capital assets, being depreciated	1,069,828,625	6,537,088	-	3,013,437	1,079,379,150
Less accumulated depreciation for:					
Buildings and improvements	(448,796,561)	(22,852,494)	-	-	(471,649,055)
Machinery and equipment	(13,090,312)	(1,290,842)	-	-	(14,381,154)
Total accumulated depreciation	(461,886,873)	(24,143,336)	-	-	(486,030,209)
Total capital assets, being depreciated, net	607,941,752	(17,606,248)	-	3,013,437	593,348,941
Intangible assets, being amortized:					
Intangible asset - right to use leased assets	2,866,646	26,017	(45,199)	-	2,847,464
Intangible asset - right to use subscriptions	45,850	15,354	-	-	61,204
Total intangible assets, being amortized	2,912,496	41,371	(45,199)	-	2,908,668
Less accumulated amortization for:					
Intangible asset - right to use leased assets	(215,324)	(214,061)	45,199	-	(384,186)
Intangible asset - right to use subscriptions	-	(28,234)	-	-	(28,234)
Total accumulated amortization	(215,324)	(242,295)	45,199	-	(412,420)
Total intangible assets, being amortized, net	2,697,172	(200,924)	-	-	2,496,248
Business-type activities capital assets, net	\$ 819,204,517	\$ 26,038,994	\$ (317,066)	\$ (274,865)	\$ 844,651,580

Business-type activities depreciation and amortization expenses for capital assets for the year ended June 30, 2023, are as follows:

Business-type Activities:	
Water Utility	\$ 8,055,262
Wastewater Utility	12,901,960
Stormwater Utility	1,736,693
Parking Authority	1,050,405
Golf Courses	93,905
Marina	547,406
Total	<u>\$ 24,385,631</u>

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 7 – Capital Assets (Continued)**D. Fiduciary Fund Activities**

Summary of Changes in Fiduciary Fund capital assets for the year ended June 30, 2023, are as follows:

Fiduciary fund activities:	Balance July 1, 2022	Additions	Deletions	Transfers	Balance June 30, 2023
Capital assets, not being depreciated:					
Land	\$ 12,131,979	\$ -	\$ -	\$ -	\$ 12,131,979
Intangible assets - easements	100,000	-	-	-	100,000
Total capital assets, not being depreciated	12,231,979	-	-	-	12,231,979
Capital assets, being depreciated:					
Infrastructure	10,898,549	-	-	-	10,898,549
Buildings and improvements	10,929,529	-	-	-	10,929,529
Machinery and equipment	471,546	-	-	-	471,546
Total capital assets, being depreciated	22,299,624	-	-	-	22,299,624
Less accumulated depreciation for:					
Infrastructure	(3,274,921)	(249,654)	-	-	(3,524,575)
Buildings and improvements	(6,764,175)	(301,151)	-	-	(7,065,326)
Machinery and equipment	(298,060)	(18,677)	-	-	(316,737)
Total accumulated depreciation	(10,337,156)	(569,482)	-	-	(10,906,638)
Total capital assets, being depreciated, net	11,962,468	(569,482)	-	-	11,392,986
Intangible assets, being amortized:					
Intangible asset - right to use leased assets	7,615	14,372	(7,615)	-	14,372
Total intangible assets, being amortized	7,615	14,372	(7,615)	-	14,372
Less accumulated amortization for:					
Intangible asset - right to use leased assets	(4,352)	(5,061)	7,615	-	(1,798)
Total accumulated amortization	(4,352)	(5,061)	7,615	-	(1,798)
Total intangible assets, being amortized, net	3,263	9,311	-	-	12,574
Fiduciary fund activities capital assets, net	\$ 24,197,710	\$ (560,171)	\$ -	\$ -	\$ 23,637,539

Fiduciary fund depreciation and amortization expenses for capital assets for the year ended June 30, 2023, are as follows:

Fiduciary Fund Activities:	
Successor Agency	<u>\$ 574,543</u>

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Long-Term Liabilities**A. Governmental Activities**

Summary of changes in governmental activities long-term debt for the year ended June 30, 2023, are as follows:

	Balance July 1, 2022 (As restated)	Additions	Payments/ Payments/	Balance June 30, 2023	Short-Term	Long term
Governmental Fund Activities Debt						
City Debt						
<u>Assured Guaranty Settlement</u>						
Assured Settlement Obligation	\$ 53,083,658	\$ -	\$ (198,847)	\$ 52,884,811	\$ 237,557	\$ 52,647,254
Subtotal Settlement Obligation Bonds	53,083,658	-	(198,847)	52,884,811	237,557	52,647,254
Other Long-Term Obligations						
<u>CDBG</u>						
USD-HUD Housing Note	4,365,000	-	(2,445,000)	1,920,000	1,920,000	-
Subtotal CDBG	4,365,000	-	(2,445,000)	1,920,000	1,920,000	-
<u>Lease Liabilities</u>						
Leases liabilities	335,602	1,877,005	(314,908)	1,897,699	1,020,138	877,561
Subtotal Lease Liabilities	335,602	1,877,005	(314,908)	1,897,699	1,020,138	877,561
<u>Subscription liabilities</u>						
Subscription liabilities	10,644,943	1,093,126	(3,932,448)	7,805,621	4,015,559	3,790,062
Subtotal Subscription Liabilities	10,644,943	1,093,126	(3,932,448)	7,805,621	4,015,559	3,790,062
Total	\$ 68,429,203	\$ 2,970,131	\$ (6,891,203)	\$ 64,508,131	\$ 7,193,254	\$ 57,314,877

Pension Obligation Bonds**Taxable Pension Obligation Bonds 2007 Series A and Series B (the “2007 POBs”)**

The 2007 POBs were issued on March 26, 2007, to refinance the obligation of the City to make payments to the California Public Employees Retirement System for retirement benefits accruing to its employees and retirees. The 2007 POBs for Series A were issued in the amount of \$96,985,000. As of June 30, 2023, bonds totaling \$71,755,000 were due in installments of principal ranging from \$3,420,000 on September 1, 2023, to \$8,400,000 on September 1, 2037, with interest rates ranging from 5.365% to 5.455%, and a final maturity date of September 1, 2037. The 2007 POBs for Series B were issued in the amount of \$28,325,000. As of June 30, 2023, bonds totaling \$23,960,000 are due in installments of principal ranging from \$1,140,000 on September 1, 2023, to \$2,800,000 on September 1, 2037, with interest rates ranging from 5.675% to 5.795%. The Series A and Series B for the 2007 POBs are insured by Assured Guaranty and do not have a reserve fund. The above liabilities are written down and an alternate liability is being recorded which reflects the payments required by the City under a settlement agreement reached with Assured Guaranty. This background on the original liabilities is shown in this footnote due to the bonds still trading in the secondary markets.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Long-Term Liabilities (Continued)**A. Governmental Activities (Continued)****Pension Obligation Bonds (Continued)****Taxable Pension Obligation Bonds 2007 Series A and Series B (the “2007 POBs”) (Continued)**

As part of a settlement between the City and Assured Guaranty, that became effective upon implementation of the approved Plan of Adjustment. The City is obligated, under a revised indenture, to pay a new series of payments. That series of payments is made up of Non-Contingent General Fund payments which are made up of three types; Special Fund, Ask, and Supplemental, which have all been determined. Special Fund payments range from \$1,646,025 on July 1, 2023 to \$2,009,482 due on July 1, 2053; Lease Ask Fund payments are due in installments ranging from \$2,529,125 on June 1, 2024 to \$2,531,250 due on June 1, 2052; and Supplemental Payments are due in installments of \$250,000 from June 1, 2024, to June 1, 2042, and installments of \$350,000 from June 1, 2043, to June 1, 2052. Additionally, there are Contingent General Fund Payments, which are yet to be determined by future revenues of the City’s General Fund. These Contingent Payments extend from June 1, 2022, to June 1, 2053, should General Fund Revenues require them to be made. The payment due June 1, 2024, is currently anticipated to be \$5,027,000.

Payments made after the original debt service end date of September 1, 2037, will be retained by Assured Guaranty. The obligation of the City to pay these settlement amounts when due is an absolute and unconditional obligation of the City imposed by law and is not limited to any special source of funds. Under the Revised Indenture, the City is obligated to deposit non-contingent settlement payments with the Trustee as detailed above and reflected in the table below.

Under the settlement agreement, payments are to be made from all legally available funds and resources available to the City. Under extraordinary events, the City may notice Assured Guaranty and suspend contingent payments. Should this occur, unpaid amounts accrue interest at the Prime Rate plus 3% and must be paid no later than ten years after the suspension date. Additionally, any delinquent payments due under the agreement shall also accrue interest at the prime rate plus 3%.

Debt Service on the original bonds expires in September 2037, and payments under the settlement agreement extend to July 2053. If contingent payment streams drastically exceed expectations, it is possible that scheduled payments could reach a point of paying back funds forwarded and accrued interest associated with these funds. Should this occur, it is possible that payments could cease before July 2053.

The City settlement with Assured Guaranty was confirmed as part of the City’s Approved Bankruptcy Plan of Adjustment. The plan for the adjustment of the City’s debts provides for material modifications of the City’s obligations on the 2007 POBs and results in a schedule of payments reflected in the following table.

The City pledged all available sources available to the City, up to and including the General Fund as collateral for the Bonds.

Should default in prompt payment or in other obligations under the settlement agreement with Assured Guaranty occur and remain unresolved, under section 5.02 of the Reimbursement Agreement, non-contingent payment streams accelerate and are immediately due and payable. Assured Guaranty is allowed to exercise all rights and remedies legally available (without limitation) to enforce payment of Contingent General Fund Payments due in each year as they become required.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Long-Term Liabilities (Continued)**A. Governmental Activities (Continued)****Annual Debt Service Requirements to Maturity**

Year June 30,	Special Fund Payments		2007 Lease Ask Payments		Supplemental Payments	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 237,557	\$ 1,408,468	\$ -	\$ 2,529,125	\$ -	\$ 250,000
2025	278,378	1,395,364	-	2,527,750	-	250,000
2026	321,242	1,380,009	-	2,530,563	-	250,000
2027	93,227	1,362,289	-	2,532,500	-	250,000
2028	147,406	1,357,147	-	2,528,625	-	250,000
2029-2033	1,221,605	6,629,352	-	12,649,689	-	1,250,000
2034-2038	2,234,697	6,187,504	497,220	12,152,407	-	1,250,000
2039-2043	4,751,681	5,295,729	6,660,087	5,988,977	186,025	1,163,975
2044-2048	6,214,976	3,832,434	8,711,902	3,937,724	1,205,203	544,797
2049-2053	8,128,897	1,918,513	8,863,925	1,255,076	1,226,349	173,651
2054	1,904,434	105,049	-	-	-	-
	<u>\$ 25,534,100</u>	<u>\$ 30,871,858</u>	<u>\$ 24,733,134</u>	<u>\$ 48,632,436</u>	<u>\$ 2,617,577</u>	<u>\$ 5,632,423</u>

The amounts in the annual debt service requirements to maturity schedule are the scheduled debt service under the bond indentures and settlement agreements.

Other Long-term Obligations**Notes Payable**

The City entered into four Section 108 loan guarantee agreements with the U.S. Department of Housing and Urban Development (HUD) to complete redevelopment projects. All but one has been repaid. On February 9, 2023, the City sent a Notice of Election to Defeasement to the U.S. Department of Housing and Urban Development in which the final payment due was submitted and accepted in the amount of \$615,000. The loan still has one remaining installment due of \$1,920,000, which will be paid on August 1, 2023.

The City pledged its federal funds under the HUD program available to the City as collateral for the Bonds. Should default in prompt payment with respect to the payment under these loans occur, future payments to the City under the HUD program would be held back and used as payment for these loans.

Annual Debt Service Requirements to Maturity

Year Ending June 30,	Notes Payable	
	U.S. Dept. of Housing & Urban Development Principal	Interest
2024	<u>\$ 1,920,000</u>	<u>\$ 41,541</u>

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Long-Term Liabilities (Continued)**A. Governmental Activities (Continued)**Leases Liabilities

The City has entered leases for the building and machine uses. The terms of the agreements range from 21 months to 59 months. The calculated interest rates used were between 0.3080% to 0.56% based on the term of the agreements. Principal and interest payments to maturity at June 30, 2023 are as follows:

Year Ending June 30,	Leases	
	Principal	Interest
2024	\$ 1,020,138	\$ 4,730
2025	788,380	1,516
2026	83,713	227
2027	5,468	2
Total	<u>\$ 1,897,699</u>	<u>\$ 6,475</u>

Subscription Liabilities

The City has entered into subscriptions for information technology arrangements. The terms of the arrangements range from 14 to 72 months with implicit rates used between 1.850% to 3.651%. Principal and interest to maturity are as follows:

Year Ending June 30,	Subscriptions	
	Principal	Interest
2024	\$ 4,015,559	\$ 185,598
2025	2,141,967	90,998
2026	1,058,539	47,271
2027	300,817	15,897
2028	288,739	7,784
Total	<u>\$ 7,805,621</u>	<u>\$ 347,548</u>

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Long-Term Liabilities (Continued)**B. Business-Type Activities**

Summary of changes in business-type activities long-term debt for the year ended June 30, 2023, are as follows:

	Balance July 1, 2022 (As restated)	Additions	Payments/ Amort/Prem/	Balance June 30, 2023	Short-Term	Long-Term
Water Utility Obligations						
2018A Water System Demand Revenue Bonds	\$ 129,930,000	\$ -	\$ (5,645,000)	\$ 124,285,000	\$ 5,650,000	\$ 118,635,000
Premium	12,331,335	-	-	(810,073)	810,073	10,711,189
2019A Water System Demand Taxable Revenue	53,700,000	-	(560,000)	53,140,000	570,000	52,570,000
Subscription liabilities	13,675	15,354	(14,641)	14,388	6,523	7,865
Subtotal Water Utility Obligations	<u>195,975,010</u>	<u>15,354</u>	<u>(6,219,641)</u>	<u>188,960,650</u>	<u>7,036,596</u>	<u>181,924,054</u>
Wastewater Utility Obligations						
2014 Wastewater Refunding Revenue Bonds	43,755,000	-	(4,410,000)	39,345,000	4,635,000	34,710,000
Premium (on 2014 refunding)	5,233,863	-	-	(729,982)	729,981	3,773,900
2020 EPA WIFIA loan	108,000,000	-	-	108,000,000	-	108,000,000
Subscription liabilities	24,414	-	(11,819)	12,595	11,693	902
Lease liabilities	5,114	1,105	(5,329)	890	890	-
Subtotal Wastewater Utility Obligations	<u>157,018,391</u>	<u>1,105</u>	<u>(4,427,148)</u>	<u>151,862,366</u>	<u>5,377,564</u>	<u>146,484,802</u>
Stormwater Obligations						
Subscription liabilities	7,762	-	(3,808)	3,954	3,774	180
Subtotal Stormwater Obligations	<u>7,762</u>	<u>-</u>	<u>(3,808)</u>	<u>3,954</u>	<u>3,774</u>	<u>180</u>
Central Parking District						
2020 Parking Lease Revenue Bonds	24,110,000	-	(360,000)	23,750,000	545,000	23,205,000
Premium	5,172,846	-	-	(209,710)	209,710	4,753,426
Lease liabilities	2,642,633	24,912	(172,163)	2,495,382	184,069	2,311,313
Subtotal Central Parking District	<u>31,925,479</u>	<u>24,912</u>	<u>(532,163)</u>	<u>31,208,518</u>	<u>938,779</u>	<u>30,269,739</u>
Marina Operation						
CDBW Harbor Facility Construction and Planning Loans	10,870,821	-	-	10,870,821	-	10,870,821
Subtotal Marina Operation	<u>10,870,821</u>	<u>-</u>	<u>-</u>	<u>10,870,821</u>	<u>-</u>	<u>10,870,821</u>
Total - Enterprise Fund Activities Debt	<u>\$ 395,797,463</u>	<u>\$ 41,371</u>	<u>\$ (11,182,760)</u>	<u>\$ (1,749,765)</u>	<u>\$ 382,906,309</u>	<u>\$ 13,356,713</u>

Water Utility**Stockton Public Financing Authority Revenue Refunding Bonds Series 2018A**

The 2018 Water Revenue Bonds, Series A were issued in the amount of \$145,220,000 by the SPFA on November 20, 2018. The SPFA issued the Bonds to refinance three series of bonds issued in 2002, 2005, and 2009, that finance multiple projects, including the majority of the financing for the Delta Water Supply Project. As of June 30, 2023, \$124,285,000 of 2018A Bonds remain outstanding with installments of principal ranging from \$5,650,000 to \$12,195,000 due October 1, 2023, through October 1, 2037, with interest rates ranging from 4.0% to 5.0%.

The repayment of the 2018A Bonds is from a pledge of available revenues of the fund. Available funds are net revenues of the fund and the 2018 Bonds have parity lien with the 2019A bonds (see below). The principal amount due is reported net of the unamortized premium of \$11,521,262.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Long-Term Liabilities (Continued)***B. Business-Type Activities (Continued)*****Water Utility (Continued)****Stockton Public Financing Authority Water Revenue Refunding Bonds Series 2019A Federally Taxable (Green Bonds)**

The 2019 Water Revenue Bonds, Series were issued in the amount of \$54,785,000 by the SPFA on November 19, 2019. The SPFA issued the Bonds to refinance bonds issued in 2010 that financed the final portion of the Delta Water Supply Project. As of June 30, 2023, \$53,140,000 of 2019A Bonds remain outstanding with installments of principal ranging from \$570,000 to \$15,635,000 due from October 1, 2023, through October 1, 2040, with interest rates ranging from 2.274% to 3.61%. There was no gain or loss as a result of the current refunding.

The repayment of the 2019A Bonds is from a pledge of net revenues of the fund and the Bonds are issued on parity with the 2018A water bonds.

Pledge Revenues

The City has pledged future net system revenues from the Water Fund for the repayment of all the Revenue Bonds of the Water Fund. For the year ended June 30, 2023, total principal and interest paid was \$14,301,450 and net revenues were \$33,814,3619. Rate stabilization Funds balances at June 30, 2023 stand at \$2,890,795. The total principal and interest remaining to be paid on the Water Utility Revenue Bonds are \$255,839,055.

Events of default with finance related consequences and subjective acceleration are included in section 7 of the indentures for both of the bonds listed above. These acceleration clauses only occur upon continued default in payment of performance of covenanted actions and receipt of a written request of not less than a majority of the bondholders, after which the Trustee would pull from funds on hand under the separate section of the agreement, and then upon court order from net revenues of the system held by the City.

The bonds and notes of the Water Utility are secured by and payable from certain revenues of the City's water enterprise fund (the "Water Fund"), amounts that are derived from "property related fees" collected by the City for water service. Application of amounts in the Water Fund is governed by the requirements of Article XIID, Section 6 of the California Constitution, which provides that the Water Fund may only be used for the water enterprise and may not be used for general governmental purposes. The City is in compliance with its covenants in connection with its obligations, including covenants on the current rates and charges, and the Water Fund has revenues sufficient to meet the operation and maintenance costs of the water enterprise, scheduled debt service and required debt service coverage.

Debt Covenants

The Revenue Bonds all require the maintenance of a financial covenant of minimum debt service coverage (DSC) ratio. The minimum DSC ratio for the water bonds is 115% of net system revenues, which are pledged for repayment of the revenue bonds. The DSC ratio is the measure of the Water Fund's ability to have sufficient resources to pay its debt service. The Water Fund has met its DSC for the fiscal year ended June 30, 2023.

Unused lines of Credit

There are no unused lines of credit as it pertains to the operation of the water utility.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Long-Term Liabilities (Continued)***B. Business-Type Activities (Continued)*****Water Utility (Continued)****Subscription Liabilities**

The Water Utility has entered into subscriptions for information technology arrangements. The terms of the arrangements range from 16 to 36 months with implicit rates used between 1.8503% to 3.378%.

Wastewater Utility**Stockton Public Financing Authority Wastewater Revenue Refunding Bonds, Series 2014**

Wastewater Revenue Refunding Bonds, Series 2014 (1998 Wastewater Project and 2003 Wastewater Project) were issued in an amount of \$69,440,000 by the SPFA on November 24, 2014. As of June 30, 2023, bonds totaling \$39,345,000 are due in annual installments of principal ranging from \$4,635,000 to \$6,530,000 from September 1, 2022, through September 1, 2029, with interest rates of 5.00% on the bonds outstanding. The Bonds were issued to advance refund the 1998 and 2003 certificates of participation. Repayment of the Bonds is a pledge of net revenues of the Wastewater Fund.

Stockton Public Financing Authority- 2020 Water Infrastructure Finance and Innovation Act (WIFIA) Loan

The WIFIA loan was entered into with the U.S. Environmental Protection Agency (the“EPA”) on September 29, 2020, and secured long-term financing in the amount of \$108,000,000 at a rate of 1.20%. The payments are interest only until March 1, 2030. As of June 30, 2023, bonds totaling \$108,000,000 are due in annual installments of principal ranging from \$4,318,797 to \$5,548,218 from March 1, 2030 through March 1, 2051.

This long-term financing is for the Regional Wastewater Control Facility upgrades, which are necessary to maintain compliance with updated state and federal standards. Repayment of the WIFIA loan is from a pledge of net revenues of the Wastewater Fund and the loan is issued on parity with the 2014A bonds. The loan was issued at par value.

At the event of default, 1) the EPA may suspend or terminate all of its obligations with respect to the disbursement of any undisbursed amounts of the loan, 2) may apply the default rate provisions of the interest rate specified in the agreement, 3) may suspend or debar the City from further participation in any government program administered by the EPA and to notify other departments and agencies of such default; and/or be 4) entitled and empowered to institute any actions or proceedings at law or in equity for the collection of any sums due and unpaid.

Pledge Revenues

The City has pledged future net revenues from the Wastewater Fund for the repayment of the Bonds and Notes. For the year ended June 30, 2023, the City paid total principal and interest of \$7,516,625 and had net revenues of \$36,266,219. Rate stabilization Funds balances at June 30, 2023 stand at \$12,605,720. On June 30, 2023, the total principal and interest remaining to be paid on the Wastewater Bonds are \$177,956,902.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Long-Term Liabilities (Continued)***B. Business-Type Activities (Continued)*****Wastewater Utility (Continued)**Pledge Revenues (Continued)

The bonds of the Wastewater Utility are secured by and payable from certain revenues of the City's wastewater enterprise fund (the "Wastewater Fund"), amounts that are derived from "property related fees" collected by the City for wastewater service. Application of amounts in the enterprise fund is governed by the requirements of Article XIII D, Section 6 of the California Constitution, which provides that the enterprise fund may only be used for the wastewater enterprise and may not be used for general governmental purposes. The City is in compliance with its covenants in connection with its obligations, including covenants on the current rates and charges, and the Wastewater Fund has revenues sufficient to meet the operation and maintenance costs of the wastewater utility, scheduled debt service and required debt service coverage.

Debt Covenants

The Bonds requires the maintenance of a financial covenant of minimum debt service coverage (DSC) ratio. The minimum DSC ratio for Bonds is 115% of Adjusted Net System Revenues which are pledged toward repayment of all bonds. The DSC ratio is the measure of the Wastewater Fund's ability to have sufficient resources to pay its debt service. The Wastewater Fund has met its DSC for the fiscal year ended June 30, 2023, at each measurement period.

Unused lines of Credit

There is no unused lines of credit as it pertains to the operation of the wastewater utility.

Lease Liabilities

On September 10, 2021, the City entered into a 23 month lease as Lessee for the use of Building ID 32627. An initial lease liability was recorded in the amount of \$8,758 as of June 30, 2022, the value of the lease liability is \$5,114. Stockton, CA is required to make monthly fixed payments of \$366. The lease has an interest rate of 0.3080%. The buildings estimated useful life was 23 months as of the contract commencement. The value of the right to use asset as of June 30, 2023 of \$9,863 with accumulated amortization of \$9,250 is included with Buildings on the Lease Class Activities.

Subscription Liabilities

The Wastewater Utility has entered into subscriptions for information technology arrangements. The terms of the arrangements range from 16 to 31 months with implicit rates used between 1.8503% to 2.3543%.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Long-Term Liabilities (Continued)***B. Business-Type Activities (Continued)*****Stormwater**

The Stormwater has entered into subscriptions for information technology arrangements. The terms of the arrangements range from 16 to 31 months with implicit rates used between 1.8503% to 2.3543%.

Parking Authority**Stockton Public Financing Authority- Parking Revenue Bonds, Series 2020**

The 2020 Parking Revenue Bonds were issued in the amount of \$24,355,000 by the SPFA on February 12, 2020. As of June 30, 2023, the 2020 Parking Bonds totaling \$23,750,000 are due in annual installments of principal ranging from \$545,000 on March 1, 2024 to \$1,605,000 on March 1, 2047, with interest rates ranging from 4.00% to 5.00%, and a final maturity date of March 1, 2047. The 2020 Parking Bonds were issued to refund the bankruptcy settlement on the 2004 Parking bonds, and along with payments from the bond insurer, to payoff the holders of the 2004 Parking bonds, and to provide \$3 million in capital funding to finance repairs and upgrades to facilities. The 2004 bonds had financed the construction of the Stockton Events Center Parking Structure, the Edward S. Coy Parking Garage, and other parking facilities within the Parking Authority.

Stockton Public Financing Authority- Parking Revenue Bonds, Series 2020 (Continued)

The repayment of the 2020 Bonds is from a pledge of net revenues of the fund. The principal amount due is reported net of the unamortized premium of \$4,963,136.

Lease Liabilities

The City has entered leases for the land, land improvements, buildings. The terms of the agreement range from 21 to 183 months. The calculated interest rates used were 0.3080% to 1.5120% based on the term of the agreements.

Pledged Revenues

The city has pledged future net revenues from the Parking Authority Fund for the repayment of the settlement liability. For the year ended June 30, 2023, the city paid total principal and interest of \$1,521,950 and had net revenues of \$657,569.

Downtown Marina**Construction and Planning Loans**

On March 17, 1997, the City entered into an agreement with the California Department of Boating and Waterways (“DBAW”) for a planning loan to provide funding for a feasibility study regarding the potential construction of waterfront improvements. That feasibility study was approved on May 16, 2000, and the City entered into an agreement with DBAW for the construction loan to develop a small craft harbor facility on August 9, 2004. Engineering work began in the fiscal year 2006. Construction of the facility started during the fiscal year ended June 30, 2009, and the project was completed in 2011. The principal remaining to be paid on both the planning and construction loans as of June 30, 2023 is \$10,870,821.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Long-Term Liabilities (Continued)**B. Business-Type Activities (Continued)****Downtown Marina (Continued)****Construction and Planning Loans (Continued)**

The construction note was scheduled to be repaid under a 30-year repayment schedule at 4.5% interest beginning in August 2011. Repayment of the Note is secured by a pledge of the gross revenues of the Downtown Marina, which have been insufficient to pay the full debt service. The loan provides that, subject to the requirements of Article XVI, Section 18 of the California Constitution (the “Debt Limit”), the City will make up any shortfall in debt service after application of Marina revenues. The Marina does not currently generate sufficient annual revenues to cover operational costs (net of debt service), and the City continues to provide an annual subsidy to the operator to cover this shortfall.

Under a settlement agreement with the Department of Boating and Waterways (DBAW), net revenues of the marina are pledged toward reducing the liability. The marina operates on a subsidy from the City and, absent that subsidy, is anticipated to operate at a loss for the foreseeable future. It is anticipated that settlement payments with the bond insurer for the 2004 bonds. There is a covenant to set rates such that they will provide net coverage for Operation and Maintenance (including the settlement payments) of 1.0 coverage. There are no events of default with finance related consequences and subjective acceleration clauses do not exist with respect to these frozen obligations.

The City’s settlement with DBAW as to the treatment of this obligation was confirmed as part of the City’s Approved Bankruptcy Plan of Adjustment. The terms of the settlement call for the outstanding principal to be paid from net operating revenues of the Marina operation, with no interest accruing on the unpaid portion. The settlement removes the General Fund backing and a reserve fund balance formerly in place in the General Fund has been removed. With operations continuing to receive an annual subsidy, it is unknown when any principal reduction payment will occur. The debt payment schedule was not included in the table listed below in the “Annual Debt Service Requirements to Maturity” table.

Annual Debt Service Requirements to Maturity

Year Ending June 30,	Water Utility		Wastewater Utility				Central Parking District		Leases		Subscription liabilities	
	Revenue Bonds		Revenue Bonds		WIFIA Loan		Revenue Bonds		Principal	Interest	Principal	Interest
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest				
2024	\$ 6,220,000	\$ 7,801,588	\$ 4,635,000	\$ 1,851,375	\$ -	\$ 1,296,000	\$ 545,000	\$ 1,143,950	\$ 184,959	\$ 36,264	\$ 21,990	\$ 471
2025	6,530,000	7,498,223	5,090,000	1,608,250	-	1,296,000	570,000	1,116,700	183,596	33,613	1,640	15
2026	6,860,000	7,178,633	5,345,000	1,347,375	-	1,296,000	600,000	1,088,200	176,891	30,949	7,307	739
2027	7,215,000	6,841,793	5,620,000	1,073,250	-	1,296,000	630,000	1,058,200	179,584	28,255	-	-
2028	7,585,000	6,486,724	5,910,000	785,000	-	1,296,000	660,000	1,026,700	182,319	25,521	-	-
2029-2033	44,130,000	26,405,106	12,745,000	645,125	17,588,635	6,166,552	3,840,000	4,603,250	954,087	85,113	-	-
2034-2038	58,615,000	14,190,136	-	-	23,199,447	4,874,536	4,880,000	3,553,500	634,836	15,545	-	-
2039-2043	40,270,000	2,011,853	-	-	24,625,224	3,448,759	6,045,000	2,393,800	-	-	-	-
2044-2048	-	-	-	-	26,138,626	1,935,357	5,980,000	765,500	-	-	-	-
2049-2052	-	-	-	-	16,448,068	396,323	-	-	-	-	-	-
Total	\$ 177,425,000	\$ 78,414,055	\$ 39,345,000	\$ 7,310,375	\$ 108,000,000	\$ 23,301,527	\$ 23,750,000	\$ 16,749,800	\$ 2,496,272	\$ 255,260	\$ 30,937	\$ 1,225

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Long-Term Liabilities (Continued)**C. Fiduciary Fund Activities****Annual Debt Service Requirements to Maturity (Continued)**

Summary of changes in fiduciary fund long-term liabilities for the year ended June 30, 2023, are as follows:

<u>Successor Agency to RDA of Stockton</u>	Balance			Balance		
	July 1, 2022	Additions	Reductions	June 30, 2023	Current	Non-Current
Revenue Bonds						
2016 Series A Successor Agency						
Tax Allocation Bonds	\$ 73,310,000	\$ -	\$ -	\$ 73,310,000	\$ -	\$ 73,310,000
Premium	6,849,237	-	(562,951)	6,286,286	562,951	5,723,335
2016 Series B Successor Agency						
Tax Allocation Bonds (Taxable)	11,180,000	-	(3,840,000)	7,340,000	3,925,000	3,415,000
Discount	(70,195)	-	32,396	(37,799)	(32,396)	(5,403)
Lease liabilities	-	14,372	(1,795)	12,577	7,179	5,398
Total Successor Agency to RDA Liabilities	\$ 91,269,042	\$ 14,372	\$ (4,372,350)	\$ 86,911,064	\$ 4,462,734	\$ 82,448,330

Successor Redevelopment Agency

There are no unused credit lines for any Successor Agency debt. A pledge of tax revenues received by the Successor Agency as described below is the only source of payment pledged on these bonds and no real property is pledged as collateral. Section 10 of the indenture lists events of default that if uncured, may, with consent of 25% of the registered owners, result in acceleration of the bonds. Should this occur, funds held by the trustee will be immediately used to satisfy any defaulted payment. Subsequently, the bond insurer would be required to satisfy bondholders as payments become due. Upon court order, tax revenues received by the Agency would be transmitted to the Trustee, or Insurer to satisfy reimbursement. The bond insurer, at its option may satisfy the accelerated payments and seek reimbursement from Tax Revenues received by the Agency.

2016 Tax Allocation Refunding Bonds, Series A and B (Federally Taxable)

The Successor Agency issued the 2016 Tax Allocation Bonds, Series A in the amount of \$73,310,000 on November 3, 2016 to provide funds to refinance bonds issued in 2004 to finance a portion of the downtown Arena, and 2006 Series A bonds used to finance redevelopment projects in the North, South, and Midtown projects areas of the former Redevelopment Agency.

As of June 30, 2023, the 2016 Series A Bonds totaling \$73,310,000 are due in annual installments of principal ranging from \$610,000 on September 1, 2024 to \$7,195,000 on September 1, 2037, with final payment on September 1, 2037, with interest rates ranging from 3.25% to 5.00%. The principal amount due is reported net of the unamortized premium of \$6,286,286.

The 2016 Tax Allocation Bonds, Series B (Federally Taxable) were issued in the amount of \$30,010,000 on November 3, 2016 to provide funds to refinance Certificates of Participation issued in 2003 to finance the construction of capital improvements to provide redevelopment housing in the City of Stockton, and R2006 Series C Bonds issued to finance certain low and moderate-income housing projects throughout the City of Stockton.

