



FY 2023-24

Annual Comprehensive Financial Report

Stockton, California



ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE FISCAL YEAR
ENDED JUNE 30, 2024
CITY OF STOCKTON, CALIFORNIA**

Prepared and Issued by
Administrative Services Department

Chad Reed
Deputy City Manager
Interim Chief Financial Officer







CITY OF STOCKTON



INTRODUCTORY SECTION



City of Stockton
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For the Year Ended June 30, 2024

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CITY OF STOCKTON

OFFICE OF THE CITY MANAGER

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September 22, 2025

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, 2024.

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 elections, 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 2024, Stockton's population was 324,975, according to the California Department of Finance, which represents an increase compared to last year's population of 319,731. 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 was 7.1% as of June 2024, compared to 7.2% in 2023. Per the Bureau of Labor Statistics, the national unemployment rate was 3.9% for the same period.

As of June 2024, the median price for a detached single-family home in Stockton was approximately \$448,299 which is a slight increase compared to the previous year of \$435,750.

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 in under budget. Revenues (including other sources of funds) were above budget estimates. As a result, the General Fund balance on June 30, 2024, was \$240.1 million. The Working Capital operating reserve of \$48.0 million comprises most of the unassigned funds. City Council designated reserves in the committed balance total \$148.3 million (known contingencies reserves) and risk-based reserve categories of \$11.0 million.

The City Council has a reserve policy that calls for the City to maintain a 16.66% 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 for the City is approximately \$2.0 billion. The City's net position is roughly \$168.7 million higher, or 8.97%, than the prior fiscal year, with most of the growth in Governmental Activities.

Governmental revenues and transfers totaled \$547.7 million, while governmental expenses totaled \$432.4 million. Business-type revenues and investment earnings totaled \$195.3 million, while expenses totaled \$141.2 million. Business-type activities' net position increased by \$53.3 million, or 7.62%, for an ending balance of \$753.9 million.

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, 2024 was \$80.2 million (\$72.8 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 2024, 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.

The City does not anticipate issuing any bonds backed by the General Fund.

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 16.66% operating reserve (approximately two months of expenditure) 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 \$667.1 million at the close of June 30, 2024, an increase of \$56.1 million compared with the prior fiscal year. The General Fund balance in this report, as of June 30, 2024, was \$240.1 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, 2024, was 2.77%. 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, 2024, distributed returns would have been 2.22%.

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, 2024.

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 should be filed with the federal clearinghouse on or before March 31 each year.

RISK MANAGEMENT

During FY 2023-24, 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, is working to close out prior audit findings and continually improve the City's key controls, systems, and policies and procedures.

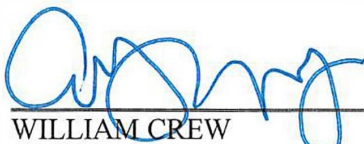
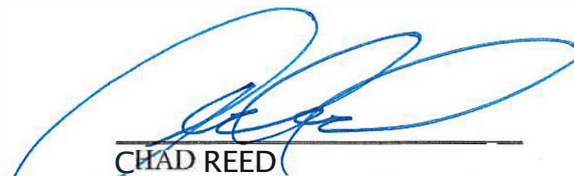
Budgetary control is at the department level for the General Fund and the fund level for all other funds. Transfers within funds and like categories of the same department require City Manager approval. Revisions to increase appropriation authority above a department's original adopted budget require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


WILLIAM CREW
ACTING CITY MANAGER
CHAD REED
DEPUTY CITY MANAGER/
INTERIM CHIEF FINANCIAL
OFFICER

CITY OF STOCKTON CITY COUNCIL



KEVIN J. LINCOLN II
MAYOR



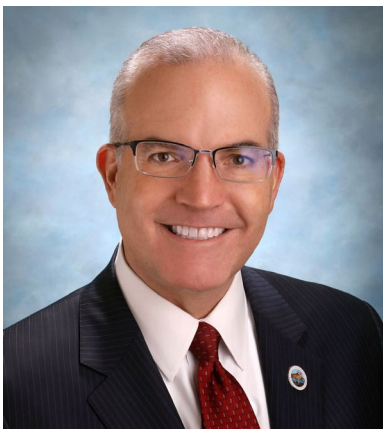
KIMBERLY WARMSLEY
VICE MAYOR
District 6



MICHELE PADILLA
COUNCILMEMBER
District 1



DAN WRIGHT
COUNCILMEMBER
District 2



MICHAEL BLOWER
COUNCILMEMBER
District 3



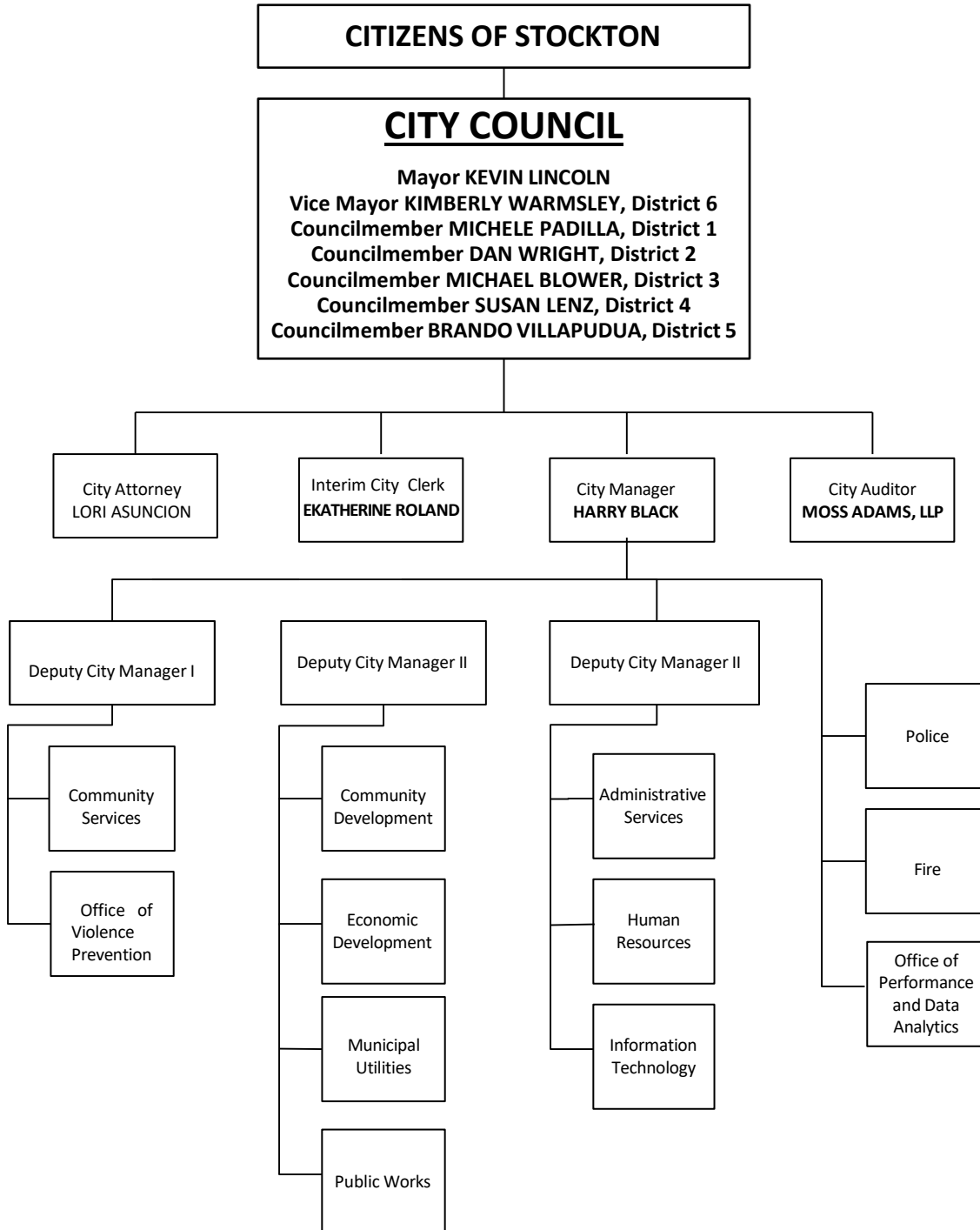
SUSAN LENZ
COUNCILMEMBER
District 4



BRANDÓ VILLAPUDUA
COUNCILMEMBER
District 5



**CITY OF STOCKTON
ORGANIZATION CHART
AS OF JUNE 30, 2024**





INDEPENDENT AUDITOR'S REPORT

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, 2024, 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, 2024 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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.