As of June 30, 2023, the 2016 Series B Bonds totaling \$7,340,000 are due in annual installments of principal ranging from \$3,925,000 to \$3,415,000 due in annual installments through on September 1, 2037, with interest rates ranging from 2.375% to 2.75%. The principal amount due is reported net of the unamortized discount of \$37,796.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Long-Term Liabilities (Continued)**C. Fiduciary Fund Activities (Continued)****Successor Redevelopment Agency (Continued)****2016 Tax Allocation Refunding Bonds, Series A and B (Federally Taxable) (Continued)**

The 2016 Series A and B bonds are limited obligations of the Successor Agency secured by a first charge and lien on, and a security interest in Tax Revenues received by the Successor Agency pursuant to the laws of the State of California related to Redevelopment Property Tax Trust Fund (“RPTTF”) and the revenues of the former Redevelopment Agency under California Health and Safety Code Sections 34183 and 34170.5(b), whereby the County Auditor-Controller is obligated to deposit the Tax Revenues into the RPTTF.

A pledge of tax revenues received by the Successor Agency as described below is the only source of payment pledged on these bonds and no real property is pledged as collateral. Section 10.XX of the indenture lists events of default that if uncured, may, with consent of 25% of the registered owners, result in acceleration of the bonds. Should this occur, funds held by the trustee will be immediately used to satisfy any defaulted payment. Subsequently, the bond insurer would be required to satisfy bondholders as payments become due. Upon court order, Tax Revenues received by the Agency would be transmitted to the Trustee, or Insurer to satisfy reimbursement. The bond insurer, at its option may satisfy the accelerated payments and seek reimbursement from Tax Revenues received by the Agency.

Annual Debt Service Requirements to Maturity

Year Ending June 30,	2016 Series A Successor Agency Tax Allocation Bonds		2016 Series B Successor Agency Tax Allocation Bonds (Taxable)		Lease Liabilities	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ -	\$ 3,373,800	\$ 3,925,000	\$ 142,975	\$ 7,179	\$ 11
2025	610,000	3,358,550	3,415,000	46,956	5,398	29
2026	4,150,000	3,239,550	-	-	-	7
2027	4,360,000	3,026,800	-	-	-	-
2028	4,575,000	2,803,425	-	-	-	-
2029-2033	26,550,000	10,313,850	-	-	-	-
2034-2039	33,065,000	3,664,000	-	-	-	-
Total	\$ 73,310,000	\$ 29,779,975	\$ 7,340,000	\$ 189,931	\$ 12,577	\$ 47

D. Debt Without City Commitment

Community Facilities Districts Debts:

Land Secured Debt Financing (No City Commitment) – The City has authorized the formation of community facilities districts (CFDs) and assessment districts (called local improvement districts or LIDs) and the issuance of bonds under various public improvement acts of the State of California to finance eligible public facilities necessary to serve developing commercial, industrial, residential and/or mixed-use developments. The bonds are secured by annual special tax levies or liens placed on the property within the districts.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Long-Term Liabilities (Continued)***D. Debt Without City Commitment (Continued)***

The City is not liable for repayment and is only responsible for collecting the special taxes or assessments, making payment from the special taxes or assessments to bondholders, and initiating foreclosure proceedings when necessary. These bonds are payable solely from special taxes or assessments, specific reserves, and the proceeds from property foreclosures. Accordingly, the bonds are not reported as liabilities in the City's basic financial statements. As of June 30, 2023, there was seven CFD special tax bonds and three revenue bonds outstanding with aggregate principal amounts payable of \$48,086,000 and \$54,125,000, respectively.

	Amount of Issue	Outstanding June 30, 2023
CFD Special Tax Bonds:		
Cannery Park CFD 2005-1 Series 2019	\$ 9,855,000	\$ 8,905,000
CFD 2018-12018 Arch Road/Newcastle	3,535,000	3,250,000
Westlake CFD 2006-2 SERIES 2019 (Private Placement)	3,134,000	2,826,000
Westlake Villages II Imp Area 1A (Series 2020)	8,970,000	8,905,000
Westlake Villages II Imp Area 1A (Series 2021)	4,535,000	4,510,000
Westlake Villages II Imp Area 1A2 (Series 2022)	9,775,000	9,775,000
Cannery Park II	9,915,000	9,915,000
Subtotal CFD Special Tax Bond		48,086,000
Revenue Bonds:		
2016 Combined Refunding	33,350,000	23,005,000
CFD 99-02 2018 Arch Road East	24,210,000	22,585,000
AD 2014-01 Mosher Estates	13,020,000	8,535,000
Subtotal Revenue Bond		54,125,000
Total Noncity Obligation		\$ 102,211,000

E. Conduit Debt

Conduit Debt (No City Commitment) – At June 30, 2023, there is no conduit debt outstanding that was issued with the City as the conduit issuer.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 9 – Accrued Compensated Absences

The value of all accumulated vacation and longevity vacation allowance is accrued, as appropriate, for all funds. Earned but unused sick is not accrued starting with negotiated bargaining unit contracts that began in the fiscal year 2012-13 and continued through June 30, 2023. The bargaining unit contracts state that all sick time accrual has no cash value upon separation from the City.

The compensated absence accrual is presented in the Government-Wide and Business Type proprietary fund financial statements. The changes in compensated absences of governmental and business-type activities are as follows:

	Governmental Activities	Business-Type Activities	Total
Beginning July 1, 2022	\$ 11,955,201	\$ 1,439,906	\$ 13,395,107
Additions	6,523,040	979,274	7,502,314
Payments	(6,430,626)	(862,358)	(7,292,981)
Balance June 30, 2023	<u>\$ 12,047,615</u>	<u>\$ 1,556,822</u>	<u>\$ 13,604,437</u>
Current Portion	<u>\$ 6,738,503</u>	<u>\$ 979,540</u>	<u>\$ 7,718,043</u>
Noncurrent Portion	<u>\$ 5,309,112</u>	<u>\$ 577,282</u>	<u>\$ 5,886,394</u>

Note 10 – Unamortized Loss on Refunding

Summary of changes in unamortized loss on refunding for the year ended June 30, 2023:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Municipal Utility Enterprise Debt Obligations				
2018 Water Refunding	\$ 5,884,651	\$ -	\$ (386,576)	\$ 5,498,075
2019 Water Refunding	6,110,331	-	(334,813)	5,775,518
2014 Wastewater Refunding Revenue Bonds	1,223,060	-	(170,583)	1,052,477
Subtotal - Municipal Utility Enterprise Debt	<u>13,218,042</u>	<u>-</u>	<u>(891,972)</u>	<u>12,326,070</u>
Parking Authority				
2020 Parking Revenue Bonds	427,240	-	(17,321)	409,919
Total Deferred Amount on Refunding	<u>\$ 13,645,282</u>	<u>\$ -</u>	<u>\$ (909,292)</u>	<u>\$ 12,735,989</u>

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 11 – Fund Balances

A summary of the City’s fund balance classification as nonspendable, restricted, committed, assigned and unassigned reported in the City’s Governmental Funds balance sheet at June 30, 2023, are as follows:

	General Fund	Federal Housing Grants	Special Grants	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Fund balances:						
Nonspendable:						
Inventories	\$ 788,707	\$ -	\$ -	\$ -	\$ -	\$ 788,707
Prepaid items	76,409	-	-	-	1,708,371	1,784,780
Advance deposits	1,532,011	-	-	-	63,041	1,595,052
Total Nonspendable	<u>2,397,127</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,771,412</u>	<u>4,168,539</u>
Restricted for:						
Section 108 Loan	1,277,452	-	-	-	-	1,277,452
Community development	-	-	-	-	58,667,863	58,667,863
Debt service reserve	-	-	-	-	423,824	423,824
General government	-	-	-	-	7,889,759	7,889,759
Housing	-	86,834,132	-	-	78,855,778	165,689,910
Libraries and arts	2,787,959	-	-	-	4,785,734	7,573,693
Parks and recreation	1,138,827	-	-	-	40,765,588	41,904,415
Public safety	14,023	-	-	-	15,113,800	15,127,823
Solid waste/recycling	-	-	-	-	8,363,662	8,363,662
Streets, transit & traffic	-	-	-	10,558,669	85,906,959	96,465,628
Total Restricted	<u>5,218,261</u>	<u>86,834,132</u>	<u>-</u>	<u>10,558,669</u>	<u>300,772,967</u>	<u>403,384,029</u>
Committed for:						
General government operations	150,810,799	-	-	-	-	150,810,799
Total Committed	<u>150,810,799</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,810,799</u>
Assigned for:						
General government operations	5,447,316	-	-	-	-	5,447,316
Total Assigned	<u>5,447,316</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,447,316</u>
Unassigned (deficit):	48,490,147	-	(1,344,162)	-	-	47,145,985
Total Fund Balances	<u>\$212,363,650</u>	<u>\$86,834,132</u>	<u>\$ (1,344,162)</u>	<u>\$10,558,669</u>	<u>\$302,544,379</u>	<u>\$ 610,956,668</u>

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 12 – Retirement Plans

The City contributes to three pension plans: The Safety Plan of the City of Stockton; the Miscellaneous Plan of the City of Stockton, which are both part of the Public Agency portion of the California Public Employees’ Retirement System (CalPERS); and the City of Stockton Retirement Enhancement Plan, a customized supplemental retirement plan administered by Public Agency Retirement Services (PARS) for municipal utilities employees, who worked under a private contract between 2003 and 2008.

Summary:

	Governmental Activites	Business Type Activites	Total
Deferred Outflows of Resources:			
CalPERS:			
Safety			
Contributions made after measurement date	\$ 42,497,060	\$ -	\$ 42,497,060
Change in assumptions	33,807,868	-	33,807,868
Differences between expected and actual experience	5,738,610	-	5,738,610
Difference between projected and actual investment earnings	42,717,067	-	42,717,067
Total Safety Plan	124,760,605	-	124,760,605
Miscellaneous			
Contributions made after measurement date	19,396,123	1,874,588	21,270,711
Change in assumptions	4,569,945	441,674	5,011,619
Difference between projected and actual investment earnings	29,777,086	2,877,882	32,654,968
Total Miscellaneous Plan	53,743,154	5,194,144	58,937,298
PARS			
Change in assumptions	-	50,256	50,256
Differences between expected and actual experience	-	228,715	228,715
Difference between projected and actual investment earnings	-	765,856	765,856
Total PARS Plan	-	1,044,827	1,044,827
Total Pensions related Deferred Outflows of Resources	\$ 178,503,759	\$ 6,238,971	\$ 184,742,730
Net Pension Liability:			
CalPERS:			
Safety	\$ 443,196,107	\$ -	\$ 443,196,107
Miscellaneous	140,019,012	13,532,494	153,551,506
PARS	-	3,109,369	3,109,369
Total Net Pension Liability	\$ 583,215,119	\$ 16,641,863	\$ 599,856,982
Deferred Inflows of Resources:			
CalPERS:			
Safety			
Differences between expected and actual experience	\$ 5,076,198	\$ -	\$ 5,076,198
Total Safety Plan	5,076,198	-	5,076,198
Miscellaneous			
Differences between expected and actual experience	4,948,193	478,230	5,426,423
Total Miscellaneous Plan	4,948,193	478,230	5,426,423
Total Pension Deferred Inflows of Resources	\$ 10,024,391	\$ 478,230	\$ 10,502,621

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 12 – Retirement Plans (Continued)**A. CalPERS Retirement Plan****General Information about Pension Plans**

CalPERS is an agent multiple-employer agency trust, that acts as a common investment and administrative agent for participating public entities in the State of California and provides retirement, disability and death benefits to plan members and beneficiaries. CalPERS benefits are payable monthly for life in an amount equal to a certain percent of the employee's highest annual salary. Benefit provisions and all other requirements are established by contract with CalPERS, State statute, and City ordinance. Copies of the CalPERS comprehensive annual financial report may be obtained from the CalPERS Executive Office, 400 Q Street, Sacramento, CA, 95811.

PARS is an agent multiple-employer agency trust that acts as a common investment and administrative agent for participating public entities in the State of California. Annual financial reports for the Aggregate Plan may be obtained by contacting PARS directly.

Plan Description – All qualified permanent and probationary employees are eligible to participate in the City of Stockton's separate Safety (police and fire) and Miscellaneous (all other) Plans, agent multiple-employer defined benefit pension plans administered by CalPERS, which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by state statute and City resolution. 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.

The Safety Plan is for sworn Police and Fire employees. The contribution requirements of the plan members and the City are established and may be amended by CalPERS.

The Miscellaneous Plan is available to full-time employees not enrolled in the Safety Plan. Part-time employees must meet specific criteria for participation. City employees are eligible for service or normal retirement at age 55 or older with a minimum of five years CalPERS service. The contribution requirements of the plan members and the City are established by CalPERS and may be amended.

Benefits provided – CalPERS provides service retirement and disability benefits, the annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits for public safety employees are calculated based on the employee's highest earning year for Classic members or as a percentage of the employee's final 3-year average salary for PEPRA (California Public Employees' Pension Reform Act of 2013-PEPRA members) multiplied by the employees' years of service. Public safety employees with ten years of continuous service are eligible to retire at age 55. Public safety employees may retire at any age after 20 years of service. The Plans' provisions and benefits in effect at June 30, 2023, are summarized as follows:

	Safety Plan	
	Prior to January 1, 2014	After January 1, 2014
Hire Date	Prior to January 1, 2014	After January 1, 2014
Benefit Vesting Schedule	5 years service	5 years service
Benefit Formula	Tier II Fire: 3% @ 55 years of age All Other: 3% @ 50 years of age	2.7% @ 57 years of age
Benefit Payments	monthly for life	monthly for life
Required Employee Contribution Rates	9.00%	12.75% and 13.5%
Required Employer Contribution Rates	20.52%	20.52%

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 12 – Retirement Plans (Continued)**A. CalPERS Retirement Plan (Continued)****General Information about Pension Plans (Continued)**

	Miscellaneous Plan	
	Prior to January 1, 2014	After January 1, 2014
Hire Date		
Benefit Vesting Schedule	5 years service	5 years service
Benefit Formula	Tier I: 2% @ 55 years of age	
Benefit Payments	Tier II: 2% @ 60 years of age	2% @ 62 years of age
Required Employee Contribution Rates	monthly for life	monthly for life
Required Employer Contribution Rates	7.00%	6.75%
	9.86%	9.86%

Employees Covered – At June 30, 2022, the measurement date, the following employees were covered under benefit terms:

	<u>Safety Plan</u>	<u>Miscellaneous Plan</u>
Inactive employees or beneficiaries currently receiving benefits	955	1,595
Inactive employees entitled to but not yet receiving benefits	522	1,531
Active employees	540	967
	<u>2,017</u>	<u>4,093</u>

Contributions – The City establishes rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by the employee 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. For the year ended June 30, 2023, the Safety Plan employer contribution rate was 20.52% of wages. The Miscellaneous Plan was 9.86% of wages.

Net Pension Liability

The City's net pension liability was measured as of June 30, 2022, using an annual actuarial valuation as of June 30, 2021, applying standard update procedures.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 12 – Retirement Plans (Continued)**A. CalPERS Retirement Plan (Continued)****General Information about Pension Plans (Continued)****Net Pension Liability (Continued)**

Actuarial assumptions – The total pension liability on June 30, 2022, the actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>Safety Plan</u>		<u>Miscellaneous Plan</u>	
Valuation Date	6/30/2021		6/30/2021	
Measurement Date	6/30/2022		6/30/2022	
Actuarial Cost Method	Entry Age Actuarial Cost Method			
Actuarial Assumptions:				
Discount Rate	6.90%		6.90%	
Inflation	2.30%		2.30%	
Payroll Growth	2.80%		2.80%	
Projected Salary Increase	Varies	(1)	Varies	(1)
Mortality	see note	(2)	see note	(2)

Depending on age, service and type of employment

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

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of 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:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1-10⁽¹⁾⁽²⁾</u>
Global Equity-cap weighted	30.00%	4.45%
Global Equity non-cap weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-Backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	<u>100.00%</u>	

⁽¹⁾ An Expected inflation of 2.30% used for this period.

⁽²⁾ Figures are based on the 2021-22 Asset Liability Management study.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 12 – Retirement Plans (Continued)**A. CalPERS Retirement Plan (Continued)****Net Pension Liability (Continued)**

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

Change of Assumptions

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

Changes in the Net Pension Liability

The changes in the Net Pension Liability for each Plan are as follows:

	Safety Plan		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at 06/30/2021	\$ 1,207,393,627	\$ 946,654,864	\$ 260,738,763
Changes for the year:			
Service cost	20,255,092	-	20,255,092
Interest on total pension liability	85,264,766	-	85,264,766
Changes of Assumption	44,713,632	-	44,713,632
Differences between expected and actual experience	7,388,791	-	7,388,791
Net plan to plan resource movement	-	-	-
Contributions-employer	-	39,195,163	(39,195,163)
Contributions-employee	-	7,961,859	(7,961,859)
Net investment income	-	(71,402,376)	71,402,376
Benefit payments, including refunds of employee	(67,804,721)	(67,804,721)	-
Administrative expense	-	(589,709)	589,709
Other Miscellaneous Income (Expense)	-	-	-
Net Changes	89,817,560	(92,639,784)	182,457,344
Balances at 06/30/2022	\$ 1,297,211,187	\$ 854,015,080	\$ 443,196,107

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 12 – Retirement Plans (Continued)**A. CalPERS Retirement Plan (Continued)****Changes in the Net Pension Liability (Continued)**

	Miscellaneous Plan		
	Total Pension Liability	Increase (Decrease)	
		Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at 06/30/2021	\$ 780,242,258	\$ 722,389,028	\$ 57,853,230
Changes for the year:			
Service cost	12,181,998	-	12,181,998
Interest on total pension liability	52,840,932	-	52,840,932
Changes of Assumption	8,143,881	-	8,143,881
Differences between expected and actual experience	(6,779,583)	-	(6,779,583)
Net plan to plan resource movement	-	-	-
Contributions-employer	-	20,485,648	(20,485,648)
Contributions-employee	-	4,857,018	(4,857,018)
Net investment income	-	(54,203,709)	54,203,709
Benefit payments, including refunds of employee	(43,773,909)	(43,773,909)	-
Administrative expense	-	(450,005)	450,005
Other Miscellaneous Income (Expense)	-	-	-
Net Changes	<u>22,613,319</u>	<u>(73,084,957)</u>	<u>95,698,276</u>
Balances at 06/30/2022	<u>\$ 802,855,577</u>	<u>\$ 649,304,071</u>	<u>\$ 153,551,506</u>

Sensitivity of the net pension liability to changes in the discount rate – The following presents the net pension liability of the City, calculated using the discount rate of 6.90 percent, 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 (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

Safety Plan

	1% Decrease Rate (5.90%)	Current Discount Rate (6.90%)	1% Increase Rate (7.90%)
Net pension liability	\$ 622,205,092	\$ 443,196,107	\$ 297,358,786

Miscellaneous Plan

	1% Decrease Rate (5.90%)	Current Discount Rate (6.90%)	1% Increase Rate (7.90%)
Net pension liability	\$ 255,399,878	\$ 153,551,506	\$ 69,160,881

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

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 12 – Retirement Plans (Continued)**A. CalPERS Retirement Plan (Continued)****Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

As of measurement date June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Safety Plan		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contribution subsequent to measurement date	\$ 42,497,060	\$ -
Changes of assumptions	33,807,868	-
Differences between expected and actual experience	5,738,610	(5,076,198)
Net differences between projected and actual earnings on pension plan investments	42,717,067	-
Total	\$ 124,760,605	\$ (5,076,198)

Miscellaneous Plan		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contribution subsequent to measurement date	\$ 21,270,711	\$ -
Changes of assumptions	5,011,619	-
Differences between expected and actual experience	-	(5,426,423)
Net differences between projected and actual earnings on pension plan investments	32,654,968	-
Total	\$ 58,937,298	\$ (5,426,423)

The \$42,497,060 and \$21,270,711 reported as deferred outflows of resources related to pension resulting from the City's contributions subsequent to the measurement date during the year ended June 30, 2023, will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows, and deferred inflows of resources related to pensions will be recognized in future pension expense.

Safety Plan	
Measurement periods ended June 30:	Deferred Outflows/(inflows) of Resources
2023	\$ 16,561,497
2024	16,814,043
2025	15,351,287
2026	28,460,520
2027	-
Thereafter	-
Total	\$ 77,187,347

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 12 – Retirement Plans (Continued)**A. CalPERS Retirement Plan (Continued)****Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

Miscellaneous Plan	
Measurement periods ended June 30:	Deferred Outflows/(inflows) of Resources
2023	\$ 4,499,453
2024	4,931,172
2025	2,134,948
2026	20,674,591
2027	-
Thereafter	-
Total	\$ 32,240,164

B. PARS Enhancement Plan**General Information about Pension Plans**

Plan Description – The PARS Retirement Enhancement Plan (REP), a closed retirement plan, provides retirement benefits for Municipal Utility Department employees for the period they worked for OMI-Thames Water Stockton, Inc. The City entered into an agreement with Public Agency Retirement Services (PARS) (a public sector retirement plan administrator specializing in providing public entities customized retirement plans and solutions) to contribute to a supplemental plan for employees joining or re-joining City service after having been employed between 2003 and 2008 by OMI-Thames, a private sector utility contractor. OMI-Thames employees did not earn CalPERS service credit during the period OMI-Thames operated the City utilities.

Benefits provided - Upon retirement, the REP benefits will supplement any CalPERS retirement for which those particular employees are eligible. Eligibility for the REP, a single-employer post-employment defined benefit plan, other than employment with OMI-Thames between 2003 and 2008, is defined as concurrent retirement with CalPERS and the City upon attaining age 55 and a minimum of 5 years of full-time continuous service with the City, with at least 1 year of continuous City service after March 1, 2008.

Employees covered - At June 30, 2023, the following employees were covered by the benefit terms:

	PARS Enhancement Plan
Inactive employees or beneficiaries currently receiving benefits	55
Inactive employees entitled to but not yet receiving benefits	0
Active employees	27
	82

Contributions – The City establishes rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by the employee 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.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 12 – Retirement Plans (Continued)**B. PARS Enhancement Plan (Continued)****Net Pension Liability**

The City's net pension liability was measured as of June 30, 2023, using an annual actuarial valuation as of June 30, 2022, using standard update procedures.

Actuarial assumptions – The total pension liability on June 30, 2023, the actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PARS Enhancement Plan</u>	
Valuation Date	6/30/2022	
Measurement Date	6/30/2023	
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	6.50%	
Inflation	2.30%	
Payroll Growth	2.80%	
Projected Salary Increase	3.34% - 9.01%	(1)
Investment Rate of Return	6.50%	
Mortality	see note	(2)

(1) Depending on years of service.

(2) Pre-retirement: Consistent with Non-Industrial rates used to value the CalPERS Miscellaneous Public Agency Pension Plans after June 30, 2021.
 Post-Retirement: Consistent with Non-Industrial rates used to value the CalPERS Miscellaneous Public Agency Pension Plans after June 30, 2021

Discount rate – The discount rate used to measure the total pension liability was 6.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of currently active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Change of Assumptions

The non-economic actuarial assumptions that determined the total pension liability as of June 30, 2023 were based on the results of an actuarial experience study of the California Public Employees' Retirement System for the period 1997-2019 and released in November 2021.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 12 – Retirement Plans (Continued)**B. PARS Enhancement Plan (Continued)****Change of Assumptions (Continued)**

The target allocation and best estimates of real arithmetic rates of return for each major asset class are summarized in the following table:

PARS Enhancement Plan			
Asset Class	Estimated Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
US Cash	3.88%	0.51%	0.49%
US Core Fixed Income	47.94%	2.07%	1.93%
US Broad Equity Market	36.80%	5.56%	3.90%
Foreign Developed Equity	6.06%	6.89%	5.07%
Emerging Markets Equity	3.72%	9.58%	6.18%
USREITs	1.60%	6.96%	4.74%
Total	100.00%		
Assumed Inflation - Mean		2.32%	2.32%
Assumed Inflation - Standard Deviation		1.42%	1.42%
Portfolio Real Mean Return		3.94%	3.49%
Portfolio Nominal Mean Return		6.26%	5.90%
Portfolio Standard Deviation			8.88%
City's Long-Term Expected Rate of Return			6.50%

Changes in the Net Pension Liability

The changes in the Net Pension Liability for the Plan are as follows:

PARS Enhancement Plan			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at 06/30/2022	\$ 12,935,662	\$ 9,620,909	\$ 3,314,753
Changes for the year:			
Service cost	114,224	-	114,224
Interest on total pension liability	826,109	-	826,109
Effect of economic/demographic gains or losses	300,141	-	300,141
Effect of assumptions changes or inputs	74,188	-	74,188
Benefit payments	(691,937)	(691,937)	-
Employer Contributions	-	854,389	(854,389)
Net investment income	-	682,430	(682,430)
Administrative expense	-	(16,773)	16,773
Net Changes	622,725	828,109	(205,384)
Balances at 06/30/2023	\$ 13,558,387	\$ 10,449,018	\$ 3,109,369

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 12 – Retirement Plans (Continued)**B. PARS Enhancement Plan (Continued)****Changes in the Net Pension Liability (Continued)**

Sensitivity of the net pension liability to changes in the discount rate – The following presents the net pension liability of the City, calculated using the discount rate of 6.50 percent, 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 (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

PARS Enhancement Plan	1% Decrease Rate (5.50%)	Current Discount Rate (6.50%)	1% Increase Rate (7.50%)
Net pension liability	\$ 4,714,537	\$ 3,109,369	\$ 1,755,989

Pension plan fiduciary net position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued REP financial report.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PARS Enhancement Plan		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 50,256	\$ -
Differences between expected and actual experience	228,715	-
Net differences between projected and actual earnings on pension plan investments	765,856	-
Total	\$ 1,044,827	\$ -

For the year ended June 30, 2023, \$1,044,827 was reported as deferred outflows of resources related to earnings and changes of assumptions on pension plan investments and will be recognized in future pension expense as follows:

PARS Enhancement Plan	
Measurement periods ended June 30:	Deferred Outflows/(inflows) of Resources
2024	\$ 350,651
2025	271,266
2026	433,393
2027	(10,483)
2028	-
Thereafter	-
Total	\$ 1,044,827

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 12 – Retirement Plans (Continued)**C. Retirement Benefits Fund (Section 115 Trust)**

The Retirement Fund is used to make contributions to the California Public Employees' Retirement System (CalPERS) for the City's defined benefit programs. Also accounted for in the Retirement Fund are monies in the form of an IRS approved Section 115 Plan, set aside to pay for future payment increases announced by CalPERS. At the end of fiscal year 2022-23, the Section 115 Plan, has \$81.5 million available to fund the annual liability payments. The Trust is monitored by the Administrative Services and Human Resources Departments.

Note 13 – Claims Payable

The City is exposed to various risks of loss related to liability torts; theft of, damage to, and destruction of assets; errors and omissions; health and safety of employees; and natural disasters. The City established three internal service insurance funds (General Liability, Workers' Compensation, and Employee Health Benefits funds) to account for and finance its self-insured retained risks. Under the City's risk management program, the City retains risk for each general liability claim, for each workers' compensation claim, and for each medical plan member under the health benefits programs. The City purchases stop-loss coverage for the health benefits program over its \$350,000 self-insured retention (SIR) from Union Labor Life Insurance Company up to a maximum of \$1,000,000 per Original Plan member and \$2,000,000 per Modified Plan member. The City's coverage for Self-Insured Retention (SIR) excess claims for general liability and workers' compensation is discussed later in this note under risk pools. The workers' compensation and general liability programs are administered by third-party claims administrators (TPA).

The City's estimated liabilities for claims filed or expected to be filed up to the amounts for which it retains risk in the Internal Service Funds is reported as *Self-insurance claims and judgments*.

Charges to the General Fund and other funds are determined from an analysis of claims costs and are recorded as expenditures or expenses in the contributing funds and charges for services in the internal service funds. Charges for general liability and workers' compensation insurances are a percentage of payroll, and the charge for health benefits is a monthly dollar amount for all actively occupied positions.

Independent actuaries perform an analysis of the City's potential liability for the City's retained risk portions of the various self-insurance programs. The amounts recorded as liabilities represent estimates of amounts to be paid on new and open claims, as well as changes to reserve amounts managed by the TPAs and modified for current trends and market data. For general liability and workers' compensation for the current year, the present value of estimated outstanding losses is recognized at a 70% confidence level, using a 2.25% discount rate to reflect future investment earnings. While the ultimate amounts of losses incurred through June 30, 2023 are dependent on future developments, based on information provided by the City Attorney, outside counsel, TPAs and others involved with the administration of the programs, the City's management believes that the aggregate accrual is adequate to recognize such losses. There have been no significant reductions in any of the City's insurance coverage each of the past three years.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 13 – Claims Payable (Continued)

Changes in the balances of the City’s claims liabilities, which include incremental claims adjustments expenses, for the current and prior fiscal years, are as follows:

	General Liability	Workers’ Compensation	Health Benefits	Total
Balance, June 30, 2021	\$ 10,524,626	\$ 55,395,000	\$ 396,000	\$ 66,315,626
Claims incurred	5,939,446	1,649,686	2,410,879	10,000,011
Claims paid	(959,839)	(7,544,686)	(2,410,879)	(10,915,404)
Balance, June 30, 2022	15,504,233	49,500,000	396,000	65,400,233
Claims incurred	11,764,622	12,851,273	1,250,231	25,866,126
Claims paid	(3,764,230)	(11,788,273)	(1,646,231)	(17,198,734)
Balance, June 30, 2023	<u>\$ 23,504,625</u>	<u>\$ 50,563,000</u>	<u>\$ -</u>	<u>\$ 74,067,625</u>

Risk Pools – The City is a member of two joint powers authorities organized under the California Government Code for the purpose of pooling self-insured losses, as described below.

General Liability Insurance - In 1986, the City joined with other municipalities and regional municipal joint powers authorities to form the California Joint Powers Risk Management Authority (CJPRMA), a public entity risk pool currently operating as a general liability risk management and insurance program for 19 member entities. The City’s self-insured retention (SIR) will increase from \$1.25 million to \$1.50 million effective July 1, 2024. Losses above the City’s SIR are pooled up to \$7.5 million per occurrence, with reinsurance above the \$7.5 million up to \$40 million by CJPRMA. Specific coverage includes general liability, excess automotive liability, personal injury, errors and omissions, and certain other coverage.

The CJPRMA governing board is comprised of a representative from each member entity. All members have a single vote for policy and charter changes. An executive committee of seven is elected to handle administration. Members are assessed annual contributions based on actuarially determined rates. CJPRMA retroactively adjusts premium deposits for any excess or deficiency in deposits related to paid claims and reserves. Financial statements for CJPRMA for the fiscal year ended June 30, 2023, can be obtained from CJPRMA at 3201 Doolan Road, Suite #285, Livermore, California 94551.

Property Protection - The City participates in CJPRMA’s All Risks Property Protection Program, which is primarily underwritten by a casualty insurance company. The Program provides \$300 million in coverage to participating members, subject to a deductible of \$250,000. Premiums, which are negotiated each year, are based on property values and are not subject to retroactive adjustments.

Automobile Insurance – The City participates in CJPRMA’s Automobile Physical Damage Reinsurance Program. The Program provides \$10 million per occurrence in coverage to participation members, subject to a deductible of \$50,000. Premiums, which are negotiated each year, are based on fleet value and are not subject to retroactive adjustments.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 13 – Claims Payable (Continued)

Workers' Compensation Insurance – The City has been self-funded for its Worker's Compensation Program since 1979. In July 2003, the City joined California Public Entity Insurance Authority (CPEIA), a public entity risk pool which operated an Excess Workers' Compensation Program. CPEIA has since merged into an existing authority known as California State Association of Counties Excess Insurance Authorities (CSAC-EIA). The CSAC-EIA was formed in 1979 by 29 California counties for the purpose of pooling risk and providing a viable and cost-effective solution for the counties' insurance and risk management needs. In 2020, the EIA became Public Risk Innovation, Solutions, and Management (PRISM). PRISM has since expanded to allow admittance from cities and other entities which currently includes 95% of the counties in California, nearly 70% of the cities, as well as, numerous school districts, special districts, housing authorities, fire districts, and other Joint Powers Authorities. The City's self-insured retention is currently set at \$500,000 per occurrence. Losses above the City's SIR are pooled up to \$4.5 million per occurrence by PRISM. Statutory coverage for losses above \$5 million is covered by reinsurance and excess insurance policies throughout PRISM.

Note 14 – Pollution Remediation Obligations

GASB Statement No. 49 requires the former Agency, now Successor Agency, to report a pollution remediation liability upon the occurrence of an obligating event, such as being compelled by a regulatory agency or legal action to clean up existing pollution. The liability is estimated based on the expected future cash flows technique (i.e., the sum of the probability-weighted amounts in a range of possible estimated amounts). Only components of the liability (e.g., site assessment, site investigation, corrective measures feasibility study, remediation design, remediation operations and maintenance, and post-remediation monitoring) which can be reasonably estimated are included in the estimated liability. Expected recoveries from insurers and other responsible parties reduce the estimated liability.

Actual pollution remediation costs may vary from the estimated liability for many reasons, including changes in pollution laws and regulations, the technology used for the cleanup, the remediation plan or operating conditions, prices of products and services.

The former Agency, Successor Agency, has identified the UNOCAL site along the Stockton channel that are designated "Brownfields" by the U.S. Environmental Protection Agency, with the goal of revitalizing contaminated properties that the Successor Agency currently owns in the area near Stockton's downtown waterfront in the Waterfront Redevelopment Project Area. The following are details of the Successor Agency-owned contaminated site, including a description of the pollution, the obligating event requiring remediation action, estimable remediation costs components, and recoveries by responsible parties. Details of the liabilities as of June 30, 2023, are also discussed.

To provide clarification of the following discussion, the California Polanco Redevelopment Act (AB 3193, Chapter 1113, Statutes of 1990, Polanco), part of the Community Redevelopment Act, was enacted by the California legislature to assist redevelopment agencies in responding to brownfield properties in their redevelopment areas. It prescribes processes for redevelopment agencies to follow when cleaning up a hazardous substance release in a redevelopment project area. It also provides immunity from liability for redevelopment agencies and subsequent property purchases for sites cleaned up under a cleanup plan approved by the California Department of Toxic Substances Control or a Regional Board.

The following provides a discussion of the identified brownfield sites of the Successor Agency:

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 14 – Pollution Remediation Obligations (Continued)

Area 2A-Unocal – Soil and groundwater contamination has been identified in Area 2A-Unocal associated with total petroleum hydrocarbons, volatile and semi-volatile organic compounds. The obligating event for this site stems from a Polanco agreement notice issued to the responsible party, currently in negotiation for settlement. Estimated costs are for a consultant, legal and City personnel costs for cleanup of the soil contamination, and pre-cleanup and investigative study of the site about the groundwater contamination. Future groundwater cleanup and ongoing post-remediation monitoring costs cannot be reasonably estimated. The net pollution remediation liability of this site as of June 30, 2023, is \$431,250, which includes an estimated recovery of costs by the responsible party.

The total net estimated net pollution remediation liability for the site in the amount of \$275,000, is reported to the Successor Agency as of June 30, 2023.

Note 15 – Other Required Disclosures***Deficit Fund Balances***

At June 30, 2023, the following funds had net positions or fund balance deficits:

<u>Fund</u>	<u>Fund Type</u>	<u>Deficit</u>
Special Grants	Special Revenue Fund	\$ (1,344,162)
Parking Authority	Enterprise Fund	(5,132,205)
Successor Agency	Private Purpose Trust Fund	(56,816,846)

- The Special Grants Fund has an accumulated deficit fund balance of \$1,344,162 as of June 30, 2023. The deficit will be recovered as further grant revenue is recognized.
- The Parking Authority Fund has an accumulated deficit fund balance of \$5,132,205 as of June 30, 2023. This is due to an interfund loan borrowing from the Worker's Compensation Fund for \$8,915,000. It is in relation to the payoff of the 2006 Series A ESB bonds previously held in the City's Debt Service Fund. The loan terms are set at 2%, biannual payments with anticipated payoff date of February 1, 2032.
- The Successor Agency to the Redevelopment Agency Private Purpose Trust Fund has an accumulated deficit fund balance of \$56,816,846 as of June 30, 2023. This is an Agency Private Purpose Trust fund and not included in the City's net position. The fund has a bonds payable balance that causes the fund balance deficit.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 15 – Other Required Disclosures (Continued)***Expenditures in Excess of Appropriations***

The following funds had expenditures in excess of appropriations:

Fund	Appropriations	Expenditures	Excess of Expenditures over Appropriations
Major Governmental Fund:			
General Fund			
Debt service:			
Principal	\$ 495,600	\$ 798,168	\$ 302,568
Interest	9,912	17,667	7,755
Federal Housing Grants Special Revenue Fund			
Debt service:			
Principal	2,445,000	2,454,070	9,070
Debt service:			
Principal	-	47,366	47,366
Interest	-	1,755	1,755
Nonmajor Governmental Fund:			
State Housing Grants Special Revenue Fund			
Debt service:			
Principal	-	7,898	7,898
Interest	-	30	30
Measure W Public Safety Tax Special Revenue Fund			
Debt service:			
Principal	-	10,191	10,191
Interest	-	270	270
Development Services Special Revenue Fund			
Debt service:			
Principal	-	2,524	2,524
Interest	-	28	28

All of the identified expenditures in excess of approved appropriations are the result of entries implementing GASB 87 and GASB 96. These entries are not of a budgetary nature.

Note 16 – Commitments and Contingencies***Contingent Liability – Pending Litigation***

Various claims and legal actions are pending against the City, some of which have a reasonable possibility of an unfavorable outcome. These legal actions involve property, personal injury, and civil rights claims. GASB Statement No. 62 requires disclosure of pending litigation for which contingency is possible, and the amount cannot be reasonably estimated. As discussed in Note 12, the City is self-insured and has accrued a liability for estimated claims outstanding. Amounts for the claims, which cannot be reasonably estimated at this time, have not been included in the financial statements. Management, after consultation with legal counsel, is of the opinion that ultimate disposition of these matters will not have a material adverse effect on the City's financial position or results of operations.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 16 – Commitments and Contingencies (Continued)***Capital Commitments***

The City is undertaking some capital improvement projects, the most significant of which include the following outstanding capital commitments at June 30, 2023:

	Amount
Waterfront Towers New City Hall	\$ 31,056,863
Regional Wastewater Control Facility	22,958,359
Developer Reimbursements	7,472,946
South Stockton Well SSS8 Rehab	5,425,355
Citywide Tree Maintenance	3,796,221
Bus Rapid Transit, Phase V	1,465,147
	\$ 72,174,892

Encumbrances

The City utilizes encumbrance accounting as a means of controlling expenditures. Under this method, funds are encumbered when purchase orders, contracts, and other commitments are signed or approved by authorized City officials. Such outstanding commitments at the end of the year do not constitute expenditures or liabilities under GAAP.

GASB Statement No. 54 provides additional guidance on the classification within the fund balances section of amounts that have been encumbered. Encumbrances of balances within the governmental funds are classified as either committed, restricted, or assigned and are included in the respective classification. Outstanding encumbrances at June 30, 2023, are as follows:

	Amount
General Fund	\$ 10,213,855
Housing Grant Fund	1,484,269
Special Grant Fund	23,065,457
Capital Improvements	55,966,156
Other Governmental Funds	14,877,504
Total Governmental Funds	\$ 105,607,241

Facilities Management Agreement

On March 20, 2018, the Stockton City Council approved the amendment of the current Facilities Management Agreement (Agreement) with SMG (now referred to as ASM Global) to include the Downtown Marina operations, extend the terms of the existing agreement and to include vendor performance benchmarks. ASM Global provides operation management and marketing services to the City for the Stockton. Events Center includes a multi-purpose indoor arena, a baseball park, the Events Center common areas, the Bob Hope Theatre, Oak Park Ice Arena and the Downtown Marina.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 16 – Commitments and Contingencies (Continued)*Facilities Management Agreement (Continued)*

The current agreement will extend the terms until 2026 and may be renewed at the option of the City for one additional five-year period. Either party may terminate the Agreement for cause during the agreement period due to a material breach by the other party or for default.

ASM is responsible for operating these facilities in keeping with the management goals set and approved each year by the City Council, with the overarching goal of having the facilities operating revenues exceed the respective operating expenses.

ASM is required to provide various fidelity and performance bonds, which includes various types of coverage in the amount of \$1,000,000. This coverage extends to the areas of Commercial General and Automobile Liability, Professional Errors and Omissions, Crime, Employment and Worker’s Compensation. Additionally, there is an Umbrella Liability coverage requirement of \$5,000,000.

Compensation to ASM is determined from a base fee for all venues, plus performance-based compensation, as defined in the Agreement. Both components are eligible for periodic adjustments based on the consumer price index (CPI).

Financial activities of ASM, as a service organization, is combined with and reported in the General Fund.

Note 17 – Net Investment in Capital Assets and Restricted Net Position*Net Investment in Capital Assets*

The following is the calculation of net investment in capital assets at June 30, 2023:

	Governmental Activities	Business -Type Activities	Totals
Capital assets, net	\$ 882,741,697	\$ 844,651,580	\$ 1,727,393,277
Debt related to capital assets	(64,508,131)	(382,906,309)	(447,414,440)
Unamortized loss on refunding of debt	-	12,735,989	12,735,989
Retention payable	(1,147,710)	(913,284)	(2,060,994)
Net investment in capital assets	<u>\$ 817,085,856</u>	<u>\$ 473,567,976</u>	<u>\$ 1,290,653,832</u>

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 17 – Net Investment in Capital Assets and Restricted Net Position (Continued)***Restricted Net Position***

At June 30, 2023, restricted net position consisted of the following:

	Governmental Activities	Business -Type Activities	Totals
Restricted:			
Capital projects	\$ 14,351,671	\$ 11,084,951	\$ 25,436,622
Debt service	2,069,849	14,281,592	16,351,441
Measure A&B	14,023	-	14,023
Section 108 loan	1,277,452	-	1,277,452
Community Development	58,773,449	-	58,773,449
General government	12,175,081	-	12,175,081
Housing	165,689,911	-	165,689,911
Library and arts	7,573,693	-	7,573,693
Parks and recreation	41,906,531	-	41,906,531
Public safety	13,400,795	-	13,400,795
Solid waste/recycling	8,363,662	-	8,363,662
Streets, transit and traffic	88,554,777	-	88,554,777
Pension	81,544,197	-	81,544,197
Total restricted	\$ 495,695,091	\$ 25,366,543	\$ 521,061,634

Note 18 – Subsequent Events***Refunding of Enterprise Fund Debt*****Water Revenue Refunding Bonds, Series 2019A**

On September 19, 2023, the City completed a cash defeasance of the Water Revenue Refunding Bonds, Series 2019A with a par amount of \$11,135,000. The defeasance had a return on investment of 5.47% and will save the Water Utility Fund \$3,663,125 through October 1, 2040. The total outstanding debt of \$53,140,000 reported in Note 8 was reduced to \$42,005,000 following this transaction.

Grant Funding Awarded**Transformative Climate Communities Program Implementation Grant (Round 4)**

The City was awarded a Transformative Climate Communities Program Implementation Grant of \$24,165,510 from the State of California Office of Planning and Research with an effective term of October 1, 2023 to September 30, 2028. This grant was approved by Council resolution 2023-09-12-1502.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 18 – Subsequent Events (Continued)*Significant Contracts Awarded***Emergency Homeless Shelter Operations**

On July 31, 2023, the City declared a local emergency to protect unhoused individuals that were threatened to be displaced by the closure of the Stockton Shelter for the Homeless. On September 12, 2023, the City entered into a contract with St. Mary's Dining Room to assume operations of a campus-wide homeless shelter that was formally Stockton Shelter for the Homeless. The City provided \$5,380,000 to address the funding gap in operating expenses over a three year period.

Note 19 – Prior Period Adjustments

	Governmental Funds			Internal Service Funds	
	Governmental Activities	Special Grants	Other Governmental Fund*	Vehicle Fleet Equipment Internal Service Fund	Computer and Radio Internal Service Fund
Net Position at July 1, 2022	\$ 1,117,166,532	\$ 36,802,822	\$ 285,677,603	\$ 37,183,728	\$ 69,542,700
Correction on unavailable revenue	3,367,003	(3,367,003)	-	-	-
Correction on unearned revenue	(37,903,107)	(34,536,104)	-	-	-
Correction on revenue recognition	-	(621,346)	621,346	-	-
GASB 96 Implementation	66,143	-	-	43,112	4,200
Net Position at July 1, 2022, as restated	\$ 1,082,696,571	\$ (1,721,631)	\$ 286,298,949	\$ 37,226,840	\$ 69,546,900

* The prior period adjustment came from the Other Special Revenue Fund.



CITY OF STOCKTON



REQUIRED SUPPLEMENTARY INFORMATION



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City of Stockton
Required Supplementary Information (Unaudited)
Notes to the Budgetary Comparison Schedule
For the Year Ended June 30, 2023

1 Budgetary Information

Budget Process

In accordance with the provisions of the City Charter, the City prepares and adopts a budget on or before June 30 for each fiscal year. Total appropriations shall not exceed the total of estimated revenues, estimated unencumbered balances of funds to be carried over from the preceding year and unencumbered available fund balances. The General Fund, Federal Housing Grant Special Revenue Fund, Special Grants Special Revenue Fund, and certain nonmajor special revenue funds (Solid Waste and Recycling, Gas Tax, Measure K Streets Sales Tax, Measure W Public Safety Sales Tax, Special Assessments, Development Services, and Other Special Revenue) and certain capital projects funds (Public Facilities Impact Fees and Capital Improvement) have legally adopted annual budgets. Prior to July 1, the original adopted budget is legally enacted through the passage of a resolution by the City Council. In the event this does not occur, the City Manager's draft budget is in force until a budget is adopted by the City Council.

Enterprise and internal service funds are accounted for on a cost of service (net income) or capital maintenance measurement focus. The City is not legally mandated to report the results of operations for these fund types on a budgetary comparison basis; therefore, budgetary data related to these funds has not been presented.

If expenditures exceed appropriations at the department level for the General Fund or at the fund level for all other funds, the City Manager is authorized to transfer budgeted amounts between line items within any fund. During the year, the City Council approves supplemental appropriations and, by resolution, has also authorized the City Manager to transfer fund balances to applicable appropriation accounts, or to transfer between funds, when necessary to continue purposes approved by the City Council in the current year, adopted budget, or subsequent action. Amounts reported as final budget in the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – On a Budgetary Basis include amendments authorized throughout the year.

Formal budgetary integration is employed as a management control device during the year for the General Fund and certain Special Revenue and Capital Projects Funds. Formal budgetary integration is not employed for the Permanent funds.

All unencumbered appropriations lapse at year-end, with the exception of ongoing capital improvement projects and miscellaneous grants in the respective funds. Encumbered appropriations are re-appropriated in the following year's budget.



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City of Stockton
Required Supplementary Information (Unaudited)
Notes to the Budgetary Comparison Schedule (Continued)
For the Year Ended June 30, 2023

Budget Basis of Accounting

The City adopts budgets each fiscal year on a basis of accounting, which is different from accounting principles generally accepted in the United States of America (GAAP).

The statements of revenue, expenditures and changes in fund balances have been prepared on the modified accrual basis of accounting in accordance with GAAP. The schedules of revenues, expenditures and changes in fund balances – budget and actual – on a budgetary basis have been prepared on the budgetary basis, which is different from GAAP.

The variations from GAAP that are for budgetary purposes include the following:

Outstanding commitments relating to construction contracts and other purchases of goods and services are recorded as expenditures at the time contracts or purchase agreements are entered into. Under GAAP, these obligations are recognized when goods are received or services are rendered.

The write-off uncollectable accounts receivables is not recognized as an expenditure. Under GAAP, these write-offs are recognized as expenditures when the accounts receivables are determined to be uncollectable.

Certain funds of the City contain capital projects, grant projects, loan programs or other programs that are budgeted on a multi-year or project length basis. The amounts of the projects and programs budgeted on a multi-year basis are significant compared to the items budgeted on an annual basis; therefore, a comparison of budget to actual for the fund would not be meaningful. As a result, such funds are excluded from budgetary reporting.

City of Stockton
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Taxes:				
Property	\$ 41,490,000	\$ 41,490,000	\$ 42,577,881	\$ 1,087,881
Utility user	38,731,176	38,731,176	42,445,100	3,713,924
Sales - levied by City	42,080,000	42,080,000	49,703,488	7,623,488
Franchise fees	17,124,630	17,124,630	18,937,580	1,812,950
Business license	14,350,000	14,350,000	21,992,189	7,642,189
Hotel/motel room	3,211,540	3,211,540	3,432,978	221,438
Document transfer	1,200,000	1,200,000	1,028,481	(171,519)
Other	3,168,768	3,168,768	4,628,261	1,459,493
Licenses and permits	556,405	556,405	467,794	(88,611)
Intergovernmental:				
Federal grants and subsidies	116,429	142,185	107,090	(35,095)
Sales and use tax - levied by state	69,933,000	69,933,000	76,954,150	7,021,150
Other governmental	44,323,593	44,340,269	44,427,118	86,849
Charges for services	9,934,163	10,201,074	11,357,788	1,156,714
Fines and forfeitures	1,239,285	1,239,285	181,618	(1,057,667)
Use of money and property	7,584,486	7,584,486	9,653,318	2,068,832
Investment income:				
Interest income	2,435,529	2,435,529	451,357	(1,984,172)
Refunds and reimbursements	833,710	833,710	958,953	125,243
Miscellaneous	4,983,612	7,283,612	6,173,301	(1,110,311)
	<u>303,296,326</u>	<u>305,905,669</u>	<u>335,478,445</u>	<u>29,572,776</u>
EXPENDITURES:				
General government:				
City council	1,022,320	1,124,328	977,239	147,089
City manager	2,827,103	2,873,737	2,502,467	371,270
City attorney	1,529,684	1,541,938	1,060,132	481,806
City clerk	1,191,058	1,214,562	1,075,566	138,996
City auditor	456,400	821,828	399,892	421,936
Administrative services	8,923,640	9,044,239	8,075,577	968,662
Human resources	2,636,085	4,223,219	2,383,769	1,839,450
Housing	1,607,610	4,136,309	1,414,837	2,721,472
Non-departmental	2,415,168	2,616,748	(199,326)	2,816,074
Total general government	<u>22,609,068</u>	<u>27,596,908</u>	<u>17,690,153</u>	<u>9,906,755</u>

City of Stockton
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - General Fund (Continued)
For the Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES (CONTINUED):				
Public safety:				
Police	151,177,320	158,796,117	142,568,184	16,227,933
Fire	57,200,604	61,586,797	57,580,164	4,006,633
Total public safety	<u>208,377,924</u>	<u>220,382,914</u>	<u>200,148,348</u>	<u>20,234,566</u>
Public works	19,301,423	19,854,654	18,234,334	1,620,320
Library	13,861,908	14,487,017	11,996,043	2,490,974
Parks and recreation	13,600,776	15,972,048	12,769,610	3,202,438
Capital outlay	235,050	3,158,378	2,020,978	1,137,400
Debt service:				
Principal retirement	495,600	495,600	798,168	(302,568)
Interest and fiscal charges	9,912	9,912	17,667	(7,755)
Total expenditures	<u>278,491,661</u>	<u>301,957,431</u>	<u>263,675,301</u>	<u>38,282,130</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES (BUDGETARY BASIS)	<u>24,804,665</u>	<u>3,948,238</u>	<u>71,803,144</u>	<u>67,854,906</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	500,000	-	(500,000)
Transfers out	(25,610,050)	(73,194,377)	(39,305,080)	33,889,297
Issuance of debt	-	-	1,208,028	1,208,028
Proceed from sale of capital assets	60,000	60,000	44,165	(15,835)
Total other financing sources (uses)	<u>(25,550,050)</u>	<u>(72,634,377)</u>	<u>(38,052,887)</u>	<u>34,581,490</u>
NET CHANGE IN FUND BALANCE (GAAP BASIS)	<u>\$ (745,385)</u>	<u>\$ (68,686,139)</u>	<u>33,750,257</u>	<u>\$ 102,436,396</u>
BASIS ADJUSTMENT:				
Encumbrances (included in Final Budget above)*			(10,213,855)	
NET CHANGE IN FUND BALANCE (BUDGETARY BASIS)			23,536,402	
FUND BALANCE, BEGINNING OF YEAR			<u>178,613,393</u>	
FUND BALANCE (BUDGETARY BASIS), END OF YEAR			<u>\$ 202,149,795</u>	

* Adjusted to Budgetary Basis.

The notes to the required supplementary information is an integral part of this schedule.

City of Stockton
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - Federal Housing Grants Special Revenue Fund
For the Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental:				
Federal grants and subsidies	\$ 5,149,396	\$ 15,014,600	\$ 2,874,895	\$ (12,139,705)
Other governmental	-	-	1,747,243	1,747,243
Charges for services	-	-	1,575	1,575
Use of money and property	364,000	364,000	1,158,232	794,232
Investment income:				
Interest income (loss)	-	-	47,397	47,397
Total revenues	<u>5,513,396</u>	<u>15,378,600</u>	<u>5,829,342</u>	<u>(9,549,258)</u>
EXPENDITURES:				
General government	6,738,759	21,444,146	2,474,331	18,969,815
Capital outlay	-	325,000	72,627	252,373
Debt service:				
Principal retirement	2,445,000	2,445,000	2,454,070	(9,070)
Interest and fiscal charges	106,387	106,387	98,218	8,169
Total expenditures	<u>9,290,146</u>	<u>24,320,533</u>	<u>5,099,246</u>	<u>19,221,287</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES (GAAP BASIS)	<u>(3,776,750)</u>	<u>(8,941,933)</u>	<u>730,096</u>	<u>9,672,029</u>
OTHER FINANCING USES:				
Transfers in	1,747,243	1,747,243	-	(1,747,243)
Transfers out	(349,449)	(349,449)	(349,449)	-
Proceeds from issuance of debt	-	-	72,627	72,627
Total other financing uses	<u>1,397,794</u>	<u>1,397,794</u>	<u>(276,822)</u>	<u>(1,674,616)</u>
NET CHANGE IN FUND BALANCE (GAAP BASIS)	<u>\$ (2,378,956)</u>	<u>\$ (7,544,139)</u>	<u>453,274</u>	<u>\$ 9,672,029</u>
BASIS ADJUSTMENT:				
Encumbrances			<u>(1,484,269)</u>	
NET CHANGE IN FUND BALANCE (BUDGETARY BASIS)			<u>(1,030,995)</u>	
FUND BALANCE, BEGINNING OF YEAR			<u>86,380,858</u>	
FUND BALANCE (BUDGATARY BASIS), END OF YEAR			<u>\$ 85,349,863</u>	

The notes to the required supplementary information is an integral part of this schedule.

City of Stockton
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - Special Grants Special Revenue Fund
For the Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental:				
Federal grants and subsidies	\$ 979,652	\$ 12,605,079	\$ 22,672,588	\$ 10,067,509
Other governmental	-	17,935,836	8,423,416	(9,512,420)
Miscellaneous	-	(19,653)	5,000	24,653
Total revenues	<u>979,652</u>	<u>30,521,262</u>	<u>31,101,004</u>	<u>579,742</u>
EXPENDITURES:				
Current:				
General government	292,379	66,467,028	23,424,127	43,042,901
Public safety	-	8,469,159	2,782,437	5,686,722
Public works	-	1,160,169	122,741	1,037,428
Library	-	86,074	733,250	(647,176)
Parks and recreation	-	477,670	1,585	476,085
Capital outlay	687,273	24,028,062	3,610,274	20,417,788
Debt service:				
Principal retirement	-	-	47,366	(47,366)
Interest and fiscal charges	-	-	1,755	(1,755)
Total expenditures	<u>979,652</u>	<u>100,688,162</u>	<u>30,723,535</u>	<u>69,964,627</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES (BUDGETARY BASIS)	<u>-</u>	<u>(70,166,900)</u>	<u>377,469</u>	<u>70,544,369</u>
OTHER FINANCING USES:				
Transfers out	-	(2,551,500)	-	2,551,500
Total other financing uses	<u>-</u>	<u>(2,551,500)</u>	<u>-</u>	<u>2,551,500</u>
NET CHANGE IN FUND BALANCE (GAAP BASIS)	<u>\$ -</u>	<u>\$ (72,718,400)</u>	<u>377,469</u>	<u>\$ 73,095,869</u>
BASIS ADJUSTMENT:				
Encumbrances			(23,065,457)	
NET CHANGE IN FUND BALANCE (BUDGETARY BASIS)			<u>(22,687,988)</u>	
FUND BALANCE, BEGINNING OF YEAR (DEFICIT)			(1,721,631)	
FUND BALANCE (BUDGATARY BASIS), END OF YEAR (DEFICIT)			<u>\$ (24,409,619)</u>	

The notes to the required supplementary information is an integral part of this schedule.

City of Stockton
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended June 30, 2023

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") - Miscellaneous Plan

Measurement period	Fiscal Year				
	2013-14 ¹	2014-15	2015-16	2016-17	2017-18
Total pension liability					
Service cost	\$ 9,440,824	\$ 9,145,587	\$ 9,240,648	\$ 10,871,947	\$ 11,500,131
Interest	46,152,921	47,148,768	48,179,529	48,291,460	48,873,856
Changes of benefit terms	-	-	-	-	-
Changes of assumptions	-	(11,281,319)	-	39,356,599	(19,696,405)
Differences between expected and actual experience	-	(10,000,256)	(8,961,502)	(17,662,863)	3,486,532
Benefit payments, including refunds of employee contributions	(32,763,729)	(33,662,380)	(34,150,397)	(34,494,172)	(35,750,319)
Net change in total pension liability	22,830,016	1,350,400	14,308,278	46,362,971	8,413,795
Total pension liability - beginning	627,033,727	649,863,743	651,214,143	665,522,421	711,885,392
Total pension liability - ending (a)	\$ 649,863,743	\$ 651,214,143	\$ 665,522,421	\$ 711,885,392	\$ 720,299,187
Pension fiduciary net position					
Contributions - employer	\$ 9,402,881	\$ 10,783,518	\$ 13,879,482	\$ 13,189,681	\$ 15,252,226
Contributions - employee	3,761,959	3,802,226	3,971,944	4,386,770	4,729,377
Net investment income	79,512,728	11,522,882	2,491,249	56,250,959	45,626,430
Benefit payments, including refunds of employee contributions	(32,763,729)	(33,662,380)	(34,150,397)	(34,494,172)	(35,750,319)
Net plan to plan resource movement	-	(13,377)	933	-	4,111
Administrative expense	-	(599,978)	(315,359)	(743,130)	(844,458)
Other miscellaneous income/ (expense) ²	-	-	-	-	(1,603,640)
Net change in plan fiduciary net position	59,913,839	(8,167,109)	(14,122,148)	38,590,108	27,413,727
Plan fiduciary net position - beginning³	465,703,750	525,617,589	517,450,480	503,328,332	541,918,440
Plan fiduciary net position - ending (b)	\$ 525,617,589	\$ 517,450,480	\$ 503,328,332	\$ 541,918,440	\$ 569,332,167
Plan net pension liability - ending (a) - (b)	\$ 124,246,154	\$ 133,763,663	\$ 162,194,089	\$ 169,966,952	\$ 150,967,020
Plan fiduciary net position as a percentage of the total pension liability	80.88%	79.46%	75.63%	76.12%	79.04%
Covered payroll	\$ 52,603,907	\$ 53,997,677	\$ 56,400,439	\$ 61,357,565	\$ 67,079,626
Plan net pension liability as a percentage of covered payroll	236.19%	247.72%	287.58%	277.01%	225.06%

¹ Historical information is presented only for measurement periods for periods after GASB 68 implementation in 2013-14. Additional years of information will be displayed as it becomes available.

² During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

³ Includes any beginning of year adjustment.

⁴ Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal year ended June 30, 2022; 2.75% payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00% payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedule:

Benefit Changes: Changes of Benefit Terms: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

City of Stockton
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios (Continued)
For the Year Ended June 30, 2023

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") - Miscellaneous Plan (Continued)

Measurement period	Fiscal Year			
	2018-19	2019-20	2020-21	2021-22
Total pension liability				
Service cost	\$ 11,446,572	\$ 11,098,178	\$ 11,194,084	\$ 12,181,998
Interest	50,718,177	51,801,795	53,055,641	52,840,932
Changes of benefit terms	-	-	-	-
Changes of assumptions	-	-	-	8,143,881
Differences between expected and actual experience	2,061,288	(8,567,800)	(5,435,616)	(6,779,583)
Benefit payments, including refunds of employee contributions	(37,477,251)	(39,057,265)	(40,894,732)	(43,773,909)
Net change in total pension liability	26,748,786	15,274,908	17,919,377	22,613,319
Total pension liability - beginning	720,299,187	747,047,973	762,322,881	780,242,258
Total pension liability - ending (a)	\$ 747,047,973	\$ 762,322,881	\$ 780,242,258	\$ 802,855,577
Pension fiduciary net position				
Contributions - employer	\$ 17,112,542	\$ 19,204,043	\$ 20,363,651	\$ 20,485,648
Contributions - employee	4,540,503	4,721,760	4,939,316	4,857,018
Net investment income	37,027,715	29,185,528	135,230,666	(54,203,709)
Benefit payments, including refunds of employee contributions	(37,477,251)	(39,057,265)	(40,894,732)	(43,773,909)
Net plan to plan resource movement	-	-	-	-
Administrative expense	(406,288)	(831,939)	(602,713)	(450,005)
Other miscellaneous income/ (expense) ²	1,325	-	-	-
Net change in plan fiduciary net position	20,798,546	13,222,127	119,036,188	(73,084,957)
Plan fiduciary net position - beginning³	569,332,167	590,130,713	603,352,840	722,389,028
Plan fiduciary net position - ending (b)	\$ 590,130,713	\$ 603,352,840	\$ 722,389,028	\$ 649,304,071
Plan net pension liability - ending (a) - (b)	\$ 156,917,260	\$ 158,970,041	\$ 57,853,230	\$ 153,551,506
Plan fiduciary net position as a percentage of the total pension liability	79.00%	79.15%	92.59%	80.87%
Covered payroll⁴	\$ 67,851,642	\$ 67,099,018	\$ 69,099,285	\$ 70,213,245
Plan net pension liability as a percentage of covered payroll	231.27%	236.92%	83.72%	218.69%

City of Stockton
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended June 30, 2023

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") - Safety Plan

Measurement period	Fiscal Year				
	2013-14 ¹	2014-15	2015-16	2016-17	2017-18
Total pension liability					
Service cost	\$ 13,907,523	\$ 13,593,233	\$ 13,548,998	\$ 15,401,471	\$ 17,684,602
Interest	65,730,714	67,693,599	69,765,169	71,053,021	75,078,142
Changes of benefit terms	-	-	-	-	-
Changes of assumptions	-	(16,908,140)	-	59,494,381	(3,852,172)
Differences between expected and actual experience	-	(5,410,590)	(3,570,311)	(9,538,805)	26,895,156
Benefit payments, including refunds of employee contributions	(47,761,534)	(49,614,935)	(51,615,173)	(53,205,686)	(55,481,650)
Net change in total pension liability	31,876,703	9,353,167	28,128,683	83,204,382	60,324,078
Total pension liability - beginning	893,336,527	925,213,230	934,566,397	962,695,080	1,045,899,462
Total pension liability - ending (a)	\$ 925,213,230	\$ 934,566,397	\$ 962,695,080	\$ 1,045,899,462	\$ 1,106,223,540
Pension fiduciary net position					
Contributions - employer	\$ 13,818,051	\$ 17,178,961	\$ 20,338,253	\$ 23,342,334	\$ 26,124,666
Contributions - employee	6,449,394	5,896,729	5,940,342	6,617,527	6,942,272
Net investment income	105,163,288	15,155,169	3,348,803	73,783,913	59,476,319
Benefit payments, including refunds of employee contributions	(47,761,534)	(49,614,935)	(51,615,173)	(53,205,686)	(55,481,650)
Net plan to plan resource movement	-	3,305	-	-	(7,168)
Administrative expense	-	(771,300)	(416,243)	(975,302)	(1,106,599)
Other miscellaneous income/ (expense) ²	-	-	-	-	(2,101,449)
Net change in plan fiduciary net position	77,669,199	(12,152,071)	(22,404,018)	49,562,786	33,846,391
Plan fiduciary net position - beginning³	617,467,219	695,136,418	682,984,347	660,580,329	710,143,115
Plan fiduciary net position - ending (b)	\$ 695,136,418	\$ 682,984,347	\$ 660,580,329	\$ 710,143,115	\$ 743,989,506
Plan net pension liability - ending (a) - (b)	\$ 230,076,812	\$ 251,582,050	\$ 302,114,751	\$ 335,756,347	\$ 362,234,034
Plan fiduciary net position as a percentage of the total pension liability	75.13%	73.08%	68.62%	67.90%	67.25%
Covered payroll⁴	\$ 45,422,701	\$ 46,710,538	\$ 47,115,477	\$ 48,429,252	\$ 56,947,904
Plan net pension liability as a percentage of covered payroll	506.52%	538.60%	641.22%	693.29%	636.08%

¹ Historical information is presented only for measurement periods for periods after GASB 68 implementation in 2013-14. Additional years of information will be displayed as it becomes available.

² During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

³ Includes any beginning of year adjustment.