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 auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2025, 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.

A handwritten signature in black ink that reads "The PwC Group, LLP". The signature is written in a cursive, flowing style.

Santa Ana, California
September 17, 2025



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MANAGEMENT'S DISCUSSION AND ANALYSIS
UNAUDITED

JUNE 30, 2024



INTRODUCTION

As management of the City of Stockton, California (“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, 2024. 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 shows that, as of June 30, 2024, total assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$2.0 billion. Of this amount, \$131.5 million represents the unrestricted net position, \$545.0 million is restricted for City's ongoing obligation related to programs with external restrictions, and \$1.37 billion represents the City's net investment in capital assets.
- Governmental revenues and transfers total \$547.7 million with expenses of \$432.4 million.
- Business-type program revenues and investment earnings were \$195.3 million, while business-type expenses were \$141.2 million.

Fund Level:

- The City’s Governmental Funds reported a combined ending fund balance of \$667.1 million at the close of June 30, 2024, an increase of \$56.1 million compared with the prior fiscal year. The General Fund balance in this report, as of June 30, 2024, was \$240.1 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 to commit \$25.2 million in general govermet reserves,fund known contingency reserves at \$73.5 million,maintain the risk-based reserves to \$10.8 millio, capital project appropriation of 25.0 million, and other commitments of \$13.8 million.
- Total Governmental Fund revenues increased compared with the prior year, reflecting growth in sales taxes, business license revenues, franchise fees, and investment income. Governmental expenditures increased compared to FY23 primarily due to public safety and capital project spending.
- The total Governmental Fund expenditures increased by 12.3 percent compared to the prior fiscal year, primarily due to a \$23.6 million increase in public safety expenditures. This increase is attributable to a 10.3 percent salary increase for sworn positions effective July 1, 2023, and higher retirement costs. Capital outlay expenditures increased \$5.4 million, reflecting the use of 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 discussion and analysis, 2) the basic financial statements, 3) required supplemental 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 are required 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 Enterprise Funds, Internal Service Funds, Investment Trust Funds, and Agency 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 current year 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 trust beneficiaries. The city 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 to the financial statements provide additional information that is essential to a full understanding of the financial information provided in the government-wide and financial statements.

The notes to the financial statements can be found on pages 45-102 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, and the Special Grants 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 103-121 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, 2024, the City's total assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$2.0 billion, which is an increase of \$168.7 million, or 8.97 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, 2024, and 2023 (amounts in thousands):

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets:						
Current and other assets	\$ 1,065,042	\$ 985,073	\$ 292,312	\$ 253,107	\$ 1,357,354	\$ 1,238,180
Capital assets	950,951	882,742	871,373	844,652	1,822,324	1,727,394
Total assets	2,015,993	1,867,815	1,163,686	1,097,759	3,179,679	2,965,573
Deferred Outflow of Resources:						
Unamortized loss on refunding of debt	-	-	11,827	12,736	11,827	12,736
Pension-related deferred outflows of resources	173,468	178,504	4,987	6,239	178,455	184,743
Total Deferrals-Outflows	173,468	178,504	16,814	18,975	190,282	197,479
Liabilities:						
Current and other liabilities	144,817	147,551	32,304	28,685	177,121	176,236
Long-term obligations	130,980	122,994	378,601	370,352	509,581	493,346
Net Pension liability	612,404	583,215	15,533	16,642	627,937	599,857
Total liabilities	888,201	853,760	426,438	415,679	1,314,639	1,269,439
Deferred Inflow of Resources:						
Pension-related deferred inflows of resources	3,452	10,025	132	478	3,584	10,503
Leases	1,323	1,378	-	32	1,323	1,410
Total Deferrals Inflows	4,775	11,403	132	510	4,907	11,913
Net position:						
Net investment in capital assets	885,458	817,086	488,472	473,568	1,373,930	1,290,654
Restricted	518,951	489,870	26,030	25,367	544,981	521,062
Unrestricted (deficit)	(107,924)	(171,510)	239,428	201,609	131,504	69,984
Total net position	\$ 1,296,485	\$ 1,181,156	\$ 753,930	\$ 700,544	\$ 2,050,415	\$ 1,881,700

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 \$1.4 billion or 69.3 %. 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 \$545.0 million or 26.5% 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 \$131.5 million or 4.2% of the total net position.