⁴ Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal year ended June 30, 2022; 2.75% payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00% payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedule:

Benefit Changes: Changes of Benefit Terms: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

City of Stockton
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios (Continued)
For the Year Ended June 30, 2023

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") - Safety Plan (Continued)

Measurement period	Fiscal Year			
	2018-19	2019-20	2020-21	2021-22
Total pension liability				
Service cost	\$ 18,340,749	\$ 18,438,776	\$ 17,442,651	\$ 20,255,092
Interest	77,850,318	79,970,381	82,106,386	85,264,766
Changes of benefit terms	-	-	-	-
Changes of assumptions	-	-	-	44,713,632
Differences between expected and actual experience	2,178,151	(7,219,787)	(5,649,159)	7,388,791
Benefit payments, including refunds of employee contributions	(57,512,870)	(61,225,237)	(63,550,272)	(67,804,721)
Net change in total pension liability	40,856,348	29,964,133	30,349,606	89,817,560
Total pension liability - beginning	1,106,223,540	1,147,079,888	1,177,044,021	1,207,393,627
Total pension liability - ending (a)	<u>\$ 1,147,079,888</u>	<u>\$ 1,177,044,021</u>	<u>\$ 1,207,393,627</u>	<u>\$ 1,297,211,187</u>
Pension fiduciary net position				
Contributions - employer	\$ 29,781,351	\$ 33,596,802	\$ 37,208,895	\$ 39,195,163
Contributions - employee	7,139,569	7,347,966	7,775,415	7,961,859
Net investment income	48,529,461	38,307,390	177,671,066	(71,402,376)
Benefit payments, including refunds of employee contributions	(57,512,870)	(61,225,237)	(63,550,272)	(67,804,721)
Net plan to plan resource movement	-	-	-	-
Administrative expense	(530,927)	(1,087,482)	(787,501)	(589,709)
Other miscellaneous income/ (expense) ²	1,732	-	-	-
Net change in plan fiduciary net position	27,408,316	16,939,439	158,317,603	(92,639,784)
Plan fiduciary net position - beginning³	743,989,506	771,397,822	788,337,261	946,654,864
Plan fiduciary net position - ending (b)	<u>\$ 771,397,822</u>	<u>\$ 788,337,261</u>	<u>\$ 946,654,864</u>	<u>\$ 854,015,080</u>
Plan net pension liability - ending (a) - (b)	<u>\$ 375,682,066</u>	<u>\$ 388,706,760</u>	<u>\$ 260,738,763</u>	<u>\$ 443,196,107</u>
Plan fiduciary net position as a percentage of the total pension liability	67.25%	66.98%	78.40%	65.83%
Covered payroll⁴	<u>\$ 59,708,789</u>	<u>\$ 60,894,239</u>	<u>\$ 58,297,630</u>	<u>\$ 61,286,210</u>
Plan net pension liability as a percentage of covered payroll	629.19%	638.33%	447.25%	723.16%

City of Stockton
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended June 30, 2023

Measurement period	Last Ten Fiscal Years				
	PARS Enhancement Plan				
	Fiscal Year				
	2014-15 ¹	2015-16	2016-17	2017-18	2018-19
Total pension liability					
Service cost	\$ 145,882	\$ 150,623	\$ 134,056	\$ 138,078	\$ 151,504
Interest	650,386	680,023	701,117	730,559	706,545
Changes of benefit terms	-	-	-	-	-
Changes of assumptions	-	-	-	-	605,028
Economic/demographic gains or losses	-	-	(110,133)	-	(156,665)
Benefit payments, including refunds of employee contributions	(358,380)	(397,530)	(407,870)	(429,654)	(467,860)
Net change in total pension liability	437,888	433,116	317,170	438,983	838,552
Total pension liability - beginning	9,321,510	9,759,398	10,192,514	10,509,684	10,948,667
Total pension liability - ending (a)	<u>\$ 9,759,398</u>	<u>\$ 10,192,514</u>	<u>\$ 10,509,684</u>	<u>\$ 10,948,667</u>	<u>\$ 11,787,219</u>
Pension fiduciary net position					
Contributions - employer	\$ 751,157	\$ 705,192	\$ 528,894	\$ 941,620	\$ 753,296
Contributions - employee	-	-	-	-	-
Net investment income	124,454	8,851	596,724	409,596	482,222
Benefit payments, including refunds of employee contributions	(358,380)	(397,530)	(407,870)	(429,654)	(467,860)
Net plan to plan resource movement	-	-	-	-	-
Administrative expense	(966)	(43,490)	(13,097)	(13,992)	(14,506)
Net change in plan fiduciary net position	516,265	273,023	704,651	907,570	753,152
Plan fiduciary net position - beginning	5,058,426	5,574,691	5,847,714	6,552,365	7,459,935
Plan fiduciary net position - ending (b)	<u>\$ 5,574,691</u>	<u>\$ 5,847,714</u>	<u>\$ 6,552,365</u>	<u>\$ 7,459,935</u>	<u>\$ 8,213,087</u>
Plan net pension liability - ending (a) - (b)	<u>\$ 4,184,707</u>	<u>\$ 4,344,800</u>	<u>\$ 3,957,319</u>	<u>\$ 3,488,732</u>	<u>\$ 3,574,132</u>
Plan fiduciary net position as a percentage of the total pension liability	57.12%	57.37%	62.35%	68.14%	69.68%
Covered payroll	<u>\$ 3,610,315</u>	<u>\$ 3,454,139</u>	<u>\$ 3,327,608</u>	<u>\$ 3,427,436</u>	<u>\$ 3,446,204</u>
Plan net pension liability as a percentage of covered payroll	115.91%	125.79%	118.92%	101.79%	103.71%

¹ Historical information is presented only for measurement periods for periods after the PARS plan set up in 2014-15. Additional years of information will be displayed as it becomes available.

City of Stockton
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios (Continued)
For the Year Ended June 30, 2023

Last Ten Fiscal Years

PARS Enhancement Plan (Continued)

Measurement period	Fiscal Year			
	2019-20	2020-21	2021-22	2022-23
Total pension liability				
Service cost	\$ 155,670	\$ 132,117	\$ 135,750	\$ 114,224
Interest	759,727	781,943	809,517	826,109
Changes of benefit terms	-	-	-	-
Changes of assumptions	-	-	-	74,188
Economic/demographic gains or losses	-	120,626	-	300,141
Benefit payments, including refunds of employee contributions	(517,711)	(583,450)	(645,746)	(691,937)
Net change in total pension liability	397,686	451,236	299,521	622,725
Total pension liability - beginning	11,787,219	12,184,905	12,636,141	12,935,662
Total pension liability - ending (a)	<u>\$ 12,184,905</u>	<u>\$ 12,636,141</u>	<u>\$ 12,935,662</u>	<u>\$ 13,558,387</u>
Pension fiduciary net position				
Contributions - employer	\$ 803,170	\$ 602,378	\$ 1,055,182	\$ 854,389
Contributions - employee	-	-	-	-
Net investment income	272,545	1,923,213	(1,452,185)	682,430
Benefit payments, including refunds of employee contributions	(517,711)	(583,450)	(645,746)	(691,937)
Net plan to plan resource movement	-	-	-	-
Administrative expense	(15,254)	(16,676)	(17,644)	(16,773)
Net change in plan fiduciary net position	542,750	1,925,465	(1,060,393)	828,109
Plan fiduciary net position - beginning³	8,213,087	8,755,837	10,681,302	9,620,909
Plan fiduciary net position - ending (b)	<u>\$ 8,755,837</u>	<u>\$ 10,681,302</u>	<u>\$ 9,620,909</u>	<u>\$ 10,449,018</u>
Plan net pension liability - ending (a) - (b)	<u>\$ 3,429,068</u>	<u>\$ 1,954,839</u>	<u>\$ 3,314,753</u>	<u>\$ 3,109,369</u>
Plan fiduciary net position as a percentage of the total pension liability	71.86%	84.53%	74.38%	77.07%
Covered payroll⁷	<u>\$ 2,784,812</u>	<u>\$ 2,966,110</u>	<u>\$ 2,403,153</u>	<u>\$ 2,560,684</u>
Plan net pension liability as a percentage of covered payroll	123.13%	65.91%	137.93%	121.43%

City of Stockton
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions
For the Year Ended June 30, 2023

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") - Miscellaneous Plan

	Fiscal Year				
	2013-14	2014-15	2015-16	2016-17	2017-18
Actuarially determined contribution ¹	\$ 9,402,881	\$ 10,783,518	\$ 12,545,482	\$ 13,189,681	\$ 15,252,226
Contributions in relation to the actuarially determined contribution ²	(9,402,881)	(10,783,518)	(13,879,482)	(13,189,681)	(15,252,226)
Contribution deficiency (excess)	\$ -	\$ -	\$ (1,334,000)	\$ -	\$ -
Covered payroll ³	\$ 52,603,907	\$ 53,997,677	\$ 56,400,439	\$ 61,357,565	\$ 67,079,626
Contributions as a percentage of covered payroll ³	17.87%	19.97%	24.61%	21.50%	22.74%

¹ As prescribed in GASB 68, paragraph 46, the information presented in the Schedule of Plan Contributions should also be presented as of the employer's most recent fiscal year-end. The employer is responsible for determining this information as prescribed by the standard as this data is not available to CalPERS.

² Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

³ Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal year ended June 30, 2022; 2.75% payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00% payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2021-22 were derived from the June 30, 2019 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For details, see June 30, 2019 Funding Valuation Report.
Asset Valuation Method	Fair Value of Assets. For details, see June 30, 2019 Funding Valuation Report.
Inflation	2.50%
Salary Increases	Varies by entry age and service
Payroll Growth	2.75%
Investment Rate of Return	7.00% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement age	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to

City of Stockton
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions (Continued)
For the Year Ended June 30, 2023

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") - Miscellaneous Plan (Continued)

	Fiscal Year				
	2018-19	2019-20	2020-21	2021-22	2022-23
Actuarially determined contribution ¹	\$ 17,112,542	\$ 19,204,043	\$ 20,363,651	\$ 20,485,648	\$ 21,270,711
Contributions in relation to the actuarially determined contribution ²	(17,112,542)	(19,204,043)	(20,363,651)	(20,485,648)	(21,270,711)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll ³	\$ 67,851,642	\$ 67,099,018	\$ 69,099,285	\$ 70,213,245	\$ 72,179,216
Contributions as a percentage of covered payroll ³	25.22%	28.62%	29.47%	29.18%	29.47%

¹ As prescribed in GASB 68, paragraph 46, the information presented in the Schedule of Plan Contributions should also be presented as of the employer's most recent fiscal year-end. The employer is responsible for determining this information as prescribed by the standard as this data is not available to CalPERS.

² Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

³ Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal year ended June 30, 2022; 2.75% payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00% payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2021-22 were derived from the June 30, 2019 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For details, see June 30, 2019 Funding Valuation Report.
Asset Valuation Method	Fair Value of Assets. For details, see June 30, 2019 Funding Valuation Report.
Inflation	2.50%
Salary Increases	Varies by entry age and service
Payroll Growth	2.75%
Investment Rate of Return	7.00% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement age	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to

City of Stockton
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions
For the Year Ended June 30, 2023

Last Ten Fiscal Years¹

California Public Employees' Retirement System ("CalPERS") - Safety Plan

	Fiscal Year				
	2013-14	2014-15	2015-16	2016-17	2017-18
Actuarially determined contribution	\$ 13,818,051	\$ 17,178,961	\$ 20,338,253	\$ 23,342,334	\$ 26,124,666
Contributions in relation to the actuarially determined contribution ²	(13,818,051)	(17,178,961)	(20,338,253)	(23,342,334)	(26,124,666)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll ¹	\$ 45,422,701	\$ 46,710,538	\$ 47,115,477	\$ 48,429,252	\$ 56,947,904
Contributions as a percentage of covered payroll ³	30.42%	36.78%	43.17%	48.20%	45.87%

¹ As prescribed in GASB 68, paragraph 46, the information presented in the Schedule of Plan Contributions should also be presented as of the employer's most recent fiscal year-end. The employer is responsible for determining this information as prescribed by the standard as this data is not available to CalPERS.

² Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

³ Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal year ended June 30, 2022; 2.75% payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00% payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2021-22 were derived from the June 30, 2019 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For details, see June 30, 2019 Funding Valuation Report.
Asset Valuation Method	Fair Value of Assets. For details, see June 30, 2019 Funding Valuation Report.
Inflation	2.50%
Salary Increases	Varies by entry age and service
Payroll Growth	2.75%
Investment Rate of Return	7.00% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement age	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997

City of Stockton
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions (Continued)
For the Year Ended June 30, 2023

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") - Safety Plan (Continued)

	Fiscal Year				
	2018-19	2019-20	2020-21	2021-22	2022-23
Actuarially determined contribution	\$ 29,781,351	\$ 33,596,802	\$ 37,208,895	\$ 39,195,163	\$ 42,497,060
Contributions in relation to the actuarially determined contribution ²	(29,781,351)	(33,596,802)	(37,208,895)	(39,195,163)	(42,497,060)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll ¹	\$ 59,708,789	\$ 60,894,239	\$ 58,297,630	\$ 61,286,210	\$ 63,002,224
Contributions as a percentage of covered payroll ³	49.88%	55.17%	63.83%	63.95%	67.45%

¹ Historical information is presented only for measurement periods for periods after GASB 68 implementation in 2013-14. Additional years of information will be displayed as it becomes available.

² Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

³ Includes one year's payroll growth using 2.75% payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00% payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2021-22 were derived from the June 30, 2019 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For details, see June 30, 2019 Funding Valuation Report.
Asset Valuation Method	Fair Value of Assets. For details, see June 30, 2019 Funding Valuation Report.
Inflation	2.50%
Salary Increases	Varies by entry age and service
Payroll Growth	2.75%
Investment Rate of Return	7.00% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement age	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997

City of Stockton
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions
For the Year Ended June 30, 2023

Last Ten Fiscal Years

PARS Enhancement Plan

	Fiscayl Year				
	2013-14	2014-15	2015-16	2016-17	2017-18
Actuarially determined contribution	\$ 766,478	\$ 700,451	\$ 705,192	\$ 705,192	\$ 753,296
Contributions in relation to the actuarially determined contribution ²	(1,134,701)	(751,157)	(705,192)	(528,894)	(941,620)
Contribution deficiency (excess)	\$ (368,223)	\$ (50,706)	\$ -	\$ 176,298	\$ (188,324)
Covered payroll ¹	\$ 3,496,673	\$ 3,610,315	\$ 3,454,139	\$ 3,327,608	\$ 3,427,436
Contributions as a percentage of covered payroll ³	32.45%	20.81%	20.42%	15.89%	27.47%

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2022-23 were derived from the June 30, 2022 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	Level dollar, closed, 5.67 years
Asset Valuation Method	Fair Value of Assets.
Inflation	2.30%
Salary Increases	Consistent with the rates used to value Miscellaneous Public Agency CalPERS Pension Plans for an employee
Payroll Growth	2.80%
Investment Rate of Return	6.50%
Cost of Living Adjustments	2.00%
Withdrawal/Disability	Consistent with the rates used to value CalPERS Miscellaneous Public Agency Pension Plans after June 30,

City of Stockton
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions (Continued)
For the Year Ended June 30, 2023

Last Ten Fiscal Years

PARS Enhancement Plan (Continued)

	Fiscal Year				
	2018-19	2019-20	2020-21	2021-22	2022-23
Actuarially determined contribution	\$ 753,296	\$ 803,170	\$ 803,170	\$ 854,389	\$ 854,389
Contributions in relation to the actuarially determined contribution ²	(753,296)	(803,170)	(602,378)	(1,055,182)	(854,389)
Contribution deficiency (excess)	\$ -	\$ -	\$ 200,792	\$ (200,793)	\$ -
Covered payroll ¹	\$ 3,446,204	\$ 2,784,812	\$ 2,966,110	\$ 2,403,153	\$ 2,560,684
Contributions as a percentage of covered payroll ³	21.86%	28.84%	20.31%	43.91%	33.37%

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2022-23 were derived from the June 30, 2022 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	Level dollar, closed, 5.67 years
Asset Valuation Method	Fair Value of Assets.
Inflation	2.30%
Salary Increases	Consistent with the rates used to value Miscellaneous Public Agency CalPERS Pension Plans for an employee
Payroll Growth	2.80%
Investment Rate of Return	6.50%
Cost of Living Adjustments	2.00%
Withdrawal/Disability	Consistent with the rates used to value CalPERS Miscellaneous Public Agency Pension Plans after June 30,



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CITY OF STOCKTON



SUPPLEMENTARY INFORMATION



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City of Stockton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Capital Improvement Capital Projects Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental:				
Federal grants and subsidies	\$ -	\$ 49,816,029	\$ 9,148,605	\$ (40,667,424)
Other governmental	-	36,732,810	1,059,358	(35,673,452)
Interest income (loss)	-	-	(1,350)	(1,350)
Miscellaneous	-	-	507,799	507,799
Total revenues	<u>-</u>	<u>86,548,839</u>	<u>10,714,412</u>	<u>(75,834,427)</u>
EXPENDITURES:				
Current:				
Public works	4,810,668	13,698,211	71,671	13,626,540
Capital outlay	-	255,150,903	52,140,760	203,010,143
Total expenditures	<u>4,810,668</u>	<u>268,849,114</u>	<u>52,212,431</u>	<u>216,636,683</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES (BUDGETARY BASIS)	<u>(4,810,668)</u>	<u>(182,300,275)</u>	<u>(41,498,019)</u>	<u>140,802,256</u>
OTHER FINANCING SOURCES:				
Transfers in	-	150,256,698	32,664,965	(117,591,733)
Transfers out	-	(202,469)	(202,469)	-
Total other financing sources	<u>-</u>	<u>150,054,229</u>	<u>32,462,496</u>	<u>(117,591,733)</u>
NET CHANGE IN FUND BALANCE (GAAP BASIS)	<u>\$ (4,810,668)</u>	<u>\$ (32,246,046)</u>	<u>(9,035,523)</u>	<u>\$ 23,210,523</u>
BASIS ADJUSTMENT:				
Encumbrances (included in Final Budget above)*			<u>(55,966,156)</u>	
NET CHANGE IN FUND BALANCE (BUDGETARY BASIS)			(65,001,679)	
FUND BALANCE, BEGINNING OF YEAR			<u>19,594,192</u>	
FUND BALANCE (BUDGETARY BASIS) (DEFICIT), END OF YEAR			<u>\$ (45,407,487)</u>	

* Adjusted to Budgetary Basis.



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CITY OF STOCKTON



NONMAJOR GOVERNMENTAL FUNDS



NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific governmental revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service or capital projects.

The City's nonmajor governmental special revenue funds include:

State Housing Grants Fund

To account for resources for the City's CalHome State Loan Program that support homeownership programs aimed at very low income households and loans extended to eligible low and moderate-income families as approved by the former Stockton Redevelopment Agency and the California Health and Safety Code. This fund includes the City's annual funding for single family, down-payment assistance and single family rehabilitation from State funding sources.

Solid Waste and Recycling Fund

To account for the administration of solid waste collection services, and the planning and implementation of solid waste reduction and recycling programs, in compliance with California Public Resources Code Section 40050 through 40063 (AB 939).

Gas Tax Fund

To account for revenues and expenditures apportioned to the City under the California Streets and Highway Code, sections 2103 through 2107.5. Expenditures of these resources for administration, maintenance and construction must be street and transportation related.

Measure K Streets Sales Tax Fund

To account for revenues and expenditures apportioned to the City from ½ cent sales tax collections under Measure K. The Measure K program is administered by the San Joaquin Council of Governments ("SJCOG") as the Local Transportation Authority for San Joaquin County. SJCOG was established as the Local Transportation Authority for this measure when San Joaquin County voters approved the enactment of the Measure K program in 1990. In 2006, voters approved to extend this measure for an additional 30 years. Expenditures for administration, maintenance and construction received under Measure K must be for street and transportation related projects.

Measure M Strong Communities Initiative

Measure M implements a dedicated one-quarter (1/4) cent special transactions and use sales tax for a period of 16 years for the provision of library and recreation services. On May 24, 2016, the Stockton City Council approved placing a one-quarter (1/4) cent sales tax on the November 8, 2016, General Election ballot with a Council vote of 7 - 0 and adopted Resolution 2016-05-24-1602. Minor amendments were made to define the incorporated area of the City of Stockton, the election date, and to correct the name of a state board that had changed, based on comments received from the California State Board of Equalization, and the Resolution was superseded by Resolution 2016-06-07-1212 on June 7, 2016.

Measure W Public Safety Tax Fund

Measure W is a one-quarter (1/4) cent transaction and use sales tax which was approved by voters in November 2004. Expenditures are for administration, implementation, and operation of the Police and Fire Safe Neighborhood Gang and Drug Prevention Program, among other programs.

Special Assessment Fund

To account for revenues and expenditures related to levies on property owners as approved by the City Council and state laws for special types of services – basic street and neighborhood lighting, land and streetscapes, and stormwater drainage maintenance services.

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**SPECIAL REVENUE FUNDS (CONTINUED)*****Development Services Fund***

To account for resources for development planning and project review services including land use entitlements, permit processing and review and inspection of public improvements to ensure orderly physical growth and development of the City as approved by the City Council. Revenues and fees collected and recorded in this fund are committed to its related activities.

Other Special Revenue Fund

To account for the resources of comparatively smaller special revenue funds, including the Litigated Asset Seizure public safety program, State Housing Loan Program and various governmental expendable special revenue/trusts of funds donated to the City for various community projects and programs.

Transportation Development Act Fund

To account for the Local Transportation Fund revenues derived from a 1/4-cent general sales tax. The revenues collected are used for non-transit related purposes.

CAPITAL PROJECT FUNDS

Capital Project Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

The City's nonmajor governmental capital project funds include:

Public Facilities Impact Fees Capital Projects Fund

To account for the collection of and expenditure of fees imposed as a condition of new development within the City, in compliance with California Government Code Section 66006 (AB 1600). Impact fees have been established for each of the following types of public facilities: Traffic signals, Street improvements, Community recreation center, City office space, Fire stations, Libraries, Police stations, Parkland, Street tree & street signs, Street light in-lieu, Air quality mitigation, and Public facilities fees – administration.

DEBT SERVICE FUNDS

Debt Service Funds are used to account for and report financial resources that are restricted committed, or assigned to expenditures for principal and interest on long-term debt.

The City's nonmajor governmental debt service funds include:

Stockton Public Financing Authority Debt Service Fund

To account for the accumulation of resources for the retirement of principal and interest payment on long-term debt for municipal bonds issued on behalf of and approved by the Stockton Public Financing Authority.

PERMANENT FUND

The Permanent Fund reports resources that are legally restricted to the extent that only earnings, and not principal, can be spent. Permanent Fund resources help support designated arts, recreation, library and public safety programs.

City of Stockton
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds				
	State Housing Grants	Solid Waste & Recycling	Gas Tax	Measure K Streets Sales Tax	Measure M Strong Communities
ASSETS					
Cash and investments	\$ 6,910,414	\$ 8,053,510	\$ 14,337,825	\$ 15,734,571	\$ 31,008,586
Receivables, net:					
Interest	22,819	32,023	64,980	83,548	146,896
Accounts and other	-	352,341	-	-	-
Lease	-	-	-	-	-
Advance deposits	-	-	20,836	21,883	18,097
Due from other governments, net	-	-	1,977,311	3,371,128	2,682,599
Prepaid items	-	-	-	-	-
Loans to Successor Agency, net	1,106,580	-	-	-	-
Loans to property owners, net	70,824,160	-	-	-	-
Total assets	\$ 78,863,973	\$ 8,437,874	\$ 16,400,952	\$ 19,211,130	\$ 33,856,178
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 7,916	\$ 16,014	\$ 1,059,937	\$ 351,529	\$ 247,521
Accrued payroll and benefits	278	54,283	134,310	5,998	199,882
Due to other governments	-	-	-	-	-
Deposits and other liabilities	-	3,915	-	-	-
Total liabilities	8,194	74,212	1,194,247	357,527	447,403
Deferred Inflows of Resources:					
Unavailable revenue - Other	-	-	-	-	-
Lease	-	-	-	-	-
Total deferred inflows of resource	-	-	-	-	-
Fund Balances:					
Nonspendable	-	-	20,836	21,883	18,097
Restricted	78,855,779	8,363,662	15,185,869	18,831,720	33,390,678
Total fund balances	78,855,779	8,363,662	15,206,705	18,853,603	33,408,775
Total liabilities, deferred inflows of resources and fund balances	\$ 78,863,973	\$ 8,437,874	\$ 16,400,952	\$ 19,211,130	\$ 33,856,178

(Continued)

City of Stockton
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds				
	Measure W			Other	Transportation
	Public Safety Tax	Special Assessments	Development Services	Special Revenue	Development Act
ASSETS					
Cash and investments	\$ 10,856,300	\$ 19,594,922	\$ 39,841,195	\$ 6,456,046	\$ 960,832
Receivables, net:					
Interest	39,902	84,532	156,842	20,408	-
Accounts and other	-	440,455	654,595	343,774	-
Lease	-	-	-	1,999	-
Advance deposits	-	-	63,041	1,530	-
Due from other governments, net	2,698,025	-	65,000	653,954	610,737
Prepaid items	-	-	-	-	-
Loans to Successor Agency, net	-	-	-	-	-
Loans to property owners, net	-	-	-	-	-
Total assets	\$ 13,594,227	\$ 20,119,909	\$ 40,780,673	\$ 7,477,711	\$ 1,571,569
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 152,895	\$ 362,004	\$ 274,104	\$ 296,782	\$ -
Accrued payroll and benefits	527,289	18,566	449,516	51,217	-
Due to other governments	-	-	-	-	-
Deposits and other liabilities	-	-	842,986	205,078	-
Total liabilities	680,184	380,570	1,566,606	553,077	-
Deferred Inflows of Resources:					
Unavailable revenue - Other	-	-	222,503	655,885	-
Lease	-	-	-	1,995	-
Total deferred inflows of resource	-	-	222,503	657,880	-
Fund Balances:					
Nonspendable	-	-	63,041	1,530	-
Restricted	12,914,043	19,739,339	38,928,523	6,265,224	1,571,569
Total fund balances	12,914,043	19,739,339	38,991,564	6,266,754	1,571,569
Total liabilities, deferred inflows of resources and fund balances	\$ 13,594,227	\$ 20,119,909	\$ 40,780,673	\$ 7,477,711	\$ 1,571,569

(Continued)

City of Stockton
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2023

	Capital	Debt	Permanent	Totals
	Projects Fund	Service Fund	Fund	
	Public	Stockton Public	Miscellaneous	
	Facilities	Financing		
	Impact Fees	Authority		
ASSETS				
Cash and investments	\$ 67,032,202	\$ 406,717	\$ 382,374	\$ 221,575,494
Receivables, net:				
Interest	278,613	32,497	897	963,957
Accounts and other	746,011	-	-	2,537,176
Lease	-	-	-	1,999
Advance deposits	-	-	-	125,387
Due from other governments, net	-	-	-	12,058,754
Prepaid items	-	1,646,025	-	1,646,025
Loans to Successor Agency, net	-	-	-	1,106,580
Loans to property owners, net	-	-	-	70,824,160
Total assets	\$ 68,056,826	\$ 2,085,239	\$ 383,271	\$ 310,839,532
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,107,200	\$ -	\$ -	\$ 3,875,902
Accrued payroll and benefits	25,784	15,390	-	1,482,513
Due to other governments	308,221	-	-	308,221
Deposits and other liabilities	-	-	-	1,051,979
Total liabilities	1,441,205	15,390	-	6,718,615
Deferred Inflows of Resources:				
Unavailable revenue - Other	696,155	-	-	1,574,543
Lease	-	-	-	1,995
Total deferred inflows of resource	696,155	-	-	1,576,538
Fund Balances:				
Nonspendable	-	1,646,025	-	1,771,412
Restricted	65,919,466	423,824	383,271	300,772,967
Total fund balances	65,919,466	2,069,849	383,271	302,544,379
Total liabilities, deferred inflows of resources and fund balances	\$ 68,056,826	\$ 2,085,239	\$ 383,271	\$ 310,839,532

(Concluded)

City of Stockton
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue				
	State Housing Grants	Solid Waste & Recycling	Gas Tax	Measure K Streets Sales Tax	Measure M Strong Communities
REVENUES:					
Taxes:					
Sales - levied by City	\$ -	\$ -	\$ -	\$ 7,472,729	\$ 16,551,044
Franchise fees	-	3,609,749	-	-	-
Business license	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental:					
Federal grants and subsidies	-	-	-	-	-
Sales and use tax - levied by state	-	-	-	-	-
Other governmental	-	186,496	15,315,587	1,821,509	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Use of money and property	803,755	-	-	-	-
Investment income:					
Interest income (loss)	(17,676)	290,106	(105,712)	(27,954)	(234,758)
Refunds and reimbursements	-	-	66,403	-	-
Miscellaneous	1,745	4,507	-	10,750	-
	<u>787,824</u>	<u>4,090,858</u>	<u>15,276,278</u>	<u>9,277,034</u>	<u>16,316,286</u>
EXPENDITURES:					
Current:					
General government	30,774	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	1,722,081	6,693,655	4,758,912	-
Library	-	-	-	-	2,892,739
Parks and recreation	-	-	-	-	4,821,876
Capital outlay	63,238	-	3,726,280	2,080,110	26,037
Debt service:					
Principal retirement	7,898	-	-	-	-
Interest and fiscal charges	30	-	-	-	-
Total expenditures	<u>101,940</u>	<u>1,722,081</u>	<u>10,419,935</u>	<u>6,839,022</u>	<u>7,740,652</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>685,884</u>	<u>2,368,777</u>	<u>4,856,343</u>	<u>2,438,012</u>	<u>8,575,634</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	551,918	-	176,676	-	-
Transfers out	-	-	(2,463,845)	(4,616,704)	(6,695,204)
Issuance of debt	63,238	-	-	-	-
Total other financing sources (uses)	<u>615,156</u>	<u>-</u>	<u>(2,287,169)</u>	<u>(4,616,704)</u>	<u>(6,695,204)</u>
NET CHANGES IN FUND BALANCES	1,301,040	2,368,777	2,569,174	(2,178,692)	1,880,430
FUND BALANCES:					
Beginning of year, as restated (Note 19)	77,554,739	5,994,885	12,637,531	21,032,295	31,528,345
End of year	<u>\$ 78,855,779</u>	<u>\$ 8,363,662</u>	<u>\$ 15,206,705</u>	<u>\$ 18,853,603</u>	<u>\$ 33,408,775</u>

(Continued)

City of Stockton
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue				
	Measure W Public Safety Tax	Special Assessments	Development Services	Other Special Revenue	Transportation Development Act
REVENUES:					
Taxes:					
Sales - levied by City	\$ 16,578,176	\$ -	\$ -	\$ -	\$ -
Franchise fees	-	-	-	-	-
Business license	-	1,755,579	-	-	-
Licenses and permits	-	-	7,262,892	31,360	-
Intergovernmental:					
Federal grants and subsidies	-	-	-	-	-
Sales and use tax - levied by state	-	-	-	-	-
Other governmental	-	-	-	3,341,789	610,737
Charges for services	-	4,453,681	14,220,718	48,335	-
Fines and forfeitures	-	-	135,775	-	-
Use of money and property	-	-	-	19,629	-
Investment income:					
Interest income (loss)	(75,466)	(67,050)	(300,717)	(79,807)	-
Refunds and reimbursements	-	-	3,319	-	-
Miscellaneous	-	18,250	19,089	455,237	-
	<u>16,502,710</u>	<u>6,160,460</u>	<u>21,341,076</u>	<u>3,816,543</u>	<u>610,737</u>
EXPENDITURES:					
Current:					
General government	-	1,373,420	7,406,659	7,167	-
Public safety	13,449,589	-	8,414,448	3,063,992	-
Public works	-	3,559,922	-	417,548	-
Library	-	-	-	21,205	-
Parks and recreation	-	-	-	7,809	-
Capital outlay	102,295	-	25,315	283,635	-
Debt service:					
Principal retirement	10,191	-	2,524	-	-
Interest and fiscal charges	270	-	28	-	-
Total expenditures	<u>13,562,345</u>	<u>4,933,342</u>	<u>15,848,974</u>	<u>3,801,356</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,940,365</u>	<u>1,227,118</u>	<u>5,492,102</u>	<u>15,187</u>	<u>610,737</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	800,000	-	-
Transfers out	-	-	-	(50,000)	(380,942)
Issuance of debt	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>800,000</u>	<u>(50,000)</u>	<u>(380,942)</u>
NET CHANGES IN FUND BALANCES	<u>2,940,365</u>	<u>1,227,118</u>	<u>6,292,102</u>	<u>(34,813)</u>	<u>229,795</u>
FUND BALANCES:					
Beginning of year, as restated (Note 19)	<u>9,973,678</u>	<u>18,512,221</u>	<u>32,699,462</u>	<u>6,301,567</u>	<u>1,341,774</u>
End of year	<u>\$ 12,914,043</u>	<u>\$ 19,739,339</u>	<u>\$ 38,991,564</u>	<u>\$ 6,266,754</u>	<u>\$ 1,571,569</u>

(Continued)

City of Stockton
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Capital Projects	Debt Service	Permanent	
	Public	Stockton Public	Miscellaneous	Totals
	Facilities	Financing		
	Impact Fees	Authority		
REVENUES:				
Taxes:				
Sales - levied by City	\$ -	\$ -	\$ -	\$ 40,601,949
Franchise fees	-	-	-	3,609,749
Business license	-	-	-	1,755,579
Licenses and permits	-	-	-	7,294,252
Intergovernmental:				
Federal grants and subsidies	-	-	-	-
Sales and use tax - levied by state	-	-	-	-
Other governmental	-	-	-	21,276,118
Charges for services	5,594,704	-	-	24,317,438
Fines and forfeitures	-	-	-	135,775
Use of money and property	67,296	-	1,487	892,167
Investment income:				
Interest income (loss)	(126,216)	411	(471)	(745,310)
Refunds and reimbursements	-	-	-	69,722
Miscellaneous	-	1,755,434	-	2,265,012
	<u>5,535,784</u>	<u>1,755,845</u>	<u>1,016</u>	<u>101,472,451</u>
EXPENDITURES:				
Current:				
General government	571,501	173,890	86	9,563,497
Public safety	-	-	-	24,928,029
Public works	77,707	-	-	17,229,825
Library	-	-	-	2,913,944
Parks and recreation	-	-	-	4,829,685
Capital outlay	1,807,492	-	-	8,114,402
Debt service:				
Principal retirement	-	198,847	-	219,460
Interest and fiscal charges	-	9,689,186	-	9,689,514
Total expenditures	<u>2,456,700</u>	<u>10,061,923</u>	<u>86</u>	<u>77,488,356</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,079,084</u>	<u>(8,306,078)</u>	<u>930</u>	<u>23,984,095</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	8,422,050	-	9,950,644
Transfers out	(3,545,852)	-	-	(17,752,547)
Issuance of debt	-	-	-	63,238
Total other financing sources (uses)	<u>(3,545,852)</u>	<u>8,422,050</u>	<u>-</u>	<u>(7,738,665)</u>
NET CHANGES IN FUND BALANCES	<u>(466,768)</u>	<u>115,972</u>	<u>930</u>	<u>16,245,430</u>
FUND BALANCES:				
Beginning of year, as restated (Note 19)	66,386,234	1,953,877	382,341	286,298,949
End of year	<u>\$ 65,919,466</u>	<u>\$ 2,069,849</u>	<u>\$ 383,271</u>	<u>\$ 302,544,379</u>

(Concluded)

City of Stockton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
State Housing Grants Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Use of money and property	\$ 48,800	\$ 48,800	\$ 803,755	\$ 754,955
Investment income:				
Interest income (loss)	-	-	(17,676)	(17,676)
Miscellaneous	20,000	20,000	1,745	(18,255)
Total revenues	<u>68,800</u>	<u>68,800</u>	<u>787,824</u>	<u>719,024</u>
EXPENDITURES:				
Current:				
General government	589,422	2,980,381	30,774	2,949,607
Debt service:				
Principal retirement	-	-	7,898	(7,898)
Interest and fiscal charges	-	-	30	(30)
Total expenditures	<u>589,422</u>	<u>2,980,381</u>	<u>38,702</u>	<u>2,941,679</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES (BUDGETARY BASIS)	<u>(520,622)</u>	<u>(2,911,581)</u>	<u>749,122</u>	<u>3,660,703</u>
OTHER FINANCING SOURCES:				
Transfers in	551,918	551,918	551,918	-
Total other financing sources	<u>551,918</u>	<u>551,918</u>	<u>551,918</u>	<u>-</u>
NET CHANGE IN FUND BALANCE (GAAP BASIS)	<u>\$ 31,296</u>	<u>\$ (2,359,663)</u>	<u>1,301,040</u>	<u>\$ 3,660,703</u>
BASIS ADJUSTMENT:				
Encumbrances (included in Final Budget above)*			<u>(173,999)</u>	
NET CHANGE IN FUND BALANCE (BUDGETARY BASIS)			<u>1,127,041</u>	
FUND BALANCE, BEGINNING OF YEAR			<u>77,554,739</u>	
FUND BALANCE (BUDGETARY BASIS), END OF YEAR			<u>\$ 78,681,780</u>	

* Adjusted to Budgetary Basis.

City of Stockton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Solid Waste and Recycling Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes:				
Franchise fees	\$ -	\$ -	\$ 3,609,749	\$ 3,609,749
Intergovernmental:				
Other governmental	3,405,450	3,405,450	186,496	(3,218,954)
Investment income:				
Interest income (loss)	-	-	290,106	290,106
Miscellaneous	-	-	4,507	4,507
Total revenues	<u>3,405,450</u>	<u>3,405,450</u>	<u>4,090,858</u>	<u>685,408</u>
EXPENDITURES:				
Current:				
Public works	4,085,507	4,370,370	1,722,081	2,648,289
Total expenditures	<u>4,085,507</u>	<u>4,370,370</u>	<u>1,722,081</u>	<u>2,648,289</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES (BUDGETARY BASIS)	<u>(680,057)</u>	<u>(964,920)</u>	<u>2,368,777</u>	<u>3,333,697</u>
OTHER FINANCING SOURCES:				
Transfers out	-	(83,790)	-	83,790
Total other financing sources	<u>-</u>	<u>(83,790)</u>	<u>-</u>	<u>83,790</u>
OTHER FINANCING USES:				
Transfers in	-	-	-	-
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE (GAAP BASIS)	<u>\$ (680,057)</u>	<u>\$ (1,048,710)</u>	<u>2,368,777</u>	<u>\$ 3,417,487</u>
BASIS ADJUSTMENT:				
Encumbrances (included in Final Budget above)*			<u>(165,855)</u>	
NET CHANGE IN FUND BALANCE (BUDGETARY BASIS)			2,202,922	
FUND BALANCE, BEGINNING OF YEAR			<u>5,994,885</u>	
FUND BALANCE (BUDGETARY BASIS), END OF YEAR			<u>\$ 8,197,807</u>	

* Adjusted to Budgetary Basis.

City of Stockton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Gas Tax Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental:				
Other governmental	\$ 16,560,677	\$ 16,560,677	\$ 15,315,587	\$ (1,245,090)
Investment income:				
Interest income (loss)	10,000	10,000	(105,712)	(115,712)
Refunds and reimbursements	-	-	66,403	66,403
Total revenues	<u>16,570,677</u>	<u>16,570,677</u>	<u>15,276,278</u>	<u>(1,294,399)</u>
EXPENDITURES:				
Current:				
Public works	8,157,160	8,395,420	6,693,655	1,701,765
Capital outlay	-	12,483,181	3,726,280	8,756,901
Total expenditures	<u>8,157,160</u>	<u>20,878,601</u>	<u>10,419,935</u>	<u>10,458,666</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES (BUDGETARY BASIS)	<u>8,413,517</u>	<u>(4,307,924)</u>	<u>4,856,343</u>	<u>9,164,267</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	177,026	176,676	(350)
Transfers out	(6,036,260)	(12,584,676)	(2,463,845)	10,120,831
Total other financing sources (uses)	<u>(6,036,260)</u>	<u>(12,407,650)</u>	<u>(2,287,169)</u>	<u>10,120,481</u>
NET CHANGE IN FUND BALANCE (GAAP BASIS)	<u>\$ 2,377,257</u>	<u>\$ (16,715,574)</u>	<u>2,569,174</u>	<u>\$ 19,284,748</u>
BASIS ADJUSTMENT:				
Encumbrances (included in Final Budget above)*			<u>(1,134,789)</u>	
NET CHANGE IN FUND BALANCE (BUDGETARY BASIS)			1,434,385	
FUND BALANCE, BEGINNING OF YEAR			<u>12,637,531</u>	
FUND BALANCE (BUDGETARY BASIS), END OF YEAR			<u>\$ 14,071,916</u>	

City of Stockton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Measure K Streets Sales Tax Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes:				
Sales - levied by City	\$ 8,842,483	\$ 8,842,483	\$ 7,472,729	\$ (1,369,754)
Intergovernmental:				
Other governmental	-	10,168,223	1,821,509	(8,346,714)
Investment income:				
Interest income (loss)	-	-	(27,954)	(27,954)
Miscellaneous	-	-	10,750	10,750
Total revenues	<u>8,842,483</u>	<u>19,010,706</u>	<u>9,277,034</u>	<u>(9,733,672)</u>
EXPENDITURES:				
Current:				
Public works	4,475,727	5,320,036	4,758,912	561,124
Capital outlay	-	22,264,507	2,080,110	20,184,397
Total expenditures	<u>4,475,727</u>	<u>27,584,543</u>	<u>6,839,022</u>	<u>20,745,521</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES (BUDGETARY BASIS)	<u>4,366,756</u>	<u>(8,573,837)</u>	<u>2,438,012</u>	<u>11,011,849</u>
OTHER FINANCING USES:				
Transfers in	-	1,466,005	-	(1,466,005)
Transfers out	(3,326,680)	(25,601,365)	(4,616,704)	20,984,661
Total other financing uses	<u>(3,326,680)</u>	<u>(24,135,360)</u>	<u>(4,616,704)</u>	<u>19,518,656</u>
NET CHANGE IN FUND BALANCE (GAAP BASIS)	<u>\$ 1,040,076</u>	<u>\$ (32,709,197)</u>	<u>(2,178,692)</u>	<u>\$ 30,530,505</u>
BASIS ADJUSTMENT:				
Encumbrances (included in Final Budget above)*			<u>(1,243,965)</u>	
NET CHANGE IN FUND BALANCE (BUDGETARY BASIS)			<u>(3,422,657)</u>	
FUND BALANCE, BEGINNING OF YEAR			<u>21,032,295</u>	
FUND BALANCE (BUDGETARY BASIS), END OF YEAR			<u>\$ 17,609,638</u>	

City of Stockton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Measure M Strong Communities Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes:				
Sales - levied by City	\$ 14,027,000	\$ 14,027,000	\$ 16,551,044	\$ 2,524,044
Investment income:				
Interest income (loss)	-	-	(234,758)	(234,758)
Total revenues	<u>14,027,000</u>	<u>14,027,000</u>	<u>16,316,286</u>	<u>2,289,286</u>
EXPENDITURES:				
Current:				
Library	4,471,381	4,466,089	2,892,739	1,573,350
Parks and recreation	6,238,267	6,699,620	4,821,876	1,877,744
Capital outlay	-	26,253	26,037	216
Total expenditures	<u>10,709,648</u>	<u>11,191,962</u>	<u>7,740,652</u>	<u>3,451,310</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES (BUDGETARY BASIS)	<u>3,317,352</u>	<u>2,835,038</u>	<u>8,575,634</u>	<u>(1,162,024)</u>
OTHER FINANCING USES:				
Transfers out	(5,350,000)	(8,574,500)	(6,695,204)	1,879,296
Total other financing uses	<u>(5,350,000)</u>	<u>(8,574,500)</u>	<u>(6,695,204)</u>	<u>1,879,296</u>
NET CHANGE IN FUND BALANCE (GAAP BASIS)	<u>\$ (2,032,648)</u>	<u>\$ (5,739,462)</u>	1,880,430	<u>\$ 7,619,892</u>
BASIS ADJUSTMENT:				
Encumbrances (included in Final Budget above)*			<u>(411,140)</u>	
NET CHANGE IN FUND BALANCE (BUDGETARY BASIS)			1,469,290	
FUND BALANCE, BEGINNING OF YEAR			<u>31,528,345</u>	
FUND BALANCE (BUDGETARY BASIS), END OF YEAR			<u>\$ 32,997,635</u>	

City of Stockton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Measure W Public Safety Tax Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes:				
Sales - levied by City	\$ 14,000,000	\$ 14,000,000	\$ 16,578,176	\$ 2,578,176
Investment income:				
Interest income (loss)	-	-	(75,466)	(75,466)
Total revenues	<u>14,000,000</u>	<u>14,000,000</u>	<u>16,502,710</u>	<u>2,502,710</u>
EXPENDITURES:				
Current:				
Public safety	12,845,623	13,917,836	13,449,589	468,247
Capital outlay	-	298,283	102,295	195,988
Debt service:				
Principal retirement	-	-	10,191	(10,191)
Interest and fiscal charges	-	-	270	(270)
Total expenditures	<u>12,845,623</u>	<u>14,216,119</u>	<u>13,562,345</u>	<u>653,774</u>
NET CHANGE IN FUND BALANCE (GAAP BASIS)	<u>\$ 1,154,377</u>	<u>\$ (216,119)</u>	\$ 2,940,365	<u>\$ 3,156,484</u>
BASIS ADJUSTMENT:				
Encumbrances (included in Final Budget above)*			<u>(226,655)</u>	
NET CHANGE IN FUND BALANCE (BUDGETARY BASIS)			2,713,710	
FUND BALANCE, BEGINNING OF YEAR			<u>9,973,678</u>	
FUND BALANCE (BUDGETARY BASIS), END OF YEAR			<u>\$ 12,687,388</u>	

City of Stockton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Special Assessment Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes:				
Business license	\$ 1,600,000	\$ 1,600,000	\$ 1,755,579	\$ 155,579
Charges for services	4,475,774	4,475,774	4,453,681	(22,093)
Investment income:				
Interest income (loss)	40,000	40,000	(67,050)	(107,050)
Miscellaneous	-	-	18,250	18,250
Total revenues	<u>6,115,774</u>	<u>6,115,774</u>	<u>6,160,460</u>	<u>44,686</u>
EXPENDITURES:				
Current:				
General government	1,600,000	1,600,000	1,373,420	226,580
Public works	6,001,100	6,246,954	3,559,922	2,687,032
Total expenditures	<u>7,601,100</u>	<u>7,846,954</u>	<u>4,933,342</u>	<u>2,913,612</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES (BUDGETARY BASIS)	<u>(1,485,326)</u>	<u>(1,731,180)</u>	<u>1,227,118</u>	<u>2,958,298</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	7,212	26,919	-	(26,919)
Transfers out	(7,212)	(26,919)	-	26,919
Total other financing sources uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE (GAAP BASIS)	<u>\$ (1,485,326)</u>	<u>\$ (1,731,180)</u>	<u>\$ 1,227,118</u>	<u>\$ 2,958,298</u>
BASIS ADJUSTMENT:				
Encumbrances (included in Final Budget above)*			<u>(310,190)</u>	
NET CHANGE IN FUND BALANCE (BUDGETARY BASIS)			916,928	
FUND BALANCE, BEGINNING OF YEAR			<u>18,512,221</u>	
FUND BALANCE (BUDGETARY BASIS), END OF YEAR (DEFICIT)			<u>\$ 19,429,149</u>	

City of Stockton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Development Services Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Licenses and permits	\$ 7,317,117	\$ 7,317,117	\$ 7,262,892	\$ (54,225)
Charges for services	11,682,100	11,682,100	14,220,718	2,538,618
Fines and forfeitures	105,094	105,094	135,775	30,681
Interest income (loss)	23,000	23,000	(300,717)	(323,717)
Refunds and reimbursements	250	250	3,319	3,069
Miscellaneous	1,100	1,100	19,089	17,989
Total revenues	<u>19,128,661</u>	<u>19,128,661</u>	<u>21,341,076</u>	<u>2,212,415</u>
EXPENDITURES:				
Current:				
General government	8,369,432	10,588,704	7,406,659	3,182,045
Public safety	8,931,137	9,093,346	8,414,448	678,898
Capital outlay	-	26,000	25,315	685
Debt service:				
Principal retirement	-	-	2,524	(2,524)
Interest and fiscal charges	-	-	28	(28)
Total expenditures	<u>17,300,569</u>	<u>19,708,050</u>	<u>15,848,974</u>	<u>3,859,076</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES (BUDGETARY BASIS)	<u>1,828,092</u>	<u>(579,389)</u>	<u>5,492,102</u>	<u>6,071,491</u>
OTHER FINANCING USES:				
Transfers in	800,000	800,000	800,000	-
Transfers out	-	(5,700,000)	-	5,700,000
Issuance of debt	-	-	-	-
Total other financing uses	<u>800,000</u>	<u>(4,900,000)</u>	<u>800,000</u>	<u>5,700,000</u>
NET CHANGE IN FUND BALANCE (GAAP BASIS)	<u>\$ 2,628,092</u>	<u>\$ (5,479,389)</u>	<u>6,292,102</u>	<u>\$ 11,771,491</u>
BASIS ADJUSTMENT:				
Encumbrances (included in Final Budget above)*			<u>(2,254,384)</u>	
NET CHANGE IN FUND BALANCE (BUDGETARY BASIS)			4,037,718	
FUND BALANCE, BEGINNING OF YEAR			<u>32,699,462</u>	
FUND BALANCE (BUDGETARY BASIS), END OF YEAR			<u>\$ 36,737,180</u>	

City of Stockton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Other Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Licenses and permits	\$ 55,500	\$ 55,500	\$ 31,360	\$ (24,140)
Other governmental	1,458,000	3,172,339	3,341,789	169,450
Charges for services	100,304	100,304	48,335	(51,969)
Use of money and property	12,000	12,000	19,629	7,629
Interest income (loss)	26,172	26,172	(79,807)	(105,979)
Miscellaneous	387,027	448,217	455,237	7,020
Total revenues	<u>2,039,003</u>	<u>3,814,532</u>	<u>3,816,543</u>	<u>2,011</u>
EXPENDITURES:				
Current:				
General government	521,430	521,430	7,167	514,263
Public safety	1,899,511	4,489,435	3,063,992	1,425,443
Public works	327,768	506,327	417,548	88,779
Library	52,000	74,159	21,205	52,954
Parks and recreation	10,000	10,000	7,809	2,191
Capital outlay	-	1,648,113	283,635	1,364,478
Total expenditures	<u>2,810,709</u>	<u>7,249,464</u>	<u>3,801,356</u>	<u>3,448,108</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES (BUDGETARY BASIS)	<u>(771,706)</u>	<u>(3,434,932)</u>	<u>15,187</u>	<u>(3,446,097)</u>
OTHER FINANCING USES:				
Transfers out	(675,771)	(884,271)	(50,000)	834,271
Total other financing uses	<u>(675,771)</u>	<u>(884,271)</u>	<u>(50,000)</u>	<u>834,271</u>
NET CHANGE IN FUND BALANCE (GAAP BASIS)	<u>\$ (1,447,477)</u>	<u>\$ (4,319,203)</u>	<u>(34,813)</u>	<u>\$ 4,284,390</u>
BASIS ADJUSTMENT:				
Encumbrances (included in Final Budget above)*			<u>(748,075)</u>	
NET CHANGE IN FUND BALANCE (BUDGETARY BASIS)			(782,888)	
FUND BALANCE, BEGINNING OF YEAR (AS RESTATED)			<u>6,301,567</u>	
FUND BALANCE (BUDGETARY BASIS), END OF YEAR			<u>\$ 5,518,679</u>	

City of Stockton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Transportation Development Act Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Other governmental	\$ 405,997	\$ 725,486	\$ 610,737	\$ (114,749)
Total revenues	<u>405,997</u>	<u>725,486</u>	<u>610,737</u>	<u>(114,749)</u>
EXPENDITURES:				
Capital outlay	-	285,610	-	285,610
Total expenditures	<u>-</u>	<u>285,610</u>	<u>-</u>	<u>285,610</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES (BUDGETARY BASIS)	<u>405,997</u>	<u>439,876</u>	<u>610,737</u>	<u>170,861</u>
OTHER FINANCING USES:				
Transfers out	(405,997)	(1,307,735)	(380,942)	926,793
Total other financing uses	<u>(405,997)</u>	<u>(1,307,735)</u>	<u>(380,942)</u>	<u>926,793</u>
NET CHANGES IN FUND BALANCE	<u>\$ -</u>	<u>\$ (867,859)</u>	<u>229,795</u>	<u>\$ 1,097,654</u>
BASIS ADJUSTMENT:				
Encumbrances (included in Final Budget above)*			-	
NET CHANGE IN FUND BALANCE (BUDGETARY BASIS)			229,795	
FUND BALANCE, BEGINNING OF YEAR			<u>1,341,774</u>	
FUND BALANCE (BUDGETARY BASIS), END OF YEAR			<u>\$ 1,571,569</u>	

City of Stockton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Public Facilities Impact Fees Capital Projects Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Charges for services	\$ 5,928,129	\$ 5,928,129	\$ 5,594,704	\$ (333,425)
Use of money and property	51,500	51,500	67,296	15,796
Interest income (loss)	810,026	810,026	(126,216)	(936,242)
Refunds and reimbursements	5,000	5,000	-	(5,000)
Total revenues	<u>6,794,655</u>	<u>6,794,655</u>	<u>5,535,784</u>	<u>(1,258,871)</u>
EXPENDITURES:				
Current:				
General government	481,341	1,052,329	571,501	480,828
Public works	-	283,038	77,707	205,331
Capital outlay	-	27,243,519	1,807,492	25,436,027
Total expenditures	<u>481,341</u>	<u>28,578,886</u>	<u>2,456,700</u>	<u>26,122,186</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES (BUDGETARY BASIS)	<u>6,313,314</u>	<u>(21,784,231)</u>	<u>3,079,084</u>	<u>(27,381,057)</u>
OTHER FINANCING USES:				
Transfers in	491,935	269,905	-	(269,905)
Transfers out	(1,021,935)	(16,062,474)	(3,545,852)	12,516,622
Total other financing uses	<u>(530,000)</u>	<u>(15,792,569)</u>	<u>(3,545,852)</u>	<u>12,246,717</u>
NET CHANGE IN FUND BALANCE (GAAP BASIS)	<u>\$ 5,783,314</u>	<u>\$ (37,576,800)</u>	<u>(466,768)</u>	<u>\$ 37,110,032</u>
BASIS ADJUSTMENT:				
Encumbrances (included in Final Budget above)*			<u>(8,128,669)</u>	
NET CHANGE IN FUND BALANCE (BUDGETARY BASIS)			<u>(8,595,437)</u>	
FUND BALANCE, BEGINNING OF YEAR			<u>66,386,234</u>	
FUND BALANCE (BUDGETARY BASIS), END OF YEAR			<u>\$ 57,790,797</u>	

City of Stockton
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Stockton Public Financing Authority Debt Service Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Interest income (loss)	\$ -	\$ -	\$ 411	\$ 411
Miscellaneous	1,733,525	1,733,520	1,755,434	21,914
Total revenues	<u>1,733,525</u>	<u>1,733,520</u>	<u>1,755,845</u>	<u>22,325</u>
EXPENDITURES:				
Current:				
General government	289,224	294,195	173,890	120,305
Debt service:				
Principal retirement	198,847	198,847	198,847	-
Interest and fiscal charges	8,220,186	9,689,186	9,689,186	-
Total expenditures	<u>8,708,257</u>	<u>10,182,228</u>	<u>10,061,923</u>	<u>120,305</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES (BUDGETARY BASIS)	<u>(6,974,732)</u>	<u>(8,448,708)</u>	<u>(8,306,078)</u>	<u>142,630</u>
OTHER FINANCING USES:				
Transfers in	6,953,050	8,422,050	8,422,050	-
Total other financing uses	<u>6,953,050</u>	<u>8,422,050</u>	<u>8,422,050</u>	<u>-</u>
NET CHANGE IN FUND BALANCE (GAAP BASIS)	<u>\$ (21,682)</u>	<u>\$ (26,658)</u>	115,972	<u>\$ 142,630</u>
BASIS ADJUSTMENT:				
Encumbrances (included in Final Budget above)*			<u>(14,900)</u>	
NET CHANGE IN FUND BALANCE (BUDGETARY BASIS)			101,072	
FUND BALANCE, BEGINNING OF YEAR			<u>1,953,877</u>	
FUND BALANCE (BUDGETARY BASIS), END OF YEAR			<u>\$ 2,054,949</u>	

NONMAJOR ENTERPRISE FUNDS

Enterprise funds are self-supporting government funds that sell goods and services to the public for a fee.

The City's nonmajor enterprise funds include:

Stormwater Utility Fund

To account for activities associated with the acquisition or construction, and operation and maintenance of stormwater facilities for drainage and disposal of stormwater, and operations related to the provision of services.

Parking Authority Fund

To account for activities associated with the acquisition or construction, operation and maintenance of off-street parking facilities, and operations related to the provision of services.

Downtown Marina Fund

To account for resources and activities associated with the operations and maintenance of the Downtown Stockton Marina facilities.

Golf Course Fund

To account for resources and activities associated with the improvement, operation and maintenance of the Swenson golf course.

City of Stockton
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2023

ASSETS	Stormwater Utility	Parking Authority	Downtown Marina	Golf Courses
Current assets:				
Cash and investments	\$ 8,366,680	\$ 1,825,534	\$ 270,032	\$ 199,953
Receivables, net:				
Interest	34,421	32,236	369	766
Accounts and other receivables	830,165	-	29,467	4,051
Lease - due in one year	-	-	-	26,446
Deposits and advances	-	98,171	-	-
Prepays items	52,114	-	8,062	761
Total current assets	9,283,380	1,955,941	307,930	231,977
Noncurrent assets:				
Restricted assets:				
Cash and investments with fiscal agents	-	4,815,205	-	-
Lease - due in more than one year	-	-	-	6,628
Loans receivable	-	190,000	-	-
Capital assets, net:				
Nondepreciable	1,460,714	5,265,589	-	359,805
Depreciable and amortizable, net	40,092,882	20,552,810	20,234,416	410,251
Total noncurrent assets	41,553,596	30,823,604	20,234,416	776,684
Total assets	50,836,976	32,779,545	20,542,346	1,008,661
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized loss on refunding of debt	-	409,919	-	-
Pension-related deferred outflows	421,134	-	-	-
Total deferred outflows of resources	421,134	409,919	-	-

City of Stockton
Combining Statement of Net Position (Continued)
Nonmajor Enterprise Funds
June 30, 2023

	Totals
ASSETS	
Current assets:	
Cash and investments	\$ 10,662,199
Receivables, net:	
Interest	67,792
Accounts and other receivables	863,683
Lease - due in one year	26,446
Deposits and advances	98,171
Prepays items	60,937
Total current assets	11,779,228
Noncurrent assets:	
Restricted assets:	
Cash and investments with fiscal agents	4,815,205
Lease - due in more than one year	6,628
Loans receivable	190,000
Capital assets, net:	
Nondepreciable	7,086,108
Depreciable and amortizable, net	81,290,359
Total noncurrent assets	93,388,300
Total assets	105,167,528
 DEFERRED OUTFLOWS OF RESOURCES	
Unamortized loss on refunding of debt	409,919
Pension-related deferred outflows	421,134
Total deferred outflows of resources	831,053

City of Stockton
Combining Statement of Net Position (Continued)
Nonmajor Enterprise Funds
June 30, 2023

LIABILITIES	Stormwater Utility	Parking Authority	Downtown Marina	Golf Courses
Current liabilities:				
Accounts payable	318,827	265,385	29,759	49,673
Accrued payroll	101,563	29,749	24	2,205
Loans from other funds - current	-	655,208	-	-
Deposits and other liabilities	102,331	-	48,317	2,025
Retention payable	2,312	-	-	-
Accrued interest	-	436,959	-	-
Compensated absences - current	85,809	9,537	-	-
Lease liabilities - due in one year	-	184,069	-	-
Subscription liability - current	3,774	-	-	-
Bonds payable - current	-	754,710	-	-
Total current liabilities	614,616	2,335,617	78,100	53,903
Noncurrent liabilities:				
Compensated absences - long-term	53,399	3,294	-	-
Lease liabilities - due in more than one year	-	2,311,313	-	-
Subscription liability - due in more than one year	180	-	-	-
Loans from other funds - long-term	-	5,713,019	-	-
Bonds payable	-	27,958,426	10,870,821	-
Net pension liability	1,097,970	-	-	-
Total noncurrent liabilities	1,151,549	35,986,052	10,870,821	-
Total liabilities	1,766,165	38,321,669	10,948,921	53,903
DEFERRED INFLOWS OF RESOURCES				
Pension-related deferred inflows	38,582	-	-	-
Leases	-	-	-	32,495
Total deferred inflows of resources	38,582	-	-	32,495
NET POSITION				
Net investment in capital assets	41,547,330	(4,980,200)	9,363,595	770,056
Restricted for capital projects	-	3,089,585	-	-
Restricted for debt service	-	1,725,620	-	-
Unrestricted (deficit)	7,906,033	(4,967,210)	229,830	152,207
Total net position	\$ 49,453,363	\$ (5,132,205)	\$ 9,593,425	\$ 922,263

City of Stockton
Combining Statement of Net Position (Continued)
Nonmajor Enterprise Funds
June 30, 2023

	Totals
LIABILITIES	
Current liabilities:	
Accounts payable	663,644
Accrued payroll	133,541
Loans from other funds - current	655,208
Deposits and other liabilities	152,673
Retention payable	2,312
Accrued interest	436,959
Compensated absences - current	95,346
Lease liabilities - due in one year	184,069
Subscription liability - current	3,774
Bonds payable - current	754,710
Total current liabilities	3,082,236
Noncurrent liabilities:	
Compensated absences - long-term	56,693
Lease liabilities - due in more than one year	2,311,313
Subscription liability - due in more than one year	180
Loans from other funds - long-term	5,713,019
Bonds payable	38,829,247
Net pension liability	1,097,970
Total noncurrent liabilities	48,008,422
Total liabilities	51,090,658
DEFERRED INFLOWS OF RESOURCES	
Pension-related deferred inflows	38,582
Leases	32,495
Total deferred inflows of resources	71,077
NET POSITION	
Net investment in capital assets	46,700,781
Restricted for capital projects	3,089,585
Restricted for debt service	1,725,620
Unrestricted (deficit)	3,320,860
Total net position	\$ 54,836,846

City of Stockton
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2023

	Stormwater Utility	Parking Authority	Downtown Marina	Golf Courses
OPERATING REVENUES:				
Charges for services	\$ 5,977,783	\$ 4,657,460	\$ 354,507	\$ -
Miscellaneous	181,543	-	36,855	19,093
Total operating revenues	6,159,326	4,657,460	391,362	19,093
OPERATING EXPENSES:				
Operation and maintenance	4,382,482	3,273,204	662,172	-
General and administrative	1,794,442	694,942	6,365	85,212
Depreciation and amortization	1,736,693	1,050,406	547,407	93,905
Total operating expenses	7,913,617	5,018,552	1,215,944	179,117
OPERATING INCOME (LOSS)	(1,754,291)	(361,092)	(824,582)	(160,024)
NONOPERATING REVENUES (EXPENSES):				
Taxes	-	1,449,627	-	-
Grants and subsidies	-	203,798	-	-
Investment income:				
Interest income (loss)	(465)	153,023	832	(5,435)
Interest expense and fiscal charges	(43)	(1,134,094)	-	-
Total nonoperating revenues (expenses)	(508)	672,354	832	(5,435)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(1,754,799)	311,262	(823,750)	(165,459)
CONTRIBUTIONS AND TRANSFERS:				
Developer contributions	1,290,132	-	-	-
Transfers in	-	-	262,000	110,000
Transfers out	(396,200)	-	-	-
Total contributions and transfers	893,932	-	262,000	110,000
CHANGES IN NET POSITION	(860,867)	311,262	(561,750)	(55,459)
NET POSITION (DEFICIT):				
Beginning of year	50,314,230	(5,443,467)	10,155,175	977,722
End of year	<u>\$ 49,453,363</u>	<u>\$ (5,132,205)</u>	<u>\$ 9,593,425</u>	<u>\$ 922,263</u>

City of Stockton
Combining Statement of Revenues, Expenses, and Changes in Net Position (Continued)
Nonmajor Enterprise Funds
For the Year Ended June 30, 2023

	Totals
OPERATING REVENUES:	
Charges for services	\$ 10,989,750
Miscellaneous	237,491
Total operating revenues	11,227,241
OPERATING EXPENSES:	
Operation and maintenance	8,317,858
General and administrative	2,580,961
Depreciation and amortization	3,428,411
Total operating expenses	14,327,230
OPERATING INCOME (LOSS)	(3,099,989)
NONOPERATING REVENUES (EXPENSES):	
Taxes	1,449,627
Grants and subsidies	203,798
Investment income:	
Interest income (loss)	147,955
Interest expense and fiscal charges	(1,134,137)
Total nonoperating revenues (expenses)	667,243
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(2,432,746)
CONTRIBUTIONS AND TRANSFERS:	
Developer contributions	1,290,132
Transfers in	372,000
Transfers out	(396,200)
Total contributions and transfers	1,265,932
CHANGES IN NET POSITION	(1,166,814)
NET POSITION (DEFICIT):	
Beginning of year	56,003,660
End of year	\$ 54,836,846

City of Stockton
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2023

	Stormwater Utility	Parking Authority	Downtown Marina	Golf Courses
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 5,822,283	\$ 4,657,460	\$ 337,290	\$ 3,461
Payments to suppliers and employees	(6,212,339)	(3,721,916)	(688,021)	(82,596)
Miscellaneous receipts	181,543	-	36,855	19,093
Net cash provided by (used in) operating activities	(208,513)	935,544	(313,876)	(60,042)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers in (out), net	(396,200)	-	262,000	110,000
Loans to and from other funds	-	(643,105)	-	-
Receipt of cash subsidies and federal grants	-	-	-	12
Proceeds from taxes	-	1,653,425	-	-
Net cash provided by (used in) noncapital financing activities	(396,200)	1,010,320	262,000	110,012
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from sale of capital assets	188,165	-	-	-
Purchases of capital assets	(1,863,432)	(1,170,626)	-	-
Capital contributions received	1,290,132	-	-	-
Proceeds from issuance of debt	-	-	-	-
Principal paid on debt	(3,808)	(724,552)	-	-
Interest paid on debt	(43)	(1,145,388)	-	-
Net cash (used in) capital and related financing activities	(388,986)	(3,040,566)	-	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment earnings (loss)	(12,895)	129,976	704	(6,183)
Net cash provided by (used in) investing activities	(12,895)	129,976	704	(6,183)
NET INCREASE (DECREASE) IN CASH AND CASH	(1,006,594)	(964,726)	(51,172)	43,787
CASH AND CASH EQUIVALENTS:				
Beginning of year	9,373,274	7,605,465	321,204	156,166
End of year	\$ 8,366,680	\$ 6,640,739	\$ 270,032	\$ 199,953

City of Stockton
Combining Statement of Cash Flows (Continued)
Nonmajor Enterprise Funds
For the Year Ended June 30, 2023

	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers and users	\$ 10,820,494
Payments to suppliers and employees	(10,704,872)
Miscellaneous receipts	237,491
Net cash provided by (used in) operating activities	353,113
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Transfers in (out), net	(24,200)
Due to and from other funds	(643,105)
Receipt of cash subsidies and federal grants	12
Proceeds from taxes	1,653,425
Net cash provided by (used in) noncapital financing activities	986,132
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Proceeds from sale of capital assets	188,165
Purchases of capital assets	(3,034,058)
Capital contributions received	1,290,132
Proceeds from issuance of debt	-
Principal paid on debt	(728,360)
Interest paid on debt	(1,145,431)
Net cash (used in) capital and related financing activities	(3,429,552)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investment earnings (loss)	111,602
Net cash provided by (used in) investing activities	111,602
NET INCREASE (DECREASE) IN CASH AND CASH	(1,978,705)
CASH AND CASH EQUIVALENTS:	
Beginning of year	17,456,109
End of year	\$ 15,477,404

City of Stockton
Combining Statement of Cash Flows (Continued)
Nonmajor Enterprise Funds
For the Year Ended June 30, 2023

	Stormwater Utility	Parking Authority	Downtown Marina	Golf Courses
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS:				
Cash and investments	\$ 8,366,680	\$ 1,825,534	\$ 270,032	\$ 199,953
Restricted assets:				
Cash and investments with fiscal agents	-	4,815,205	-	-
Total cash and investments	<u>\$ 8,366,680</u>	<u>\$ 6,640,739</u>	<u>\$ 270,032</u>	<u>\$ 199,953</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	\$ (1,754,291)	\$ (361,092)	\$ (824,582)	\$ (160,024)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation and amortization	1,736,693	1,050,406	547,407	93,905
Changes in assets and liabilities:				
Accounts receivables	(155,500)	-	(17,217)	3,712
Prepaid items	9,594	-	(7,274)	-
Lease receivable	-	-	-	26,337
Lease related deferred inflows	-	-	-	(26,588)
Deposits and advances	-	(8,650)	-	-
Accounts payable	(132,744)	241,551	(23,662)	(12)
Accrued payroll	8,702	6,934	-	603
Accrued liabilities	-	-	24	-
Deposits and other liabilities	(1,669)	-	11,428	2,025
Compensated absences	135,151	6,395	-	-
Net pension liability	687,525	-	-	-
Pension-related deferred outflows	(275,680)	-	-	-
Pension-related deferred inflows	(466,294)	-	-	-
Net cash provided by (used in) operating activities	<u>\$ (208,513)</u>	<u>\$ 935,544</u>	<u>\$ (313,876)</u>	<u>\$ (60,042)</u>
NONCASH TRANSACTIONS:				
Amortization of loss on refunding	\$ -	\$ (409,919)	\$ -	\$ -
Capital contributions received	1,290,132	-	-	-
Total noncash capital and related financing activities	<u>\$ 1,290,132</u>	<u>\$ (409,919)</u>	<u>\$ -</u>	<u>\$ -</u>

City of Stockton
Combining Statement of Cash Flows (Continued)
Nonmajor Enterprise Funds
For the Year Ended June 30, 2023

	Totals
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS:	
Cash and investments	\$ 10,662,199
Restricted assets:	
Cash and investments with fiscal agents	4,815,205
Total cash and investments	\$ 15,477,404
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:	
Operating income (loss)	\$ (3,099,989)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation and amortization	3,428,411
Changes in assets and liabilities:	
Accounts receivables	(169,005)
Prepaid items	2,320
Lease receivable	26,337
Lease related deferred inflows	(26,588)
Deposits and advances	(8,650)
Accounts payable	85,133
Accrued payroll	16,239
Accrued liabilities	24
Deposits and other liabilities	11,784
Compensated absences	141,546
Net pension liability	687,525
Pension-related deferred outflows	(275,680)
Pension-related deferred inflows	(466,294)
Net cash provided by (used in) operating activities	\$ 353,113
NONCASH TRANSACTIONS:	
Amortization of loss on refunding	\$ (409,919)
Capital contributions received	1,290,132
Total noncash capital and related financing activities	\$ 880,213



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CITY OF STOCKTON





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INTERNAL SERVICE FUNDS

Internal service funds are a type of proprietary fund used to report any activity that provides goods and services on a cost-reimbursement basis to other funds, departments, or agencies of the primary government and its component units, or to other governments.