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	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues						
Program revenues:						
Charges for services	\$ 73,884	\$ 68,006	\$ 162,543	\$ 156,442	\$ 236,427	\$ 224,448
Operating grants and contributions	56,324	42,072	4,182	1,653	60,507	43,725
Capital grants and contributions	41,539	26,667	19,634	12,363	61,173	39,030
General revenues:						
Property taxes	45,404	42,578	-	-	45,404	42,578
In lieu of sales tax	-	-	-	-	-	-
Utility user taxes	42,799	42,445	-	-	42,799	42,445
Sales and use taxes (City levied)	77,028	82,833	-	-	77,028	82,833
Franchise taxes	23,476	22,784	-	-	23,476	22,784
Business licenses	20,430	23,748	-	-	20,430	23,748
Hotel/motel room taxes	3,520	3,433	-	-	3,520	3,433
Document transfer taxes	992	1,029	-	-	992	1,029
Other taxes	6,215	4,628	-	-	6,215	4,628
Motor vehicle fees in lieu	31,590	29,344	-	-	31,590	29,344
Sales and use taxes (State levied)	78,924	76,954	-	-	78,924	76,954
Other shared revenue	-	-	-	-	-	-
Investment earnings	35,847	1,707	8,977	235	44,824	1,942
Miscellaneous	9,032	9,715	-	-	9,032	9,715
Gain (loss) on disposal of capital assets	-	44	-	-	-	44
Total revenues	547,003	477,986	195,337	170,693	742,340	648,679
Expenses						
General government	73,368	54,875	-	-	73,368	54,875
Public safety	262,821	227,637	-	-	262,821	227,637
Public works	44,446	50,045	-	-	44,446	50,045
Library	17,205	16,275	-	-	17,205	16,275
Parks and recreation	24,176	21,141	-	-	24,176	21,141
Interest and fiscal charges	10,377	9,968	-	-	10,377	9,968
Water utility	-	-	51,109	50,185	51,109	50,185
Wastewater utility	-	-	73,557	68,976	73,557	68,976
Stormwater utility	-	-	8,788	7,914	8,788	7,914
Central parking district	-	-	5,767	6,153	5,767	6,153
Other	-	-	2,012	1,395	2,012	1,395
Total expenses	432,393	379,942	141,233	134,622	573,625	514,564
Increase/(decrease) in net position before transfers	-	-	-	-	-	-
Transfers	114,609	98,044	54,104	36,071	168,713	134,115
Special Item:	718	416	(718)	(416)	-	-
Change in net position	-	-	-	-	-	-
Net position, beginning	115,327	98,460	53,386	35,656	168,713	134,115
Net position, end of year	1,181,156	1,082,697	700,544	664,888	1,881,700	1,747,585
	\$ 1,296,485	\$ 1,181,156	\$ 753,930	\$ 700,544	\$ 2,050,414	\$ 1,881,700

GOVERNMENT-WIDE FINANCIAL ANALYSIS. CONTINUED

Analysis of Net Position. Continued:

Governmental activities: The change in net position increased slightly by \$115.3 million compared to the prior fiscal year. Below is an analysis of year-over-year variances:

- Total governmental activities revenues increased by \$69 million or 12.62 percent compared to the prior fiscal year. The drivers were higher taxes, fees from programs, and investment income.
- Total governmental activities expenses show an increase of \$52.4 million. This increase is primarily attributable to continued labor cost growth, including salary increases for sworn positions, higher employee retirement contribution rates, and inflationary pressures across contractual services, utilities, fuel, and insurance. Pension and OPEB costs also contributed to the overall increase.

Business-type activities: Business-type activities: The change in net position increased by \$53.4 million compared to the prior fiscal year, primarily due to improved investment earnings. Program revenues were increased by \$24.6 million with additional in capital and operating grant funding, and expenses increased by \$6.6 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 21.

Governmental Funds:

As of June 30, 2024, the City's Governmental Funds reported a combined ending balance of \$667.1 million, an increase of \$56.1 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 \$5 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 \$431.7 million that is based on restrictions imposed by external parties or enabling legislation.
- Committed fund balance of \$148.3 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 \$31.3 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 \$50.7 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.