The City's internal service funds include:

General Liability Insurance Fund

To account for premiums and claims paid and the administration of general liability insurance provided to all City departments on a cost reimbursement basis. The fund also accounts for future estimated related liabilities to the City based on independent actuarial studies utilizing insurance industry standards of applicable data, factors and assumptions.

Workers' Compensation Insurance Fund

To account for premiums and claims paid and the administration of workers' compensation liability insurance provided to all City employees incurring injury on the job, of which health benefits and other related liability costs are funded by City department payments into the fund. The fund also accounts for future estimated related liabilities to the City based on independent actuarial studies utilizing insurance industry standards of applicable data, factors and assumptions.

Employee Health Insurance Fund

To account for premiums and claims paid and the administration of health benefits insurance provided to qualified active and qualified retired City employees, with City departmental payments made to the Fund sought to reimburse health related expenses incurred by the Fund. The fund also accounts for future estimated related liabilities to the City based on independent actuarial studies utilizing insurance industry standards of applicable data, factors and assumptions.

Retirement Benefits Fund

To account for the accumulation and payout of resources for the purpose of providing defined retirement and disability benefits, annual cost of living adjustments and death benefits to City employee plan members and beneficiaries through the California Public Employees' Retirement System ("CalPERS") on a cost reimbursement basis. The fund also accounts for future estimated related liabilities to the City based on independent actuarial studies utilizing insurance industry standards of applicable data, factors and assumptions, of which were pre-funded by bond proceeds from the 2007 Taxable Pension Obligations Bonds, Series A and B.

Other Benefits and Insurance Fund

To account for premiums and claims paid and the administration of comparatively smaller insurance funds provided to City employees on a cost reimbursement basis. Included are long - term disability, life insurance, unemployment, and termination pay benefits.

Vehicle Fleet Equipment Fund

To account for the financing, operations, servicing and maintenance of fleet vehicles and major equipment utilized by City departments, of which the services are rendered on a cost reimbursement basis.

Computer and Radio Equipment Fund

To account for the financing, service and maintenance of all computer, radio equipment and related equipment provided to City departments on a cost reimbursement basis.

Other Equipment Fund

To account for the financing, operating and maintenance of other, comparatively smaller equipment funds provided to City departments on a cost reimbursement basis. Included are office, printing, and mailing equipment.

City of Stockton
Combining Statement of Net Position
Internal Service Funds
June 30, 2023

	General Liability Insurance	Workers' Compensation Insurance	Employee Health Insurance	Retirement Benefits	Other Benefits & Insurance
ASSETS					
Current assets:					
Cash and investments	\$ 22,000,392	\$ 42,180,617	\$ 3,223,853	\$ 14,300,943	\$ 1,405,915
Receivables, net:					
Interest	82,661	241,373	10,191	80,531	8,627
Accounts and other receivables	522,270	3,897,749	-	-	-
Inventories	-	-	-	-	-
Deposits and advances	-	446	131,829	-	-
Prepaid items	241,984	-	1,753,961	-	-
Loans to other funds - short-term	-	1,075,810	-	-	-
Total current assets	22,847,307	47,395,995	5,119,834	14,381,474	1,414,542
Noncurrent assets:					
Restricted assets:					
Cash and investments	-	-	-	81,544,197	-
Loans to other funds - long-term	-	6,657,263	-	-	-
Capital assets, net:					
Nondepreciable	-	-	-	-	-
Depreciable and amortizable, net	-	-	-	-	-
Total noncurrent assets	-	6,657,263	-	81,544,197	-
Total assets	22,847,307	54,053,258	5,119,834	95,925,671	1,414,542
LIABILITIES					
Current liabilities:					
Accounts payable	142	62,435	66,032	5,551,029	96,082
Accrued payroll	65,270	26,225	32,995	4,182	-
Deposits and other liabilities	-	49,104	-	-	-
Accrued interest	-	-	-	-	-
Compensated absences - due in one year	21,673	943	11,629	-	-
Lease payable - due in one year	-	-	-	-	-
Subscription liability - due in one year	-	-	-	-	-
Claims payable, due in one year	5,019,028	8,679,000	-	-	-
Loans from other funds- current	-	-	-	-	-
Total current liabilities	5,106,113	8,817,707	110,656	5,555,211	96,082
Noncurrent liabilities:					
Compensated absences - due in more than one year	17,971	-	765	-	-
Lease payable - due in more than one year	-	-	-	-	-
Subscription liability - due in more than one year	-	-	-	-	-
Claims payable, due in more than one year	18,485,597	41,884,000	-	-	-
Loans from other funds- due in more than one year	-	-	-	-	-
Total noncurrent liabilities	18,503,568	41,884,000	765	-	-
Total liabilities	23,609,681	50,701,707	111,421	5,555,211	96,082
NET POSITION					
Net investment in capital assets	-	-	-	-	-
Restricted for pensions	-	-	-	81,544,197	-
Unrestricted	(762,374)	3,351,551	5,008,413	8,826,263	1,318,460
Total net position	\$ (762,374)	\$ 3,351,551	\$ 5,008,413	\$ 90,370,460	\$ 1,318,460

City of Stockton
Combining Statement of Net Position (Continued)
Internal Service Funds
June 30, 2023

	Vehicle Fleet Equipment	Computer and Radio Equipment	Other Equipment	Total
ASSETS				
Current assets:				
Cash and investments	\$ 19,738,976	\$ 44,434,941	\$ 1,429,795	\$ 148,715,432
Receivables, net:				
Interest	76,060	185,032	5,788	690,263
Accounts and other receivables	118,593	-	-	4,538,612
Inventories	-	62,561	-	62,561
Deposits and advances	283,055	138,125	-	553,455
Prepaid items	-	1,800,739	44,998	3,841,682
Loans to other funds - short-term	-	-	-	1,075,810
Total current assets	20,216,684	46,621,398	1,480,581	159,477,815
Noncurrent assets:				
Restricted assets:				
Cash and investments	-	-	-	81,544,197
Loans to other funds - long-term	-	-	-	6,657,263
Capital assets, net:				
Nondepreciable	6,216,198	23,733,607	-	29,949,805
Depreciable and amortizable, net	17,392,315	11,414,896	154,746	28,961,957
Total noncurrent assets	23,608,513	35,148,503	154,746	147,113,222
Total assets	43,825,197	81,769,901	1,635,327	306,591,037
LIABILITIES				
Current liabilities:				
Accounts payable	222,954	230,672	22,751	6,252,097
Accrued payroll	116,531	222,699	8,022	475,924
Deposits and other liabilities	-	-	-	49,104
Accrued interest	11,235	-	91	11,326
Compensated absences - due in one year	79,309	161,049	5,703	280,306
Lease payable - due in one year	-	266,282	50,398	316,680
Subscription liability - due in one year	76,380	3,359,956	-	3,436,336
Claims payable, due in one year	-	-	-	13,698,028
Loans from other funds- current	420,602	-	-	420,602
Total current liabilities	927,011	4,240,658	86,965	24,940,403
Noncurrent liabilities:				
Compensated absences - due in more than one year	26,520	129,712	6,566	181,534
Lease payable - due in more than one year	-	200,250	101,646	301,896
Subscription liability - due in more than one year	32,323	2,399,845	-	2,432,168
Claims payable, due in more than one year	-	-	-	60,369,597
Loans from other funds- due in more than one year	944,244	-	-	944,244
Total noncurrent liabilities	1,003,087	2,729,807	108,212	64,229,439
Total liabilities	1,930,098	6,970,465	195,177	89,169,842
NET POSITION				
Net investment in capital assets	23,499,810	28,922,170	2,702	52,424,682
Restricted for pensions	-	-	-	81,544,197
Unrestricted	18,395,289	45,877,266	1,437,448	83,452,316
Total net position	\$ 41,895,099	\$ 74,799,436	\$ 1,440,150	\$ 217,421,195

City of Stockton
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2023

	General Liability Insurance	Workers' Compensation Insurance	Employee Health Insurance	Retirement Benefits	Other Benefits and Insurance
OPERATING REVENUES:					
Charges for services	\$ 12,710,642	\$ 18,326,078	\$ 21,342,780	\$ 82,721,368	\$ 2,519,510
Miscellaneous	-	45	-	-	-
Total operating revenues	<u>12,710,642</u>	<u>18,326,123</u>	<u>21,342,780</u>	<u>82,721,368</u>	<u>2,519,510</u>
OPERATING EXPENSES:					
Operation and maintenance	19,618,438	13,016,182	20,633,518	78,285,363	2,001,339
General and administrative	1,880,620	3,472,827	1,104,491	1,218	405
Depreciation and amortization	-	-	-	-	-
Total operating expenses	<u>21,499,058</u>	<u>16,489,009</u>	<u>21,738,009</u>	<u>78,286,581</u>	<u>2,001,744</u>
OPERATING INCOME (LOSS)	<u>(8,788,416)</u>	<u>1,837,114</u>	<u>(395,229)</u>	<u>4,434,787</u>	<u>517,766</u>
NONOPERATING REVENUES (EXPENSES):					
Investment income:					
Interest income (loss)	(91,568)	(21,690)	80,706	2,253,279	(38,583)
Interest expense and fiscal charges	-	-	-	-	-
Other nonoperating revenues	-	-	43,975	-	2,727
Total nonoperating revenues (expenses)	<u>(91,568)</u>	<u>(21,690)</u>	<u>124,681</u>	<u>2,253,279</u>	<u>(35,856)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>(8,879,984)</u>	<u>1,815,424</u>	<u>(270,548)</u>	<u>6,688,066</u>	<u>481,910</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS					
Capital contributions	-	-	-	-	-
Transfers in	-	-	-	10,000,000	-
Total capital contributions and transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000,000</u>	<u>-</u>
CHANGES IN NET POSITION	<u>(8,879,984)</u>	<u>1,815,424</u>	<u>(270,548)</u>	<u>16,688,066</u>	<u>481,910</u>
NET POSITION:					
Beginning of year, as restated (Note 19)	8,117,610	1,536,127	5,278,961	73,682,394	836,550
End of year	<u>\$ (762,374)</u>	<u>\$ 3,351,551</u>	<u>\$ 5,008,413</u>	<u>\$ 90,370,460</u>	<u>\$ 1,318,460</u>

City of Stockton
Combining Statement of Revenues, Expenses, and Changes in Net Position (Continued)
Internal Service Funds
For the Year Ended June 30, 2023

	Vehicle Fleet Equipment	Computer and Radio Equipment	Other Equipment	Total
OPERATING REVENUES:				
Charges for services	\$ 14,339,650	\$ 17,038,569	\$ 362,380	\$ 169,360,977
Miscellaneous	233	-	-	278
Total operating revenues	<u>14,339,883</u>	<u>17,038,569</u>	<u>362,380</u>	<u>169,361,255</u>
OPERATING EXPENSES:				
Operation and maintenance	8,145,927	12,091,729	345,933	154,138,429
General and administrative	1,364,674	37,883	937	7,863,055
Depreciation and amortization	3,049,501	4,662,072	59,019	7,770,592
Total operating expenses	<u>12,560,102</u>	<u>16,791,684</u>	<u>405,889</u>	<u>169,772,076</u>
OPERATING INCOME (LOSS)	<u>1,779,781</u>	<u>246,885</u>	<u>(43,509)</u>	<u>(410,821)</u>
NONOPERATING REVENUES (EXPENSES):				
Investment income:				
Interest income (loss)	(138,653)	(92,045)	(3,232)	1,948,214
Interest expense and fiscal charges	(33,280)	(109,443)	(1,004)	(143,727)
Other nonoperating revenues	176,739	-	-	223,441
Total nonoperating revenues (expenses)	<u>4,806</u>	<u>(201,488)</u>	<u>(4,236)</u>	<u>2,027,928</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>1,784,587</u>	<u>45,397</u>	<u>(47,745)</u>	<u>1,617,107</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital contributions	2,608,807	72,297	-	2,681,104
Transfers in	274,865	5,134,542	-	15,409,407
Total capital contributions and transfers	<u>2,883,672</u>	<u>5,206,839</u>	<u>-</u>	<u>18,090,511</u>
CHANGES IN NET POSITION	4,668,259	5,252,236	(47,745)	19,707,618
NET POSITION:				
Beginning of year, as restated (Note 19)	37,226,840	69,547,200	1,487,895	197,713,577
End of year	<u>\$ 41,895,099</u>	<u>\$ 74,799,436</u>	<u>\$ 1,440,150</u>	<u>\$ 217,421,195</u>

City of Stockton
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2023

	General Liability Insurance	Workers' Compensation Insurance	Employee Health Insurance	Retirement Benefits	Other Benefits & Insurance
ACTIVITIES:					
Receipts for interfund services provided	\$ 12,528,437	\$ 14,449,885	\$ 21,343,175	\$ 82,721,368	\$ 2,519,510
Payments to suppliers and employees	(21,742,218)	(16,494,730)	(23,437,493)	(73,990,702)	(1,942,365)
Claims and insurance paid	8,000,392	1,063,000	(396,000)	-	-
Net cash provided by (used in) operating activities	(1,213,389)	(981,845)	(2,490,318)	8,730,666	577,145
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers in and out	-	-	-	10,000,000	-
Loans to and from other funds	-	1,075,809	-	-	-
Other nonoperating revenues	-	-	43,975	-	2,727
Net cash provided by (used in) noncapital financing activities	-	1,075,809	43,975	10,000,000	2,727
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Purchases of capital assets	-	-	-	-	-
Principal paid on debt	-	-	-	-	-
Interest paid on debt	-	-	-	-	-
Net cash (used in) capital and related financing activities	-	-	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment earnings	(125,252)	(90,916)	86,736	2,335,753	(44,424)
Net cash provided by investing activities	(125,252)	(90,916)	86,736	2,335,753	(44,424)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,338,641)	3,048	(2,359,607)	21,066,419	535,448
CASH AND CASH EQUIVALENTS:					
Beginning of year	23,339,033	42,177,569	5,583,460	74,778,721	870,467
End of year	<u>\$ 22,000,392</u>	<u>\$ 42,180,617</u>	<u>\$ 3,223,853</u>	<u>\$ 95,845,140</u>	<u>\$ 1,405,915</u>
RECONCILIATION OF CASH AND INVESTMENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS:					
Cash and investments	\$ 22,000,392	\$ 42,180,617	\$ 3,223,853	\$ 14,300,943	\$ 1,405,915
Restricted assets:					
Cash with investments fiscal agents	-	-	-	81,544,197	-
Total cash and investments	<u>\$ 22,000,392</u>	<u>\$ 42,180,617</u>	<u>\$ 3,223,853</u>	<u>\$ 95,845,140</u>	<u>\$ 1,405,915</u>

City of Stockton
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Year Ended June 30, 2023

	Vehicle Fleet Equipment	Computer and Radio Equipment	Other Equipment	Total
ACTIVITIES:				
Receipts for interfund services provided	\$ 14,221,290	\$ 17,534,169	\$ 362,380	\$ 165,680,214
Payments to suppliers and employees	(9,141,927)	(12,611,425)	(382,292)	(159,743,152)
Claims and insurance paid	-	-	-	8,667,392
Net cash provided by (used in) operating activities	5,079,363	4,922,744	(19,912)	14,604,454
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers in and out	274,865	5,134,542	-	15,409,407
Loans to and from other funds	(454,216)	-	-	621,593
Other nonoperating revenues	176,739	-	-	223,441
Net cash provided by (used in) noncapital financing activities	(2,612)	5,134,542	-	16,254,441
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchases of capital assets	(1,450,135)	(9,126,120)	-	(10,576,255)
Principal paid on debt	(74,892)	(3,247,131)	(50,116)	(3,372,139)
Interest paid on debt	(37,020)	(109,443)	(1,004)	(147,467)
Net cash (used in) capital and related financing activities	(1,562,047)	(12,482,694)	(51,120)	(14,095,861)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment earnings	(173,920)	(164,086)	(5,522)	1,818,369
Net cash provided by investing activities	(173,920)	(164,086)	(5,522)	1,818,369
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,340,784	(2,589,494)	(76,554)	18,581,403
CASH AND CASH EQUIVALENTS:				
Beginning of year	16,398,192	47,024,435	1,506,349	211,678,226
End of year	<u>\$ 19,738,976</u>	<u>\$ 44,434,941</u>	<u>\$ 1,429,795</u>	<u>\$ 230,259,629</u>
RECONCILIATION OF CASH AND INVESTMENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS:				
Cash and investments	\$ 19,738,976	\$ 44,434,941	\$ 1,429,795	\$ 148,715,432
Restricted assets:				
Cash with investments fiscal agents	-	-	-	81,544,197
Total cash and investments	<u>\$ 19,738,976</u>	<u>\$ 44,434,941</u>	<u>\$ 1,429,795</u>	<u>\$ 230,259,629</u>

City of Stockton
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Year Ended June 30, 2023

	General Liability Insurance	Workers' Compensation Insurance	Employee Health Insurance	Retirement Benefits	Other Benefits & Insurance
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:					
Operating income (loss)	\$ (8,788,416)	\$ 1,837,114	\$ (395,229)	\$ 4,434,787	\$ 517,766
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation and amortization	-	-	-	-	-
Changes in assets and liabilities:					
Accounts and other receivables	(182,205)	(3,897,749)	395	-	-
Due from other funds		21,511			
Prepaid items	(241,984)	446	(1,048,253)	-	-
Inventory of supplies	-	-	-	-	-
Deposits and advances	-	(446)	4,541	-	-
Accounts payable	(16,108)	1,719	(658,981)	4,295,583	59,379
Accrued payroll	17,136	(5,632)	(5,108)	296	-
Compensated absences	(2,204)	(1,808)	8,317	-	-
Self-insurance - claims and judgments	8,000,392	1,063,000	(396,000)	-	-
Net cash provided by (used in) operating activities	\$ (1,213,389)	\$ (981,845)	\$ (2,490,318)	\$ 8,730,666	\$ 577,145
NONCASH TRANSACTIONS:					
Capital contributions	\$ -	\$ -	\$ -	\$ -	\$ -

City of Stockton
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Year Ended June 30, 2023

	Vehicle Fleet Equipment	Computer Equipment	Other Equipment	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:				
Operating income (loss)	\$ 1,779,781	\$ 246,885	\$ (43,509)	\$ (410,821)
Adjustments to reconcile operating income (loss) to net cash provided by (used for)				
operating activities:				
Depreciation and amortization	3,049,501	4,662,072	59,019	7,770,592
Changes in assets and liabilities:				
Accounts and other receivables	(118,593)	-	-	(4,198,152)
Due from other funds	-	495,600	-	517,111
Prepaid items	962,464	(299,072)	-	(626,399)
Inventory of supplies	-	117,165	-	117,165
Deposits and advances	(283,055)	-	-	(278,960)
Accounts payable	(312,626)	(296,386)	(35,725)	3,036,855
Accrued payroll	3,096	(23,425)	457	(13,180)
Compensated absences	(1,205)	19,905	(154)	22,851
Self-insurance - claims and judgments	-	-	-	8,667,392
Net cash provided by (used in) operating activities	\$ 5,079,363	\$ 4,922,744	\$ (19,912)	\$ 14,604,454
NONCASH TRANSACTIONS:				
Capital contributions	\$ 2,608,807	\$ 72,297	\$ -	\$ 2,681,104



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CITY OF STOCKTON



CUSTODIAL-FIDUCIARY FUNDS



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CUSTODIAL FUNDS

Custodial funds are a type of fiduciary fund used to account for assets held in an agency capacity for parties outside the City. The resources of these funds cannot be used to support the City's own programs.

The City's custodial funds include:

Land-Secured Financing Agency Fund

To account for special taxes or assessment collections from property owners that are authorized under various public improvement acts of the State of California. The City acts only as an agent and forwards collections to bondholders and initiated foreclosure proceedings when necessary.

All Other Agency Funds

To account for various cultural, recreational and educational programs that the City administers on behalf of other governmental and private sector entities and organizations.



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City of Stockton
Combining Statement of Fiduciary Net Position
Fiduciary Funds - Custodial Funds
June 30, 2023

	Land-Secured Financing	All Other	Total
Assets:			
Cash and investments	\$ 8,486,597	\$ 15,856,927	\$ 24,343,524
Cash and investments with fiscal agents	11,829,489	-	11,829,489
Receivables:			
Interest	72,502	60,382	132,884
Accounts and other receivables	-	2,203,123	2,203,123
Total assets	<u>20,388,588</u>	<u>18,120,432</u>	<u>38,509,020</u>
Liabilities:			
Accounts payable	15,958	103	16,061
Due to other governments	31,699	1,680,430	1,712,129
Total liabilities	<u>47,657</u>	<u>1,680,533</u>	<u>1,728,190</u>
Net Position:			
Restricted for individual, organization, and other government	20,340,931	16,439,899	36,780,830
Total net positions	<u>\$ 20,340,931</u>	<u>\$ 16,439,899</u>	<u>\$ 36,780,830</u>

City of Stockton
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Custodial Funds
For the Year Ended June 30, 2023

	Land-Secured Financing	All Other	Total
ADDITIONS:			
Property taxes	\$ 8,268,542	\$ -	\$ 8,268,542
Use of money and property	5,473	-	5,473
Investment income (loss)	209,903	28,138	238,041
Debt issued	19,504,313		19,504,313
Total additions	27,988,231	28,138	28,016,369
DEDUCTIONS:			
General government	394,189	-	394,189
Public works	13,311,897	1,313,617	14,625,514
Debt obligations	8,654,088	-	8,654,088
Total deductions	22,360,174	1,313,617	23,673,791
CHANGE IN NET POSITION	5,628,057	(1,285,479)	4,342,578
NET POSITION:			
Beginning of year,	14,712,874	17,725,378	32,438,252
End of year	\$ 20,340,931	\$ 16,439,899	\$ 36,780,830

City of Stockton
Schedule of Sources and Uses
Measures A and B
For Year Ended June 30, 2023

	<u>Final Budget</u>	<u>Year End Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Measure A Transaction and Use Tax	\$ 42,080,000	\$ 49,703,488	\$ 7,623,488
Total revenues	<u>42,080,000</u>	<u>49,703,488</u>	<u>7,623,488</u>
Uses/Expenditures			
Police			
Salary & benefits			
Sworn	24,965,558	22,471,737	2,493,821
Non-Sworn	3,892,835	3,312,145	580,690
Vacancy savings	(1,696,203)	-	(1,696,203)
Other services	3,496,480	3,379,931	116,549
Materials & supplies			
Fuel	346,141	414,694	(68,553)
Other supplies	1,132,271	510,188	622,083
Other expenses			
Training	595,000	584,222	10,778
Capital outlay	277,254	77,254	200,000
Total police	<u>33,009,336</u>	<u>30,750,171</u>	<u>2,259,165</u>
Office of Violence Prevention			
Salary & benefits			
Non-sworn	926,130	774,769	151,361
Other services	317,033	285,544	31,489
Materials & supplies			
Fuel	7,750	8,078	(328)
Other supplies	36,553	27,036	9,517
Office equipment	3,979	-	3,979
Other expenses	20,000	9,638	10,362
Total Office of Violence Prevention	<u>1,311,445</u>	<u>1,105,065</u>	<u>206,380</u>
Basis Adjustment			
Encumbrances (included in final budget)	-	199,163	(199,163)
Total Measure B Expenditures	<u>34,320,781</u>	<u>32,054,399</u>	<u>2,266,382</u>
Crime Prevention (Measure B) expenditures as a % of annual Measure A revenues	<u>82%</u>	<u>64%</u>	
Other City Services			
General Fund available fund balance	<u>7,759,219</u>	<u>17,649,089</u>	<u>(9,889,870)</u>
Basis adjustment			
Encumbrances (included in final budget)	-	-	-
Total adjustment	<u>7,759,219</u>	<u>17,649,089</u>	<u>(9,889,870)</u>
Total Uses/Expenditures	<u><u>\$ 42,080,000</u></u>	<u><u>\$ 49,703,488</u></u>	<u><u>\$ (7,623,488)</u></u>



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CITY OF STOCKTON





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STATISTICAL SECTION OVERVIEW

This part of the City’s annual comprehensive financial report is not covered by the Independent Auditors' Report, but presents supplemental detailed information for the benefit of readers in understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

Financial Trends (pages 182-195)

These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.

Revenue Capacity (pages 196-203)

These schedules contain information to help the reader assess the City’s most significant local revenue sources, transient occupancy tax (“TOT”) and property taxes.

Debt Capacity (pages 204-212)

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.

Demographic and Economic Information (pages 213-214)

These schedules offer demographic and economic indicators to help the reader understand the environment with which the City’s financial activities take place.

Operating Information (pages 215-221)

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 government provides and the activities it performs.

City of Stockton
Table 1
Net Position by Classification
Last Ten Fiscal Years
(Dollar amounts in thousands)

	Fiscal Year				
	2023	2022	2021	2020	2019
Governmental activities:					
Net investment in capital assets	\$ 817,086	\$ 764,271	\$ 732,219	\$ 724,164	\$ 346,021
Restricted	495,695	524,467	457,693	239,339	204,114
Unrestricted (deficit)	(131,625)	(171,572)	(262,907)	(119,715)	260,748
Total governmental activities net position	1,181,156	1,117,167	927,005	843,787	810,883
Business-type activities:					
Net investment in capital assets	473,568	438,675	365,873	301,434	381,015
Restricted	25,367	25,394	46,241	125,668	28,411
Unrestricted	201,609	200,819	224,551	177,840	155,217
Total business-type activities net position	700,544	664,888	636,665	604,942	564,643
Primary government:					
Net investment in capital assets	1,290,654	1,202,947	1,098,093	1,025,598	727,036
Restricted	521,062	549,800	503,934	365,007	232,525
Unrestricted (deficit)	69,984	29,308	(38,356)	58,125	415,965
Total primary government net position	\$ 1,881,700	\$ 1,782,055	\$ 1,563,670	\$ 1,448,729	\$ 1,375,526

Note: Some prior year balances may have been restated from previous ACFRs to reflect new GASB implementations or prior period restatements.

Source: City of Stockton Department of Administrative Services

City of Stockton
Table 1
Net Position by Classification (Continued)
Last Ten Fiscal Years
(Dollar amounts in thousands)

	Fiscal Year				
	2018	2017	2016	2015	2014
Governmental activities:					
Net investment in capital assets	\$ 328,284	\$ 330,655	\$ 287,078	\$ 326,823	\$ 714,595
Restricted	170,507	148,493	153,087	130,763	96,596
Unrestricted (deficit)	238,421	229,584	196,005	160,224	(62,855)
Total governmental activities net position	737,211	708,732	636,170	617,810	748,336
Business-type activities:					
Net investment in capital assets	367,317	362,886	369,983	379,853	413,783
Restricted	46,805	50,904	54,618	56,521	54,175
Unrestricted	133,656	82,938	44,792	28,751	42,641
Total business-type activities net position	547,778	496,728	469,393	465,125	510,599
Primary government:					
Net investment in capital assets	695,601	693,540	657,061	706,676	1,128,378
Restricted	217,311	199,397	207,705	187,284	150,771
Unrestricted (deficit)	372,077	312,522	240,797	188,975	(20,214)
Total primary government net position	\$ 1,284,989	\$ 1,205,460	\$ 1,105,563	\$ 1,082,935	\$ 1,258,935

Note: Some prior year balances may have been restated from previous ACFRs to reflect new GASB implementations or prior period restatements.