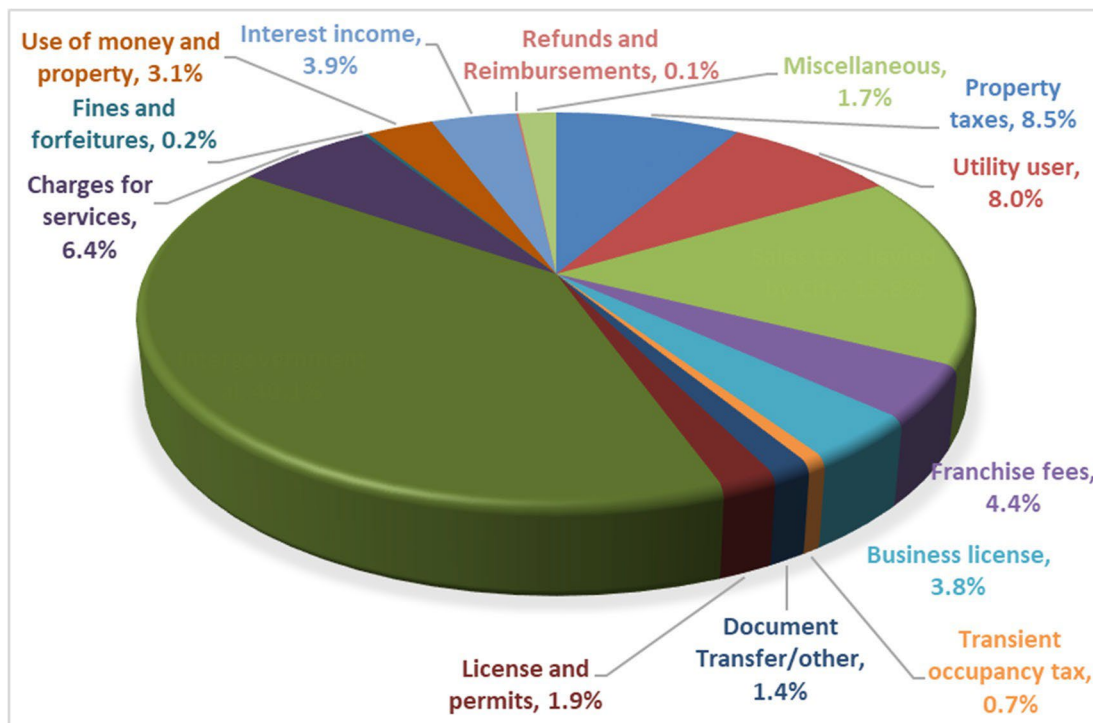
FINANCIAL ANALYSIS OF THE CITY'S FUNDS. CONTINUED

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	2024		2023		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Property taxes	\$ 45,400	8.5%	\$ 42,578	8.8%	\$ 2,822	6.6%
Utility user	42,799	8.0%	42,445	8.8%	354	0.8%
Sales tax - levied by City	84,567	15.8%	90,305	18.6%	(5,738)	-6.4%
Franchise fees	23,356	4.4%	22,547	4.7%	809	3.6%
Business license	20,421	3.8%	23,748	4.9%	(3,327)	-14.0%
Transient occupancy tax	3,520	0.7%	3,433	0.7%	87	2.5%
Document Transfer/other	7,207	1.4%	5,657	1.2%	1,550	27.4%
License and permits	10,060	1.9%	7,762	1.6%	2,298	29.6%
Intergovernmental	214,173	40.1%	188,691	38.9%	25,482	13.5%
Charges for services	33,961	6.4%	35,677	7.4%	(1,715)	-4.8%
Fines and forfeitures	1,166	0.2%	317	0.1%	848	267.2%
Use of money and property	16,489	3.1%	11,704	2.4%	4,786	40.9%
Interest income	20,963	3.9%	(248)	-0.1%	21,211	-8556.1%
Refunds and Reimbursements	525	0.1%	1,029	0.2%	(504)	-49.0%
Miscellaneous	9,221	1.7%	8,951	1.8%	269	3.0%
Total	\$ 533,829	100.0%	\$ 484,596	100.0%	\$ 49,233	10.2%

The graph below shows 2024 revenue categories as a percent of the total.



FINANCIAL ANALYSIS OF THE CITY'S FUNDS. CONTINUED

Governmental Funds. Continued:

Overall, governmental fund revenues were up \$49.2 million compared to the prior year. Significant changes in revenues compared with the prior fiscal year are described below:

- Property tax increased \$2.8 million or 6.63 percent, compared to the prior fiscal year.
- Other governmental intergovernmental revenue increased \$24.8 million or 32.23 percent, compared to the prior fiscal year.
- Use of money and property increased \$4.8 million or 40.89 percent, compared to the prior fiscal year.
- Investment income increased \$21.2 million or 8555.92 percent increase, compared to the prior fiscal year.

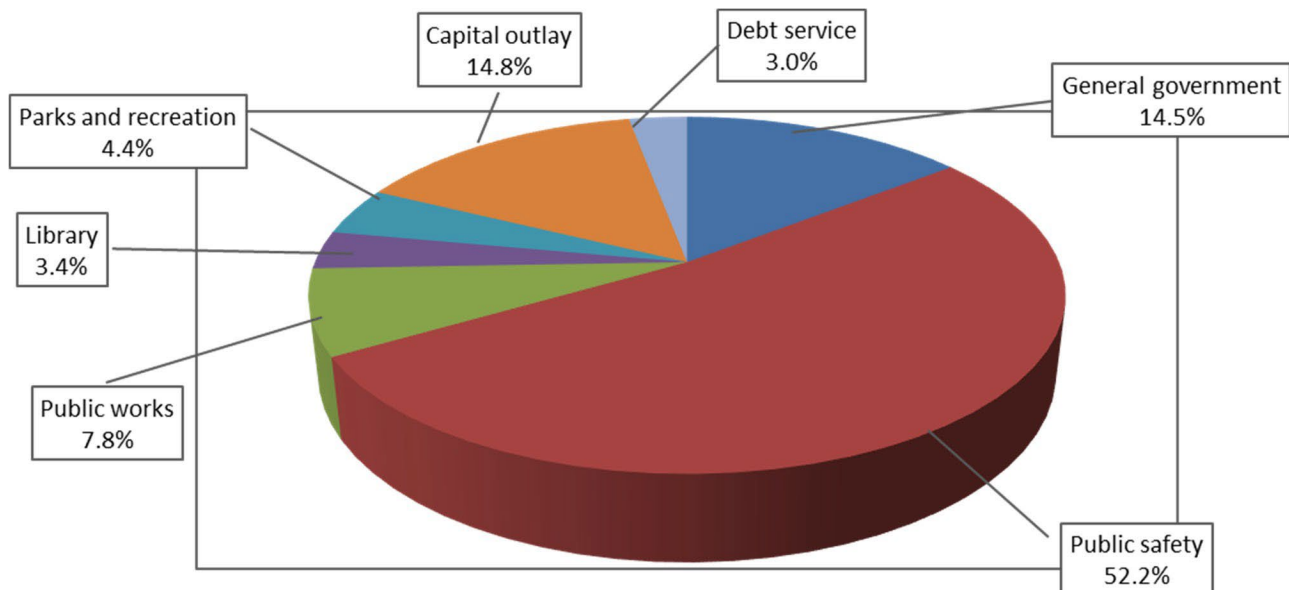
The revenue increase was offset by the following:

- The Sales tax levied by City decreased \$5.7 million or 6.4 percent, compared to the prior fiscal year, primarily due to shifts in consumer spending patterns and the impact of inflation on taxable sales.
- Federal and state grant funds in the intergovernmental category were decreased \$1.3 million or 3.67 percent compared to the prior fiscal year.
- Business license tax revenues decreased \$3.3 million or 14 percent, due to a slowdown in economic activity and the clean-up of business license accounts, which resulted in more accurate and timely billing.

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

Expenditures by Function	2024		2023		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Current:						
General government	\$ 69,845	14.5%	\$ 53,152	12.4%	\$ 16,693	31.4%
Public safety	251,434	52.2%	227,859	53.1%	23,575	10.3%
Public works	37,436	7.8%	35,659	8.3%	1,777	5.0%
Library	16,571	3.4%	15,643	3.6%	928	5.9%
Parks and recreation	20,979	4.4%	17,601	4.1%	3,378	19.2%
Capital outlay	71,362	14.8%	65,959	15.4%	5,403	8.2%
Debt service	14,275	3.0%	13,326	3.1%	949	7.1%
Total	\$ 481,902	100.0%	\$ 429,199	100.0%	\$ 52,703	12.3%

The graph below shows 2024 expenditures categories as a percent of the total.