Source: City of Stockton Department of Administrative Services

City of Stockton
Table 2
Changes in Net Position
Last Ten Fiscal Years
(Dollar amounts in thousands)

	Fiscal Year				
	2023	2022	2021	2020	2019
Expenses					
Governmental activities:					
General government	\$ 54,871	\$ 72,135	\$ 74,314	\$ 37,269	\$ 37,821
Public safety	227,637	170,406	217,953	217,941	199,263
Public works	50,048	41,373	55,086	44,922	37,168
Library	16,275	13,086	12,792	14,657	13,501
Parks and recreation	21,141	14,289	11,526	27,798	27,288
Interest and fiscal charges	9,968	7,894	4,373	5,298	5,914
Total governmental activities	379,942	319,183	376,045	347,885	320,954
Business-type activities:					
Water utility	50,185	54,532	54,266	47,974	46,641
Wastewater utility	68,976	66,991	61,124	63,983	58,093
Stormwater utility	7,914	7,288	6,759	6,599	7,419
Parking Authority	6,153	5,687	4,995	5,795	5,501
Other	1,395	1,375	1,667	2,499	3,613
Total business-type activities	134,622	135,873	128,811	126,850	121,267
Total expenses	514,564	455,056	504,856	474,736	442,221
Program Revenues					
Governmental activities:					
Charges for services:					
General government	26,165	31,123	12,560	9,250	13,977
Public safety	20,469	18,688	13,235	11,220	16,925
Public works	11,886	14,291	32,456	3,143	10,367
Library	8,294	7,537	7,037	278	470
Parks and recreation	1,191	852	406	4,010	11,320
Operating grants and contributions	42,072	100,879	51,329	21,509	13,446
Capital grants and contributions	26,667	53,140	39,065	30,227	45,632
Total governmental activities	136,745	226,510	156,087	79,637	112,137
Business-type activities:					
Charges for services:					
Water utility	60,822	66,013	64,097	57,519	49,489
Wastewater utility	84,393	78,509	73,885	71,210	67,432
Stormwater utility	6,159	6,137	6,040	6,417	6,407
Parking Authority	4,657	5,690	4,589	4,749	4,592
Other	410	428	355	1,038	1,755
Operating grants and contributions	1,653	2,500	-	7,314	3,643
Capital grants and contributions	12,363	12,231	13,263	7,258	4,626
Total business-type activities	170,458	171,508	162,229	155,504	137,944
Total program revenues	307,203	398,018	318,316	235,141	250,081
Change in Net Position					
Governmental activities	(243,197)	(92,673)	(219,957)	(268,248)	(208,817)
Business-type activities	35,836	35,635	33,417	28,654	16,677
Total primary government	\$ (207,361)	\$ (57,038)	\$ (186,540)	\$ (239,594)	\$ (192,140)

City of Stockton
Table 2
Changes in Net Position (Continued)
Last Ten Fiscal Years
(Dollar amounts in thousands)

	Fiscal Year				
	2023	2022	2021	2020	2019
General Revenues and Other					
Change in Net Position:					
Governmental activities:					
Taxes:					
Property	\$ 42,578	\$ 41,066	\$ 38,523	\$ 36,692	\$ 35,739
In lieu of sales tax			-	-	-
Utility user	42,445	38,328	36,414	34,537	34,252
Sales - levied by City (1)	82,833	75,037	68,639	57,077	57,911
Franchise fees	22,784	21,186	16,901	15,292	12,307
Business licenses	23,748	15,905	15,695	14,557	19,958
Hotel/motel room	3,433	3,620	2,860	2,834	3,377
Document transfer	1,028	1,626	1,222	912	1,071
Other	4,628	4,016	2,874	3,262	2,905
Shared revenue:					
Vehicle license fees	29,343	27,310	27,757	31,839	23,599
Sales and use tax levied by state (1)	76,954	76,239	65,201	56,122	57,151
Other				18,303	-
Investment earnings	1,707	(25,552)	14,086	21,759	18,438
Gain (Loss) on sale of capital assets	44	(8,356)	147	12	(1,602)
Miscellaneous	9,715	10,369	11,105	9,469	7,810
Special item	-	-	-	(547)	500
Proceeds of long-term debt	-	-	-	-	-
Extraordinary items	-	-	-	-	-
Transfers from Successor Agency, Net	-	-	-	-	-
Transfers	415	438	1,751	(922)	9,074
Total governmental activities	341,656	281,232	303,175	301,198	282,489
Business-type activities:					
Other taxes	-	-	-	1,407	1,341
Grants and contributions not restricted to	-	-	-	-	-
Investment earnings	235	(7,018)	57	9,318	7,920
Gain on sale of capital assets	-	-	-	(2)	-
Miscellaneous	-	-	-	-	-
Special item	-	-	-	-	-
Transfers	(415)	(438)	-	922	(9,074)
Extraordinary items (2)	-	-	(1,751)	-	-
Total business-type activities	(181)	(7,456)	(1,694)	11,645	188
Total general revenues and other changes in net position	341,475	273,775	301,481	312,843	282,676
Change in Net Position					
Governmental activities	98,459	188,559	83,218	32,950	73,671
Business-type activities	35,655	28,178	31,723	40,299	16,865
Total primary government	\$ 134,115	\$ 216,737	\$ 114,941	\$ 73,249	\$ 90,536

(1) Measure A-Public Safety Tax, an additional .75% sales tax approved 2014, and Measure M - a new .25% sales tax approved in 2017 contributed to increases

(2) In fiscal year 2015 Extraordinary items for Government activities and Business-type activities relate to GASB #58 Bankruptcy, with both principal and interest debt forgiven. GASB #68 Pension obligations being restated to show on balance sheet.

Source: City of Stockton Department of Administrative Services

City of Stockton
Table 2
Changes in Net Position (Continued)
Last Ten Fiscal Years
(Dollar amounts in thousands)

	Fiscal Year				
	2018	2017	2016	2015	2014
Expenses					
Governmental activities:					
General government	\$ 37,259	\$ 33,378	\$ 39,608	\$ 35,576	\$ 34,594
Public safety	212,181	154,932	169,015	123,403	124,806
Public works	38,435	45,670	36,344	37,685	51,942
Library	12,301	10,904	10,406	9,098	9,807
Parks and recreation	23,753	22,481	21,620	20,801	19,456
Interest and fiscal charges	5,964	4,288	2,216	3,401	14,486
Total governmental activities	329,894	271,653	279,209	229,964	255,091
Business-type activities:					
Water utility	39,526	42,886	48,001	47,474	44,720
Wastewater utility	41,648	50,545	58,665	56,153	55,724
Stormwater utility	4,729	5,288	6,601	7,084	5,758
Parking Authority	5,310	5,641	5,384	5,026	5,120
Other	3,299	3,235	3,116	3,374	3,448
Total business-type activities	94,512	107,595	121,767	119,111	114,770
Total expenses	424,406	379,248	400,976	349,075	369,861
Program Revenues					
Governmental activities:					
Charges for services:					
General government	16,451	19,184	15,831	15,169	14,785
Public safety	15,309	9,188	13,663	16,863	21,016
Public works	14,914	3,373	8,292	6,105	5,178
Library	595	377	517	441	437
Parks and recreation	12,194	8,765	9,158	6,145	5,655
Operating grants and contributions	12,402	12,565	12,861	18,823	18,840
Capital grants and contributions	21,426	17,591	16,286	34,268	36,052
Total governmental activities	93,292	71,043	76,608	97,814	101,963
Business-type activities:					
Charges for services:					
Water utility	50,590	42,308	33,277	35,059	37,855
Wastewater utility	68,191	66,833	68,938	65,726	59,953
Stormwater utility	5,683	5,619	5,573	5,569	5,571
Parking Authority	4,447	5,141	4,971	4,170	2,882
Other	1,776	1,675	1,750	1,769	1,870
Operating grants and contributions	3,855	3,889	3,776	5,133	3,865
Capital grants and contributions	6,245	2,971	3,562	2,945	1,112
Total business-type activities	140,787	128,436	121,847	120,371	113,108
Total program revenues	234,078	199,479	198,455	218,185	215,071
Change in Net Position					
Governmental activities	(236,603)	(200,610)	(202,601)	(132,150)	(153,128)
Business-type activities	46,275	20,841	80	1,260	(1,662)
Total primary government	\$ (190,328)	\$ (179,769)	\$ (202,521)	\$ (130,890)	\$ (154,790)

City of Stockton
Table 2
Changes in Net Position (Continued)
Last Ten Fiscal Years
(Dollar amounts in thousands)

	Fiscal Year				
	2018	2017	2016	2015	2014
General Revenues and Other					
Change in Net Position:					
Governmental activities:					
Taxes:					
Property	\$ 33,112	\$ 32,411	\$ 30,646	\$ 29,573	\$ 28,015
In lieu of sales tax	-		8,775	9,816	9,706
Utility user	35,415	34,455	33,379	32,921	32,370
Sales - levied by City (1)	52,788	42,506	39,070	37,208	15,536
Franchise fees	13,243	13,289	12,397	12,379	11,981
Business licenses	13,507	12,243	11,996	10,805	10,392
Hotel/motel room	3,193	2,997	2,711	2,378	2,080
Document transfer	1,078	801	857	587	564
Other	2,916	1,939	1,801	930	728
Shared revenue:					
Vehicle license fees	29,091	21,423	20,354	19,602	18,069
Sales and use tax levied by state (1)	68,467	49,910	45,097	36,904	35,111
Other	165	44	45	49	253
Investment earnings	899	1,966	4,728	1,532	1,128
Gain on sale of capital assets	(203)	578	568	(13,214)	(3,712)
Miscellaneous	4,083	2,820	7,303	16,982	3,042
Special item	6,203		-	-	-
Proceeds of long-term debt	-	10,237	-	23,396	-
Extraordinary items	-	-	-	250,701	-
Transfers from Successor Agency, Net	734	-	-	-	-
Transfers	389	654	(297)	383	1,330
Total governmental activities	265,082	228,273	219,430	472,932	166,593
Business-type activities:					
Other taxes	1,271	1,292	1,239	974	1,166
Grants and contributions not restricted to	100		-	-	-
Investment earnings	233	131	2,653	1,172	1,448
Gain on sale of capital assets	20	(1,156)	-	(3,300)	-
Miscellaneous	-	-	-	-	431
Special item	3,540	-	-	-	-
Transfers	(389)	(654)	297	(383)	(1,330)
Extraordinary items (2)	-	-	-	9,548	-
Total business-type activities	4,774	(387)	4,189	8,011	1,715
Total general revenues and other changes in net position	269,857	227,886	223,619	480,943	168,308
Change in Net Position					
Governmental activities	28,479	27,662	16,829	340,782	13,465
Business-type activities	51,049	20,454	4,271	9,271	53
Total primary government	\$ 79,529	\$ 48,116	\$ 21,100	\$ 350,053	\$ 13,518

(1) Measure A-Public Safety Tax, an additional .75% sales tax approved 2014, and Measure M - a new .25% sales tax approved in 2017 contributed to increases

(2) In fiscal year 2015 Extraordinary items for Government activities and Business-type activities relate to GASB #58 Bankruptcy, with both principal and interest debt forgiven. GASB #68 Pension obligations being restated to show on balance sheet.

Source: City of Stockton Department of Administrative Services

City of Stockton
Table 3
Fund Balance, Governmental Funds
Last Ten Fiscal Years
(Dollar amounts in thousands)

	Fiscal Year				
	2023	2022	2021	2020	2019
General Fund					
Nonspendable	\$ 2,397	\$ 2,077	\$ 2,215	\$ 5,796	\$ 3,621
Restricted	5,218	5,289	4,428	3,998	4,034
Committed	150,811	123,754	77,638	59,714	54,243
Assigned	5,447	4,285	4,526	4,017	4,144
Unassigned	48,490	43,208	42,049	41,085	37,990
Total General Fund	212,364	178,613	130,857	114,611	104,032
All other governmental funds					
Nonspendable	1,771	151	152,462	356	356
Restricted	398,166	428,305	222,308	189,758	169,507
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned (deficit)	(1,344)	-	-	-	-
Total all other governmental funds	398,593	428,455	374,770	190,114	169,863
Total Fund Balance	\$ 610,957	\$ 607,068	\$ 505,627	\$ 304,725	\$ 273,895

Source: City of Stockton Department of Administrative Services

City of Stockton
Table 3
Fund Balance, Governmental Funds (Continued)
Last Ten Fiscal Years
(Dollar amounts in thousands)

	Fiscal Year				
	2018	2017	2016	2015	2014
General Fund					
Nonspendable	\$ 1,303	\$ 1,539	\$ 2,214	\$ 810	\$ 500
Restricted	4,730	4,603	3,549	2,949	3,551
Committed	45,957	56,439	49,088	28,930	34,008
Assigned	2,227	3,922	5,467	-	3,059
Unassigned	36,265	36,184	33,326	38,639	9,751
Total General Fund	90,482	102,687	93,644	71,328	50,869
All other governmental funds					
Nonspendable	370		373	382	443
Restricted	117,387	114,254	122,084	104,785	81,435
Committed	-		-	-	-
Assigned	-		-	-	-
Unassigned (deficit)	-	3,232	-	-	(20,669)
Total all other governmental funds	117,757	117,486	122,457	105,167	61,209
Total Fund Balance	\$ 208,239	\$ 220,173	\$ 216,101	\$ 176,495	\$ 112,078

Source: City of Stockton Department of Administrative Services

City of Stockton
Table 4
Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years
(Dollar amounts in thousands)

	Fiscal Year				
	2023	2022	2021	2020	2019
Revenues:					
Taxes:					
Property	\$ 42,578	\$ 41,066	\$ 38,523	\$ 36,692	\$ 35,342
In lieu of sales tax				-	
Utility user	42,445	38,328	36,414	34,537	34,252
Sales (levied by City) (1)	90,305	82,951	68,639	57,077	57,911
Franchise fees	22,547	19,932	16,901	15,292	12,307
Business license	23,748	15,906	15,695	14,557	13,215
Hotel/motel room	3,433	3,620	2,860	2,834	3,377
Document transfer	1,028	1,626	1,222	912	1,071
Other	4,628	4,016	2,874	3,262	2,905
Licenses and permits	7,762	9,129	7,670	6,847	6,744
Federal grants and subsidies	34,803	84,812	30,339	15,578	16,517
Other shared revenue (sales and use tax levied by state) (1)	76,954	76,239	65,201	56,122	51,577
Other governmental	76,933	85,662	99,161	59,367	66,594
Charges for services	35,677	39,532	31,330	26,904	27,227
Fines and forfeitures	317	2,001	379	1,101	1,277
Use of money and property	11,704	9,955	5,731	10,569	12,460
Investment income:			-	-	
Interest income	(248)	(13,673)	7,785	14,075	11,758
Refunds and reimbursements	1,029	550	602	6,633	6,614
Miscellaneous	8,951	8,258	10,189	8,981	8,649
Total revenues	484,596	509,910	441,514	371,340	369,795
Expenditures:					
Current:					
General government	53,152	76,830	72,185	30,148	30,537
Public safety	227,859	206,107	205,923	193,778	189,824
Public works	35,659	34,263	41,960	20,120	19,793
Library	15,643	14,659	12,762	14,400	13,789
Parks and recreation	17,601	14,552	8,207	25,920	26,006
Capital outlay	65,959	53,034	26,127	31,225	35,158
Debt service:			-	-	
Principal retirement	3,519	1,943	1,806	1,699	11,477
Cost of issuance			-	-	
Interest and fiscal charges	9,807	7,397	4,617	5,229	5,627
Total expenditures	429,199	408,785	373,587	322,521	332,211
Excess (deficiency) of revenues over (under) expenditures	\$ 55,397	\$ 101,125	\$ 67,926	\$ 48,819	\$ 37,584

City of Stockton
Table 4
Changes in Fund Balance of Governmental Funds (Continued)
Last Ten Fiscal Years
(Dollar amounts in thousands)

	Fiscal Year				
	2023	2022	2021	2020	2019
Other financing sources (uses):					
Capital contributions	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers in	42,616	27,618	19,903	18,062	31,310
Transfers out	(57,610)	(27,480)	(41,452)	(36,445)	(29,479)
Transfers from successor Agency	-	-	-	-	-
Special item	-	-	-	-	-
Bond insurers proceeds	-	163	-	-	-
Operating transfers out to a component unit	-	-	-	-	-
Issuance of long-term debt	1,344	-	-	-	-
Proceeds of current refunding bonds	-	-	-	-	-
Sales of capital assets	44	17	2,419	393	52
Advances from other funds	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Total other financing sources (uses)	(13,606)	317	(19,131)	(17,990)	1,884
Special items					
Net change in fund balance	41,791	101,442	48,796	30,830	39,468
Fund balance, beginning of year, original	607,069	505,627	456,831	273,895	234,427
Prior period restatement	(37,903)	-	-	-	-
Fund balance, beginning of year, restated	569,166	505,627	456,831	273,895	234,427
Fund balance, end of year	\$ 610,957	\$ 607,069	\$ 505,627	\$ 304,725	\$ 273,895
Debt service as a percentage of noncapital expenditures	3.8%	2.7%	1.9%	2.4%	6.1%

(1) Measure A-Public Safety Tax, an additional .75% sales tax approved in 2014, and Measure M - a new .25% sales tax approved in 2017 contributed to increases

Note: Some prior year balances may have been restated from previous ACFRs to reflect new GASB implementations or prior period restatement.

City of Stockton
Table 4
Changes in Fund Balance of Governmental Funds (Continued)
Last Ten Fiscal Years
(Dollar amounts in thousands)

	Fiscal Year				
	2018	2017	2016	2015	2014
Revenues:					
Taxes:					
Property	\$ 33,068	\$ 32,411	\$ 30,646	\$ 29,573	\$ 28,014
In lieu of sales tax	44		8,775	9,816	9,706
Utility user	35,415	34,455	33,379	32,921	32,369
Sales (levied by City) (1)	52,788	42,506	39,070	37,208	15,536
Franchise fees	13,243	13,289	12,397	12,380	11,981
Business license	13,507	12,243	11,996	10,805	10,392
Hotel/motel room	3,193	2,997	2,711	2,378	2,080
Document transfer	1,126	801	856	587	565
Other	2,916	1,939	1,535	930	728
Licenses and permits	6,214	5,867	5,347	4,398	3,808
Federal grants and subsidies	13,235	12,859	10,470	21,796	22,453
Other shared revenue (sales and use tax levied by state) (1)	53,817	49,910	45,097	36,904	35,111
Other governmental	57,778	37,574	36,696	41,806	47,951
Charges for services	29,377	22,920	26,473	21,351	19,410
Fines and forfeitures	1,247	1,164	624	3,814	2,925
Use of money and property	9,528	8,197	8,172	9,318	9,536
Investment income:					
Interest income	1,063	1,762	3,088	916	650
Refunds and reimbursements	7,887	6,077	5,188	12,710	2,401
Miscellaneous	8,596	6,745	11,246	16,674	7,707
Total revenues	344,044	293,716	293,766	306,285	263,323
Expenditures:					
Current:					
General government	26,761	29,235	27,229	34,652	25,510
Public safety	184,426	171,073	150,853	141,542	129,030
Public works	18,852	15,818	14,861	14,152	14,458
Library	12,416	10,619	10,107	9,880	9,793
Parks and recreation	22,462	20,493	19,295	19,094	17,202
Capital outlay	51,210	31,407	23,857	31,345	43,273
Debt service:					
Principal retirement	2,204	13,593	3,325	8,217	9,589
Cost of issuance	-	-	2,119	-	-
Interest and fiscal charges	5,767	2,872	-	3,229	4,661
Total expenditures	324,098	295,110	251,646	262,111	253,516
Excess (deficiency) of revenues over (under) expenditures	\$ 19,946	\$ (1,394)	\$ 42,120	\$ 44,174	\$ 9,807

City of Stockton
Table 4
Changes in Fund Balance of Governmental Funds (Continued)
Last Ten Fiscal Years
(Dollar amounts in thousands)

	Fiscal Year				
	2018	2017	2016	2015	2014
Other financing sources (uses):					
Capital contributions	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers in	19,077	23,347	15,916	16,860	13,497
Transfers out	(37,913)	(12,966)	(18,810)	(20,235)	(13,031)
Transfers from successor Agency	734	-	-	-	-
Special item	6,203	-	-	-	-
Bond insurers proceeds	-	-	-	29,178	7,800
Operating transfers out to a component unit	-	-	-	-	-
Issuance of long-term debt	-	-	-	-	-
Proceeds of current refunding bonds	-	-	-	-	-
Sales of capital assets	800	492	379	521	200
Advances from other funds	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	(6,080)	-
Total other financing sources (uses)	(11,099)	10,873	(2,515)	20,244	8,466
Special items			-	-	-
Net change in fund balance	8,847	9,479	39,605	64,417	18,273
Fund balance, beginning of year, original	225,581	216,100	176,495	112,078	93,806
Prior period restatement	-	-	-	-	-
Fund balance, beginning of year, restated	225,581	216,100	176,495	112,078	93,806
Fund balance, end of year	\$ 234,427	\$ 225,579	\$ 216,100	\$ 176,495	\$ 112,078
Debt service as a percentage of noncapital expenditures	3.0%	6.7%	2.4%	5.2%	7.3%

(1) Measure A-Public Safety Tax, an additional .75% sales tax approved in 2014, and Measure M - a new .25% sales tax approved in 2017 contributed to increases

Note: Some prior year balances may have been restated from previous ACFRs to reflect new GASB implementations or prior period restatement.

City of Stockton
Table 5
Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years
(Dollar amounts in thousands)

	Fiscal Year				
	2023	2022	2021	2020	2019
Property (1)	\$ 42,578	\$ 41,066	\$ 38,523	\$ 36,692	\$ 35,342
In lieu of sales tax	-	-	-	-	-
Utility user	42,445	38,328	36,414	34,537	34,252
Sales (levied by city) (2)	90,305	82,951	68,639	57,077	57,911
Franchise fees	22,547	19,932	16,901	15,292	12,307
Business licenses	23,748	15,905	15,695	14,557	13,215
Hotel/motel room	3,433	3,620	2,860	2,834	3,377
Document transfer	1,028	1,626	1,222	912	1,071
Other	4,628	4,016	2,874	3,262	2,905
Totals	\$ 230,713	\$ 207,444	\$ 183,127	\$ 165,163	\$ 160,379

(1) Property taxes decreased beginning in 2009 due to declining residential home values and foreclosures, resulting in a devaluation of City's assessed valuation performed by San Joaquin County. Also, between 2008 and 2011, property taxes collected by the RDA was included in the City's property tax revenue.

(2) Measure A-Public Safety Tax, an additional .75% sales tax approved in 2014, and Measure M - a new .25% sales tax approved in 2017 contributed to increases.

Source: City of Stockton Department of Administrative Services

City of Stockton
Table 5
Tax Revenues by Source, Governmental Funds (Continued)
Last Ten Fiscal Years
(Dollar amounts in thousands)

	Fiscal Year					% Change 2014 to 2023
	2018	2017	2016	2015	2014	
Property (1)	\$ 33,068	\$ 32,411	\$ 30,646	\$ 29,573	\$ 28,014	52%
In lieu of sales tax	44	-	8,775	9,816	9,706	-100%
Utility user	35,415	34,455	33,379	32,921	32,369	31%
Sales (levied by city) (2)	52,788	42,506	39,070	37,208	15,536	481%
Franchise fees	13,243	13,289	12,397	12,380	11,981	88%
Business licenses	13,507	12,243	11,995	10,805	10,392	129%
Hotel/motel room	3,193	2,997	2,711	2,378	2,080	65%
Document transfer	1,126	801	856	587	565	82%
Other	2,916	1,939	1,535	930	728	536%
Totals	\$ 155,301	\$ 140,642	\$ 141,364	\$ 136,598	\$ 111,371	107%

(1) Property taxes decreased beginning in 2009 due to declining residential home values and foreclosures, resulting in a devaluation of City's assessed valuation performed by San Joaquin County. Also, between 2008 and 2011, property taxes collected by the RDA was included in the City's property tax revenue.

(2) Measure A-Public Safety Tax, an additional .75% sales tax approved in 2014, and Measure M - a new .25% sales tax approved in 2017 contributed to increases.

Source: City of Stockton Department of Administrative Services

City of Stockton
Table 6
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Dollar amounts in thousands)

	Fiscal Year				
	2023	2022	2021	2020	2019
Secured roll	\$ 28,140,015	\$ 26,379,229	\$ 24,952,342	\$ 23,628,432	\$ 22,488,506
Utility roll	6,402	6,496	6,507	5,827	5,816
Unsecured roll	1,824,858	1,563,966	1,507,064	1,439,016	1,610,921
Gross assessed value	29,971,275	27,949,691	26,465,914	25,073,275	24,105,243
Less exemptions (1)	2,062,260	2,020,034	1,980,526	1,948,125	1,917,101
Net assessed value	27,909,014	25,929,657	24,485,388	23,125,150	22,188,142
Land	7,695,368	7,164,141	6,823,616	6,506,827	6,280,943
Improvements	21,012,393	19,716,382	18,716,229	17,635,057	16,582,837
Personal property	1,263,513	1,069,169	926,070	931,391	1,241,463
Gross assessed value	29,971,275	27,949,691	26,465,914	25,073,275	24,105,243
Less exemptions (1)	2,062,260	2,020,034	1,980,526	1,948,125	1,917,101
Net assessed value	\$ 27,909,014	\$ 25,929,657	\$ 24,485,388	\$ 23,125,150	\$ 22,188,142
Total Direct Tax Rate	1.00%	1.00%	1.00%	1.00%	1.00%

(1) For FY 2023, all exemptions (secured, utility, and unsecured rolls) are: homeowners - \$212,688 and other - \$1,849,572 = \$2,062,260

Note: In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the property being sold is reassessed at the purchase price. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: San Joaquin County Auditor-Controller's Office

City of Stockton
Table 6
Assessed Value and Estimated Actual Value of Taxable Property (Continued)
Last Ten Fiscal Years
(Dollar amounts in thousands)

	Fiscal Year				
	2018	2017	2016	2015	2014
Secured roll	\$ 21,378,475	\$ 20,299,172	\$ 19,473,994	\$ 18,496,369	\$ 16,981,109
Utility roll	5,863	5,833	6,199	6,209	6,228
Unsecured roll	1,629,758	1,596,101	1,651,844	1,638,161	1,557,131
Gross assessed value	23,014,096	21,901,106	21,132,037	20,140,739	18,544,468
Less exemptions (1)	1,532,852	1,786,986	1,729,742	1,717,223	1,699,348
Net assessed value	21,481,244	20,114,120	19,402,295	18,423,516	16,845,120
Land	6,081,944	5,713,082	5,420,167	4,978,511	4,597,437
Improvements	15,666,837	15,004,037	14,501,054	13,928,278	12,868,329
Personal property	1,265,315	1,183,987	1,210,816	1,233,950	1,078,702
Gross assessed value	23,014,096	21,901,106	21,132,037	20,140,739	18,544,468
Less exemptions (1)	1,532,852	1,786,986	1,729,742	1,717,223	1,699,348
Net assessed value	\$ 21,481,244	\$ 20,114,120	\$ 19,402,295	\$ 18,423,516	\$ 16,845,120
Total Direct Tax Rate	1.00%	1.00%	1.00%	1.00%	1.00%

(1) For FY 2023, all exemptions (secured, utility, and unsecured rolls) are: homeowners - \$212,688 and other - \$1,849,572 = \$2,062,260

Note: In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the property being sold is reassessed at the purchase price. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: San Joaquin County Auditor-Controller's Office

City of Stockton
Table 7
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Rate per \$100 of assessed value)

Fiscal Year	Basic Countywide Levy	City	Total Direct	Stockton Unified School District	San Joaquin Delta College District	Total
2023	1.0000	-	1.0000	0.2189	0.0144	1.2333
2022	1.0000	-	1.0000	0.1922	0.0163	1.2085
2021	1.0000	-	1.0000	0.2271	0.0183	1.2454
2020	1.0000	-	1.0000	0.2455	0.0199	1.2654
2019	1.0000	-	1.0000	0.2443	0.0225	1.2668
2018	1.0000	-	1.0000	0.2054	0.0180	1.2234
2017	1.0000	-	1.0000	0.2537	0.0180	1.2717
2016	1.0000	-	1.0000	0.2710	0.0198	1.2908
2015	1.0000	-	1.0000	0.2280	0.0233	1.2513
2014	1.0000	-	1.0000	0.2105	0.0194	1.2299

Note: On June 6, 1978, California voters approved an amendment to the Article XIII A of the California Constitution. The amendment, commonly known as Proposition 13, limits the taxing power of California public agencies. The California Legislature enacted legislation to implement Article XIII A (Statutes of 1978, Chapter 292, as amended) providing that local agencies may not levy any property tax except to pay debt service on indebtedness approved by voters prior to July 1, 1978, and that each county will levy the maximum tax permitted of \$1.00 per \$100.00 of full assessed value.

Source: San Joaquin County Tax Rate Book

City of Stockton
Table 8
Principal Property Taxpayers
Current Year and Nine Years Ago
(Dollar amounts in thousands)

	Fiscal Year					
	2023			2014		
	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value
Wal Mart Real Estate Bus Trust/Sam's	\$ 207,617	1	0.795 %	56,763	8	0.370 %
Prologis	201,251	2	0.771 %	51,012	10	0.333 %
Patmon Company Inc	149,501	3	0.573 %	-		
Excel Stockton LLC	126,103	4	0.483 %	119,813	1	0.782 %
EGMR Norcal Logistics Center LLC	108,519	5	0.416 %	-		
Central Valley Indust core holdings LLC	96,237	6	0.369 %	54,442	9	0.355 %
Wilshire Newcastle road owner LLC	96,000	7	0.368 %			
ARC BBSTNCA001	84,084	8	0.322 %	66,430	6	0.433 %
Simpson Manufacturing Co Inc	77,020	9	0.295 %	85,055	2	0.555 %
Trader Joes company	72,794	10	0.279 %	-		
Buzz Oates LLC	-		0.000 %	72,793	3	0.475 %
Diamond Walnut Growers Inc	-		0.000 %	69,481	4	0.453 %
Corn Products International Inc	-		0.000 %	67,429	5	0.440 %
A G Spanos Construction Inc	-		0.000 %	65,548	7	0.428 %
Fresh and Easy Neighborhood Market Inc.	-		0.000 %	-		-
Inland Western Stockton Airport Way II LLC	-		0.000 %	-		-
WTM Glimcher LLC	-		0.000 %	-		-
Principal Secured Property Valuation	1,219,126		4.669 %	708,766		4.624 %
Other Secured Taxpayers	<u>26,927,290</u>		<u>103.117</u>	<u>16,272,343</u>		<u>106.160</u>
Total Secured Property Valuation Before Exemptions	28,146,416		107.786 %	16,981,109		110.784 %
Less Exemptions relative to secured tax roll (1)	<u>2,033,076</u>		<u>7.786</u>	<u>1,653,022</u>		<u>10.784</u>
Total Secured Property Valuation	<u>\$ 26,113,340</u>		<u>100.000 %</u>	<u>\$ 15,328,087</u>		<u>100.000 %</u>

(1) Exemptions relative to secured tax roll:

FY 2023 - homeowners - \$211,611 and other - \$1,820,465 = \$2,033,076

FY 2014 - homeowners - \$234,275 and other - \$1,418,747 = \$1,653,022

Note: In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold. At that point, the purchase price becomes the new assessed value. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: San Joaquin County Assessor's Office
San Joaquin County Auditor-Controller's Office

City of Stockton
Table 9
Secured Property Tax Levies and Collections
Last Ten Fiscal Years
(Dollar amounts in thousands)

Fiscal Year	Secured Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy			Total Collections to Date		
		Amount	Percent of Levy (1)	Collections in Subsequent Years	Amount	Percent of Levy	
2023	\$ 39,453	\$ 39,453	100 %	-	\$ 39,453	100 %	
2022	\$ 39,099	\$ 39,099	100 %	-	\$ 39,099	100 %	
2021	\$ 36,615	\$ 36,615	100 %	-	\$ 36,615	100 %	
2020	\$ 34,739	\$ 34,739	100 %	-	\$ 34,739	100 %	
2019	\$ 33,521	\$ 33,521	100 %	-	\$ 33,521	100 %	
2018	\$ 31,193	\$ 31,193	100 %	-	\$ 31,193	100 %	
2017	\$ 30,495	\$ 30,495	100 %	-	\$ 30,495	100 %	
2016	\$ 28,907	\$ 28,907	100 %	-	\$ 28,907	100 %	
2015	\$ 27,852	\$ 27,852	100 %	-	\$ 27,852	100 %	
2014	\$ 25,952	\$ 25,952	100 %	-	\$ 25,952	100 %	

(1) Per agreement with San Joaquin County; the County provides the City with 100% of the amount owed for secured properties, regardless of collection status. In exchange, the County is entitled to 100% of delinquency and penalty revenues collected.

Source: San Joaquin County Auditor-Controller's Office

City of Stockton
Table 10
Water Sold by Customer Type
Last Five Fiscal Years

	Fiscal Year				
	2023	2022	2021	2020	2019
<u>Type of Customer</u>					
Residential	7,516,755 cf	8,204,224 cf	10,610,177 cf	7,997,883 cf	7,669,451 cf
Institutional	782,656	858,661	1,105,150	827,124	789,265
Commercial/Industrial	1,567,709	1,707,532	2,018,500	1,588,605	1,645,890
Irrigation	1,291,195	1,603,842	2,025,832	1,457,258	1,294,982
Total	<u>11,158,315</u> cf	<u>12,374,259</u>	<u>15,759,659</u> cf	<u>11,870,870</u> cf	<u>11,399,588</u> cf

1 cubic foot (cf) = 7.481 gallons

Source: City of Stockton Department of Administrative Services



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City of Stockton
Table 11
Water and Wastewater Utility Rates
Last Ten Fiscal Years

Fiscal Year	Water			Wastewater	
	Monthly Base Rate	Tier 1 Additional Per 100 cf**	Tier 2 Additional Per 100 cf**	Monthly Base Rate	
2023	\$ 35.30	\$ 2.49	\$ 2.96	\$ 52.53	
2022	\$ 33.90	\$ 2.47	\$ 2.95	\$ 49.56	
2021	\$ 33.90	\$ 2.47	\$ 2.95	\$ 46.75	
2020	\$ 32.90	\$ 2.39	\$ 2.86	\$ 44.10	
2019	\$ 31.95	\$ 2.31	\$ 2.76	\$ 38.36	
2018	\$ 31.00	\$ 2.23	\$ 2.66	\$ 38.36	
2017	\$ 28.00	\$ 2.00	\$ 2.39	\$ 38.36	
2016	\$ 22.25	\$ 1.67	\$ -	\$ 37.76	
2015	\$ 21.90	\$ 1.64	\$ -	\$ 37.09	
2014	\$ 21.51	\$ 1.61	\$ -	\$ 34.03	

*Effective 8/01/2016-Water Consumption Tier 1 0-15 CF and Tier 2 15+CF.
100 cf = 100 cubic feet (748 gallons)

Rates are based on 1" and less meter, which is the standard household meter size.

**The Utility charges an excess use rate above normal demand.

Source: City of Stockton Department of Administrative Services

City of Stockton
Table 12
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Dollar amounts in thousands, except per capita)

Governmental Activities*							
Fiscal Year	Revenue* Bonds (1)	Certificates of Participation	Notes Payable / Equip. Leases /Subscription Settlements	Pension Bonds*	Total Governmental Activities		
2023	\$ -	\$ -	\$ 11,624	\$ 52,884	\$ 64,508		
2022	\$ -	\$ -	\$ 4,700	\$ 53,084	\$ 57,784		
2021	\$ -	\$ -	\$ 6,321	\$ 53,248	\$ 59,569		
2020	\$ -	\$ -	\$ 8,196	\$ 53,378	\$ 61,574		
2019	\$ -	\$ -	\$ 9,990	\$ 53,478	\$ 63,468		
2018	\$ 9,425	\$ -	\$ 15,853	\$ 53,547	\$ 78,825		
2017	\$ 9,915	\$ -	\$ 18,130	\$ 53,589	\$ 81,634		
2016	\$ 10,385	\$ 11,500	\$ 18,298	\$ 53,606	\$ 93,789		
2015	\$ 10,835	\$ 11,890	\$ 18,095	\$ 54,530	\$ 95,350		
2014	\$ 75,285	\$ 12,265	\$ 20,157	\$ 121,770	\$ 229,477		

*Includes settlement amounts for debts adjusted under Chapter 9 of the US Bankruptcy Code.

Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements, Note 8-Long-Term Debt

(1) These ratios are calculated using the latest available data, personal income for fiscal year 2017 and population for fiscal year 2019.

Sources: City of Stockton Department of Administrative Services
US Dept. of Commerce, Bureau of Economic Analysis
State of California, Department of Finance

City of Stockton
Table 12
Ratios of Outstanding Debt by Type (Continued)
Last Ten Fiscal Years
(Dollar amounts in thousands, except per capita)

Business-type Activities										
Fiscal Year	Revenue Bonds	Certificates of Participation	Notes Payable / Equip. Leases /Subscription	Total Business-type Activities	Total	Personal Income (thousands of dollars)	Percent of Personal Income (2)	Population	Amount Per Capita (2)	
2023	\$ 261,508	\$ -	\$ 121,398	\$ 382,906	\$ 447,414	\$ 35,926,949	1.25 %	319,731	\$	1,399
2022	\$ 274,233	\$ -	\$ 121,564	\$ 395,797	\$ 453,581	\$ 35,926,949	1.26 %	322,489	\$	1,407
2021	\$ 261,845	\$ -	\$ 129,381	\$ 391,226	\$ 450,795	\$ 35,926,949	1.25 %	320,804	\$	1,405
2020	\$ 144,710	\$ -	\$ 129,380	\$ 274,090	\$ 335,664	\$ 35,926,895	0.93 %	318,522	\$	1,054
2019	\$ 279,039	\$ -	\$ 10,870	\$ 289,909	\$ 353,377	\$ 31,920,000	1.11 %	316,410	\$	1,117
2018	\$ 312,700	\$ -	\$ 10,870	\$ 323,570	\$ 402,395	\$ 21,591,742	1.86 %	315,103	\$	1,277
2017	\$ 326,165	\$ -	\$ 10,870	\$ 337,035	\$ 418,669	\$ 28,150,538	1.49 %	320,554	\$	1,306
2016	\$ 336,218	\$ -	\$ 10,954	\$ 347,172	\$ 440,961	\$ 21,591,742	2.04 %	315,592	\$	1,397
2015	\$ 343,926	\$ -	\$ 11,040	\$ 354,966	\$ 450,316	\$ 21,591,742	2.09 %	306,999	\$	1,467
2014	\$ 284,225	\$ 81,270	\$ 11,123	\$ 376,618	\$ 606,095	\$ 21,591,742	2.81 %	300,899	\$	2,014

*Includes settlement amounts for debts adjusted under Chapter 9 of the US Bankruptcy Code.

Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements, Note 8-Long-Term Debt

(1) These ratios are calculated using the latest available data, personal income for fiscal year 2017 and population for fiscal year 2019.

Sources: City of Stockton Department of Administrative Services
 US Dept. of Commerce, Bureau of Economic Analysis
 State of California, Department of Finance

City of Stockton
Table 13
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(Dollar amounts in thousands, except per capita)

General Bonded Debt Outstanding*									
Fiscal Year	Lease Revenue Bonds	Certificates of Participation (2)	Pension Obligation Bonds (1)	Redevelopment Agency Bonds*	Total	Percent of Assessed Property Value	Amount Per Capita		
2023	\$ -	\$ -	\$ 52,885	\$ -	\$ 52,885	0.002 %	\$ 0.17		
2022	\$ -	\$ -	\$ 53,084	\$ -	\$ 53,084	0.002 %	\$ 0.16		
2021	\$ -	\$ -	\$ 53,248	\$ -	\$ 53,248	0.002 %	\$ 0.17		
2020	\$ -	\$ -	\$ 53,378	\$ -	\$ 53,378	0.002 %	\$ 0.17		
2019	\$ -	\$ -	\$ 53,478	\$ -	\$ 53,478	0.002 %	\$ 0.17		
2018	\$ 9,425	\$ -	\$ 53,547	\$ -	\$ 62,972	0.003 %	\$ 0.20		
2017	\$ 9,915	\$ -	\$ 53,589	\$ -	\$ 63,504	0.003 %	\$ 0.20		
2016	\$ 10,385	\$ 11,500	\$ 53,606	\$ -	\$ 75,491	0.004 %	\$ 0.24		
2015	\$ 10,835	\$ 11,890	\$ 54,529	\$ -	\$ 77,254	0.004 %	\$ 0.25		
2014	\$ 75,285	\$ 12,265	\$ 121,770	\$ 119,210	\$ 328,530	0.020 %	\$ 1.09		

* Redevelopment Agency Bonds are no longer included in the General Bonded debt

(1)Includes settlement amounts for debts adjusted under Chapter 9 of the US Bankruptcy Code.

(2)General Fund liability limited to only 80.5% of amounts due on principal shown

General bonded debt is payable with governmental fund resources. General obligation bonds (of which the City has none) are backed by the taxing authority of the City (taxes may be raised to provide resources for debt service payments.)

Source: City of Stockton Department of Administrative Services
San Joaquin County Auditor-Controller's Office
State of California, Department of Finance

City of Stockton
Table 14
Direct and Overlapping Governmental Activities Debt

	Total Debt 6/30/2023	Percentage Applicable (1)	City's share of Debt 6/30/2023
OVERLAPPING TAX AND ASSESSMENT DEBT:			
San Joaquin Delta Community College District	\$ 175,675,000	26.139 %	\$ 45,919,688
Stockton Unified School District	466,597,362	84.125	392,525,031
Lodi Unified School District	283,480,000	34.036	96,485,253
Lodi Unified School District School Facilities Improvement District No. 1	40,075,000	85.721	34,352,691
Lincoln Unified School District	62,180,787	86.494	53,782,650
Lincoln Unified School District Community Facilities District No. 1	13,526,567	79.845	10,800,287
Manteca Unified School District	211,129,885	12.541	26,477,799
Manteca Unified School District Community Facilities District No. 1989-1	11,243,715	100.000	11,243,715
Tracy Joint Unified School District and School Facilities Improvement Dist. No.3	128,079,900	0.003 & 0.006	6,820
City of Stockton Community Facilities District No. 99-02	22,585,000	100.000	22,585,000
City of Stockton Community Facilities District No. 2001-1 (Spanos Park West)	9,430,358	100.000	9,430,358
City of Stockton Community Facilities District No. 2003-1	1,447,060	100.000	1,447,060
City of Stockton Community Facilities District No. 2005-1	8,905,000	100.000	8,905,000
City of Stockton Community Facilities District No. 2006-1	2,163,162	100.000	2,163,162
City of Stockton Community Facilities District No. 2006-2	2,826,000	100.000	2,826,000
City of Stockton Community Facilities District No. 2006-3	4,313,598	100.000	4,313,598
City of Stockton Community Facilities District No. 2018-1	3,250,000	100.000	3,250,000
City of Stockton Community Facilities District No. 2018-2, I.A. 1 & 2	23,190,000	100.000	23,190,000
City of Stockton Community Facilities District No. 2019-1	9,915,000	100.000	9,915,000
City of Stockton 1915 Act Bonds	15,233,528	100.000	15,233,528
Reclamation District No. 2042 Community Facilities District No. 2001-1	3,693,924	18.211	672,700
San Joaquin Area Flood Control District Smith Assessment District	21,705,000	57.451	12,469,740
San Joaquin County Reclamation District No. 17 Assessment District	20,515,719	27.618	5,666,031
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			793,661,111
OVERLAPPING GENERAL FUND DEBT:			
San Joaquin County Certificates of Participation	54,940,000	28.297 %	15,546,372
Lincoln Unified School District Certificates of Participation	7,630,000	86.494	6,599,492
Lodi Unified School District Certificates of Participation	8,590,000	34.036	2,923,692
Manteca Unified School District General Fund Obligations	13,979,000	12.541	1,753,106
Stockton Unified School District Certificates of Participation	24,160,000	84.125	20,324,600
Lathrop-Manteca Rural Fire Protection District certificates of Participation	3,410,000	0.022	750
City of Stockton Bond Insurer Settlement Agreement Liability	52,884,811	100.000	52,884,811
TOTAL OVERLAPPING GENERAL FUND DEBT			100,032,823
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):			
2016 Tax Allocation Revenue Bonds Series A	73,310,000	100.000 %	73,310,000
2016 Tax Allocation Revenue Bonds Series B	7,340,000	100.000	7,340,000
TOTAL OVERLAPPING TAX INCREMENT DEBT			80,650,000
TOTAL DIRECT DEBT			52,884,811
TOTAL OVERLAPPING DEBT			921,459,123
GROSS COMBINED TOTAL DEBT (2)			974,343,934
2022-23 Assessed Valuation (3):	\$ 28,121,702		
(after deducting \$1,849,572 Other Exemptions Valuation)			
2022-23 Population			
Debt Ratios			
Total Gross Debt (2)	\$ 974,343,934	\$ 3,047	3464.74 %
Ratios to 2022-23 Assessed Valuation: Total Overlapping Tax and Assessment Debt	793,661,111	2,482	2822.24
Ratios to Adjusted Assessed Valuation: Combined Direct Debt	52,884,811	165	188.06

(1) Percent of overlapping agency's assessed valuation located within boundaries of the City.

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

(3) Represents Gross Assessed Valuation after deducting \$2,062,062

Sources: California Municipal Statistics, Inc., San Francisco, CA

San Joaquin County Auditor-Controller's Office

State of California, Department of Finance, Demographic Research Unit

City of Stockton
Table 15
Legal Debt Margin Information
Last Ten Fiscal Years
(Dollar amounts in thousands)

	Fiscal Year				
	2023	2022	2021	2020	2019
Assessed valuation (1)	\$ 28,121,702	\$ 26,144,691	\$ 24,701,296	\$ 23,343,395	\$ 22,407,298
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	7,030,426	6,536,173	6,175,324	5,835,849	5,601,825
Debt limit percentage	15%	15%	15%	15%	15%
Debt Limit	1,054,564	980,426	926,299	875,377	840,274
Total net debt applicable to limit				-	-
Legal debt margin	<u>\$ 1,054,564</u>	<u>\$ 980,426</u>	<u>\$ 926,299</u>	<u>\$ 875,377</u>	<u>\$ 840,274</u>
Legal debt margin/debt limit	100%	100%	100%	100%	100%

(1) Reflects City assessed valuation excluding other exemptions of \$1,764,618,090. Redevelopment Agency was dissolved in 2013.

Under State law, the City has a legal debt limitation not to exceed 15% of the total assessed valuation of taxable property within the City boundaries, adjusted for subsequent legislative actions. In accordance with California Government Code Section 43605, only the City's general obligation bonds are subject to the legal limit. The City of Stockton does carry bonded debt secured by special assessments and other revenue sources, but at this time, doesn't have any outstanding general obligation bonds. The City is not at risk of exceeding its legal debt limit.

Sources: City of Stockton Department of Administrative Services
California Municipal Statistics, Inc., San Francisco, CA
San Joaquin County Auditor-Controller's Office

City of Stockton
Table 15
Legal Debt Margin Information (Continued)
Last Ten Fiscal Years
(Dollar amounts in thousands)

	Fiscal Year				
	2018	2017	2016	2015	2014
Assessed valuation (1)	\$ 21,362,446	\$ 20,337,129	\$ 19,628,594	\$ 18,653,199	\$ 17,079,491
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	5,340,612	5,084,282	4,907,149	4,663,300	4,269,873
Debt limit percentage	15%	15%	15%	15%	15%
Debt Limit	801,092	762,642	736,072	699,495	640,481
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 801,092</u>	<u>\$ 762,642</u>	<u>\$ 736,072</u>	<u>\$ 699,495</u>	<u>\$ 640,481</u>
Legal debt margin/debt limit	100%	100%	100%	100%	100%

(1) Reflects City assessed valuation excluding other exemptions of \$1,764,618,090. Redevelopment Agency was dissolved in 2013.

Under State law, the City has a legal debt limitation not to exceed 15% of the total assessed valuation of taxable property within the City boundaries, adjusted for subsequent legislative actions. In accordance with California Government Code Section 43605, only the City's general obligation bonds are subject to the legal limit. The City of Stockton does carry bonded debt secured by special assessments and other revenue sources, but at this time, doesn't have any outstanding general obligation bonds. The City is not at risk of exceeding its legal debt limit.

Sources: City of Stockton Department of Administrative Services
California Municipal Statistics, Inc., San Francisco, CA
San Joaquin County Auditor-Controller's Office

City of Stockton
Table 16
Pledged-Revenue Coverage
Last Ten Fiscal Years
(Dollars amounts in thousands)

Fiscal Year	Gross Revenues (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service			Debt Coverage Ratio
				Principal	Interest	Total	
Water Revenue Bonds							
2023	\$ 68,359	\$ 19,734	\$ 48,625	\$ 6,205	\$ 8,096	\$ 14,301	3.40
2022	\$ 74,411	\$ 20,755	\$ 53,656	\$ 5,910	\$ 8,383	\$ 14,293	3.75
2021	\$ 72,506	\$ 23,006	\$ 49,500	\$ 5,630	\$ 6,770	\$ 12,400	3.99
2020	\$ 65,686	\$ 30,944	\$ 34,742	\$ 4,975	\$ 9,279	\$ 14,254	2.44
2019	\$ 54,172	\$ 25,163	\$ 29,009	\$ 5,000	\$ 11,814	\$ 16,814	1.73
2018	\$ 53,997	\$ 22,595	\$ 31,402	\$ 4,955	\$ 12,686	\$ 17,641	1.78
2017	\$ 43,643	\$ 23,798	\$ 19,845	\$ 83	\$ 12,798	\$ 12,881	1.54
2016	\$ 37,906	\$ 23,312	\$ 14,594	\$ 87	\$ 13,242	\$ 13,329	1.09 *
2015	\$ 42,416	\$ 22,830	\$ 19,586	\$ 4,263	\$ 13,397	\$ 17,660	1.11 *
2014	\$ 38,991	\$ 19,762	\$ 19,229	\$ 3,939	\$ 12,116	\$ 16,055	1.20

Note: Net Available Revenue for the Water Bonds provides a 3.35 debt coverage ratio for the senior lien issues and a 1.16 debt coverage ratio for the subordinate lien issues.

(Continued)

* Coverage requirement is 1.15, however, it is applied in sequence, first to the senior, and then to the subordinate issues. Done in sequence both senior and subordinate issues met the coverage requirement in both years.

City of Stockton
Table 16
Pledged-Revenue Coverage (Continued)
Last Ten Fiscal Years
(Dollars amounts in thousands)

Fiscal Year	Gross Revenues (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service			Debt Coverage Ratio
				Principal	Interest	Total	
Wastewater Certificates of Participation							
2023	\$ 88,696	\$ 53,132	\$ 35,563	\$ 4,410	\$ 3,374	\$ 7,784	4.57
2022	\$ 83,916	\$ 53,329	\$ 30,587	\$ 4,195	\$ 3,500	\$ 7,695	3.97
2021	\$ 80,221	\$ 43,795	\$ 36,426	\$ 3,995	\$ 2,497	\$ 6,492	5.61
2020	\$ 82,314	\$ 47,956	\$ 34,358	\$ 3,795	\$ 3,701	\$ 7,496	4.58
2019	\$ 70,849	\$ 42,197	\$ 28,652	\$ 3,635	\$ 2,860	\$ 6,495	4.41
2018	\$ 70,938	\$ 41,977	\$ 28,961	\$ 3,490	\$ 3,002	\$ 6,492	4.46
2017	\$ 68,597	\$ 43,201	\$ 25,396	\$ 3,345	\$ 3,139	\$ 6,484	3.92
2016	\$ 70,532	\$ 43,730	\$ 26,802	\$ 3,230	\$ 3,254	\$ 6,484	4.13
2015	\$ 57,321	\$ 39,698	\$ 17,623	\$ 3,390	\$ 3,217	\$ 6,607	2.67
2014	\$ 61,230	\$ 40,173	\$ 21,057	\$ 3,230	\$ 4,143	\$ 7,373	2.86

Includes all nongeneral obligation long term debt backed by pledged revenues.

Details regarding the City's outstanding debt can be found in the Note 8 - Long-Term Debt of these financial statements.

(1) Total operating expenses exclusive of depreciation and amortization.

Source: City of Stockton Department of Administrative Services

City of Stockton
Table 16
Pledged-Revenue Coverage (Continued)
Last Ten Fiscal Years
(Dollars amounts in thousands)

Fiscal Year	Gross Revenues (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service			Debt Coverage Ratio
				Principal	Interest	Total	
Parking Authority							
2023	\$ 5,766	\$ 419	\$ 1,587	\$ 360	\$ 1,162	\$ 1,522	1.04
2022	\$ 5,902	\$ 3,651	\$ 2,251	\$ 245	\$ 1,174	\$ 1,419	1.59
2021	\$ 4,628	\$ 3,007	\$ 1,621		\$ 1,194	\$ 1,194	1.36

(1)Includes all nongeneral obligation long term debt backed by pledged revenues. Please note that principal and interest for an internal loan subordinated to the 2020 Parking Revenue Bonds is not included. Had payments for that loan been included, coverage would have been 0.81

(2) Total operating expenses exclusive of depreciation and amortization.

Details regarding the City's outstanding debt can be found in the Note 8 - Long-Term Debt of these financial statements.

Source: City of Stockton Department of Administrative Services

City of Stockton
Table 17
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income (millions of dollars)	Per Capita Personal Income	Unemployment Rate	Labor Force (1)	Total Housing Units	Household Average Size	Median Family Income	School Enrollment
2023	319,731	\$ 18,475	\$ 57,783	7.2 %	134,800	103,808	3.13	\$ 63,916	104,877
2022	322,489	\$ 16,710	\$ 51,816	5.7 %	131,200	103,318	3.15	\$ 58,393	105,335
2021	320,804	\$ 15,122	\$ 47,139	10.3 %	132,463	101,960	3.25	\$ 54,614	98,646
2020	318,522	\$ 16,346	\$ 51,318	13.1 %	130,300	101,235	3.26	\$ 51,318	101,162
2019	316,410	\$ 13,549	\$ 42,822	7.0 %	129,000	100,877	3.39	\$ 48,396	105,705
2018	315,103	\$ 12,748	\$ 40,458	6.3 %	134,500	100,593	3.15	\$ 46,033	99,347
2017	320,554	\$ 12,428	\$ 38,770	7.3 %	127,000	100,254	3.23	\$ 44,797	71,491
2016	315,592	\$ 11,404	\$ 36,136	8.3 %	127,900	100,146	3.20	\$ 45,347	71,738
2015	306,999	\$ 10,670	\$ 34,755	8.5 %	127,000	100,097	3.23	\$ 46,831	66,037
2014	300,899	\$ 9,937	\$ 33,024	12.8 %	125,600	100,025	3.23	\$ 47,246	69,183

(1) Labor Force corrected for FY 15, FY 16, FY 17 which reported previously as San Joaquin County labor force , corrected to State, the City of Stockton labor force only.

Personal income is the income received by all persons from all sources. Personal income is the sum of net earnings by place of residence, rental income of persons, personal dividend income, personal interest income, and personal current transfer receipts.

Per capita personal income is calculated as the personal income of residents of a given area divided by the resident population of the area. In computing per capita personal income, Bureau of Economic Analysis uses the Census Bureau's annual midyear population estimates.

Sources: City of Stockton Department of Administrative Services & Community Development Department
CA Dept. of Finance and Employment Development Department
US Dept. of Commerce, Bureau of Economic Analysis
US Census Bureau
CA Dept. of Education

City of Stockton
Table 18
Principal Employers
Current Year and Nine Years Ago

Employer	2023			2014		
	Employees	Rank	Percent of Total City Employment	Employees	Rank	Percent of Total City Employment
Stockton Unified School District	5,341	1	3.96%	3,366	3	2.68%
Amazon	4,650	2	3.45%			
St. Joseph's Medical Center	3,200	3	2.37%	4,600	2	3.66%
San Joaquin County Office of Education	2,436	4	1.81%	4,720	1	3.76%
City of Stockton	2,138	5	1.59%	1,862	4	1.48%
University of the Pacific	1,816	6	1.35%	900	9	0.72%
Pacific Gas and Electric	1,550	7	1.15%	1,100	6	0.88%
Lincoln Unified School District	1,125	8	0.83%	631	10	0.50%
Kaiser Permanente	1,065	9	0.79%	1,065	7	0.85%
San Joaquin Delta College	813	10	0.60%	1,000	8	0.80%
Dameron Hospital O'Reilly Auto Parts				1,200	5	0.96%
O-G Packing Company						
Diamond Walnut						
Total	<u>24,134</u>		<u>17.90%</u>	<u>20,444</u>		16.28%

Note: Principal employers are based on best available information.

Sources: San Joaquin Partnership Survey, August 2023
City of Stockton ACFR, 2014

City of Stockton
Table 19
Full-Time Equivalent City Government Employees
By Function/Program/Department
Last Five Fiscal Years

Function/Program/Department:	Fiscal Year				
	2023	2022	2021	2020	2019
Admin Services	77	73	78	74	73
City Attorney	11	9	10	12	10
City Clerk	8	7	7	7	5
City Council/Mayor	4	4	3	4	3
City Manager	29	32	30	26	28
Community Development	46	42	40	42	38
Community Services	105	102	101	101	98
Human Resources	29	30	22	32	25
Information Technology	32	37	39	41	40
Police:					
Sworn	352	405	433	432	469
Non-sworn	173	175	189	216	193
Animal control	9	6	11	12	11
Total Police	<u>534</u>	<u>586</u>	<u>633</u>	<u>660</u>	<u>673</u>
Fire:					
Firefighters-sworn	196	165	171	160	177
Firefighters-auxiliary	10	41	0	21	32
Non-sworn personnel	46	34	34	32	30
Total Fire	<u>252</u>	<u>240</u>	<u>205</u>	<u>213</u>	<u>239</u>
Public Works	142	140	135	135	141
Economic Development	23	20	20	18	17
Water Utility	41	47	48	47	47
Wastewater Utility	150	147	147	142	144
Stormwater Utility	4	3	5	4	4
Total	<u>1487</u>	<u>1519</u>	<u>1523</u>	<u>1558</u>	<u>1,585</u>

*Auxiliary fire fighter program on hold due to COVID-19

*Non-Sworn includes Police Officer Trainees

Source: City of Stockton Human Resources Department

City of Stockton
Table 20
Operating Indicators by Function/Program/Department
Last Five Fiscal Years

	Fiscal Year				
	2023	2022	2021	2020	2019
General government:					
Building permits issued	9,022	7,714	8,815	7,378	7,380
Business tax certificates:					
Retail sales and service	5,345	5,109	6,434	7,805	5,707
Rental Properties - Commercial and Residential	2,495	2,495	4,267	4,491	4,165
Wholesale	2,116	319	443	393	404
Manufacturers and processors	165	121	152	149	159
Professions	1,391	1,289	1,760	1,561	1,614
Miscellaneous contractors, peddlers, delivery vehicles, etc.	4,810	5,219	5,640	4,900	4,579
Improvement district and hotel/motel room tax					
Utility billing/customer service:					
Utility bills issued	1,032,007	1,040,607	1,186,454	1,000,452	1,051,220
Utility accounts opened and closed	7,918	19,933	46,905	17,582	20,818
New service locations (water) added	427	411	378	283	245
Delinquency Notices Sent - Active Accounts	-	-	-	75,687	82,303
Water Service Terminated for Non-Payment	-	-	-	3,055	4,989
Utility customer service calls received	35,090	59,951	49,999	45,231	54,695
Utility customers using automated voice response	611,396	678,091	802,378	709,134	849,706
Utility Customers Using Online Pmt/Account Access	32,850	32,850	44,467	32,852	32,893
Miscellaneous accounts receivable bills issued	15,751	10,005	14,770	14,024	37,057
Public safety:					
Police:					
Major reported crimes	13,420	12,250	12,548	15,654	17,233
Total arrests	12,115	12,915	8,272	11,152	10,945
Dispatched calls for service	185,790	204,270	207,355	176,311	183,834
Fire:					
Interior structure fire calls	283	332	293	398	364
Non-structural fire calls	3,365	2,616	3,895	5,719	3,254
Hazardous materials calls	368	252	301	593	331
Emergency medical calls	17,692	19,557	18,485	34,287	26,129
Total emergency calls	42,613	46,756	51,515	57,396	51,613
Total number of units dispatched	52,302	57,198	54,470	60,162	61,026
Public works:					
Miles of streets resurfaced	15	26	22	28	7
Fleet job orders completed	4,786	5,725	6,617	7,764	8,765

City of Stockton
Table 20
Operating Indicators by Function/Program/Department (Continued)
Last Five Fiscal Years

	Fiscal Year				
	2023	2022	2021	2020	2019
Library:					
Registered borrowers	143,604	145,990	155,999	152,726	175,374
Circulation of library materials	1,175,080	1,021,233	576,605	943,196	1,356,142
Reference, research and informational questions answered	95,438	61,020	43,122	70,583	104,670
Annual attendance at libraries	615,282	425,695	120,679	578,193	793,255
Number of programs offered	4,037	1,719	246	3,110	4,416
Annual attendance at programs	84,869	38,640	5,831	60,066	94,216
Parks and Recreation:					
Golf rounds:					
Swenson Park golf course	55,898	59,076	79,968	65,489	50,290
Van Buskirk golf course	-	-	-	1,904	9,990
Trees planted	348	106	20	3	7
Heritage tree removal-permits issued	-	-	-	9	5
After school program registration (number of participants)	17,285	11,558	471	16,153	21,728
Day camp participants	2,626	2,703	444	2,753	3,685
Instructional classes	1,791	2,036	-	1,781	2,986
Softball/baseball diamonds bookings	204	169	41	142	147
Showmobile (Mobile Stage) bookings	-	15	1	15	17
Community center bookings	515	423	-	636	635
Picnic facility bookings	240	305	7	172	306
Adult sports (number of teams):					
Softball	148	153	45	57	101
Basketball	73	63	-	16	23
Volleyball	9	9	-	-	-
Youth sports (basketball, track, soccer, baseball, volleyball, flag football) (number of participants)	1,773	1,397	375	1,351	2,997

City of Stockton
Table 20
Operating Indicators by Function/Program/Department (Continued)
Last Five Fiscal Years

	Fiscal Year				
	2023	2022	2021	2020	2019
Parks and Recreation (cont.):					
Admissions to:					
Pixie Woods	58,694	14,235	973	8,995	15,480
Senior Center memberships	877	1,131	-	1,075	615
Civic Auditorium bookings	143	120	66	116	133
Parks and Recreation sponsored events	82	5	1	15	22
Weber Point Events Center bookings	23	16	1	15	15
Economic Development: (1)					
Rental Housing Units	-	105	-	127	51
Owner Housing (Emergency Repair or Rehabilitation)	3	1	2	2	5
Down Payment Assistance	-	-	-	-	3
Special Needs (Homes Repaired or Rehabilitated)	-	-	-	-	2
Public Facilities (Rehabilitated or Constructed)	-	1	-	5	1
Façade Program (Commercial Façade Repair/Rehabilitated)	4	1	2	2	1
Public Services Provided	100,341	712	83,553	47,605	23,760
Homeless Services Provided	10,182	7,040	4,806	5,413	4,859
Meals Provided to Homeless	4,708	249,455	126,408	41,882	39,848
Jobs Created and/or Retained	-	-	1	2	-
Business Assisted (Entrepreneur Program)	157	175	157	229	292
Water utility:					
New connections (DUE's) (2)	338	473	589	105	221
Water main breaks	27	26	18	15	21
Wastewater utility:					
Average daily influent (million gallons per day)	27mgd	25mgd	25mgd	27 mgd	30 mgd

(1) Housing Dept. was abolished and Economic Development Dept. was established in FY 2010.

(2) Changed reporting to Dwelling Unit Equivalent (DUE) in 2011 to more accurately reflect new connections. Not all single water connections are equal to one dwelling unit equivalent (DUE), or single family residence. For example, a 12" meter is equal to 209 single family residential connections. In 2011, there were 115 new connections which were equal to 654 DUE's.

Source: City of Stockton Departments

City of Stockton
Table 21
Capital Asset Statistics by Function/Program/Department
Last Five Fiscal Years

	Fiscal Year				
	2023	2022	2021	2020	2019
General government:					
Land use-square miles:					
Residential	22	22	24	25	25
Mixed use	4	4	4	4	4
Commercial	5	5	4	4	4
Industrial	13	13	14	13	13
Institutional	6	6	4	4	4
All other uses	4	4	3	3	3
Total square miles	54	54	53	53	53
Public safety:					
Police:					
Facilities:					
Stations and substations	1	1	1	1	1
Animal control facility	1	1	1	1	1
Police training facility (pistol range)	1	1	1	1	1
Vehicles:					
Marked patrol cars	189	153	181	212	192
Motorcycles and scooters	31	27	27	27	32
Animal control vehicles	12	12	11	9	8
VIPS vehicles	7	6	5	6	7
Other automobiles	226	158	198	213	231
Other mobile units (all others)	17	24	24	15	22
Public area security cameras	416	372	356	356	345
Fire:					
Fire stations	12	12	12	12	12
Training facilities	1	1	1	1	1
Fire hydrants	9335	9302	9220	9177	9,218
Public works:					
Miles of streets	781	781	781	769	769
Traffic signals	311	317	316	316	310
Street light fixtures	19,325	19,296	19,279	19,279	19,208
Rectangular Rapid flashing Beacons	65	-	-	-	-

City of Stockton
Table 21
Capital Asset Statistics by Function/Program/Department (Continued)
Last Five Fiscal Years

	Fiscal Year				
	2023	2022	2021	2020	2019
Parks and recreation:					
Arena	1	1	1	1	1
Ballpark	1	1	1	1	1
Baseball/softball diamonds	54	54	54	54	54
Bike/jogging paths (miles)	20	20	20	20	20
Boating facilities - launch lanes	12	12	12	12	12
Children's Museum	1	1	1	1	1
Civic Auditorium (2,800 capacity)	1	1	1	1	1
Community centers	5	5	5	5	5
Dog Areas	3	3	3	3	3
Family camps	1	1	1	1	1
Golf course acreage	371	371	371	371	371
Group picnic areas	31	31	31	31	31
Gymnasium	5	5	5	5	5
Ice rink	1	1	1	1	1
Municipal golf courses	2	2	3	3	3
Park acreage	625	625	625	625	625
Parks and squares	67	67	67	67	67
Philomathean Club	1	1	1	1	1
Playgrounds	63	63	63	71	71
Senior center	1	1	1	1	1
Showmobile (Mobile Stage)	1	1	1	1	1
Skateboard park	1	1	1	1	1
Swimming pools	7	7	7	7	7
Teen Center	1	1	1	1	1
Tennis courts	67	67	67	67	67
Theater (Bob Hope)	1	1	1	1	1
Weber Point Events Center	1	1	1	1	1
Consolidated landscape maintenance districts:					
Streetscaping (square feet)	3.6 million	3.6 million	3.6 million	3.6 million	3.6 million
Public open spaces (acreage)	70	70	70	70	70

City of Stockton
Table 21
Capital Asset Statistics by Function/Program/Department (Continued)
Last Five Fiscal Years

	Fiscal Year				
	2023	2022	2021	2020	2019
Library:					
City branches	8	8	8	8	7
Library mobile units	1	2	2	2	2
San Joaquin County branches	7	8	8	8	8
Total items in collection	547,525	655,305	704,864	875,434	772,206
Cargo delivery van	1	2	2	2	2
Cargo van	4	1	1	1	1
Undeveloped land for branch library		2	2	2	2
Integrated library system	1	1	1	1	1
Microform readers	5		-	7	7
Microform readers/printers	6	6	6	7	7
Self check out machines	13	21	21	22	24
Water utility:					
Water main lines (miles)	612	702	702	702	668
Storage capacity (thousand gallons)	26,200	26,200	26,200	26,200	26,200
Water wells (active)	12	19	20	20	20
Water reservoirs	8	8	8	8	8
Wastewater utility:					
Wastewater main lines (miles)	922	921	919	887	883
Treatment capacity (million gals/day)	55	55	55	55	55
Wastewater pump stations	28	28	28	27	27
Stormwater utility:					
Stormwater main drain lines (miles)	612	628	627	627	626
Stormwater pump stations	76	75	73	73	73
Parking Authority:					
Parking spaces	5,179	5,179	5,440	5,440	5,440
Parking lots & garages	21	21	21	21	21

Source: City of Stockton Departments



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