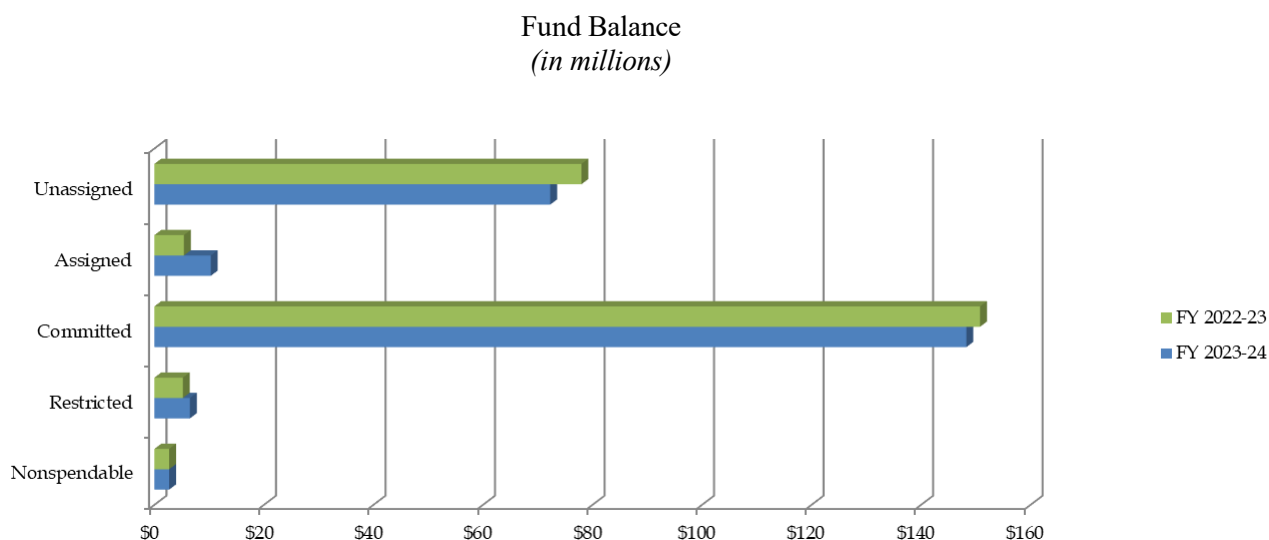
FINANCIAL ANALYSIS OF THE CITY'S FUNDS. CONTINUED

Significant changes compared with the prior fiscal year include:

- General government expenditures were \$69.8 million at the close of June 30, 2024, an increase of \$16.6 million or an increase 31.4 percent compared to the prior fiscal year.
- Public Safety expenditures increased by \$23.5 million due primarily to salary and benefit increases for sworn personnel and rising pension contributions.
- Parks and recreation expenditure increased \$3.3 million primarily due to expanded special event programming at venues and community centers.
- Capital outlay expenses increased \$5.4 million compared to the prior year with construction expenses for major projects such as new City Hall, the Northeast Library and Recreation center, and upgrades at the Stockton Soccer Complex.
- Debt service expenses increased \$0.9 million with the final 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.

General Fund

Below is a graph that depicts the change in General Fund balances between FY 2022-23 and FY 2023-24. The committed and unassigned balances have increased from the prior fiscal year.



NOTE: Does not include PARS 115 Trust

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 \$349.5 million at the close of June 30, 2024, an increase of \$14.0 million (4.2 percent) compared to the prior fiscal year. Significant changes in General Fund revenues compared with the previous fiscal year include:

- Business license tax revenues decreased by \$3.3 million in part due to a slowing of economic activity in the past year which reflects in gross receipt reporting and a clean-up of business license data resulting in more accurate and timely billing of business license accounts.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS, CONTINUED

General Fund, Continued

- Due to the historic low-interest rate environment, interest income resulted in a deficit in the prior year when adjusting for fair market value. Overall investment income increased by \$11.6M compared to the prior fiscal year. FY 2023-24 interest income reflects an improved rate environment.
- Sales tax levied by the City and the State decreased by \$1.5 million in the General Fund compared to the prior fiscal year, reflecting shifts in consumer spending and the effects of inflation on taxable sales.
- Property tax revenues increased by \$2.8 million due to increased construction and assessed value.

General Fund expenditure was \$293.1 million, an increase of \$29.5 million, or 12.2 percent, compared to the prior fiscal year. General government expenses increased by \$7.9 million. Public safety expenses grew by \$19.0 million, primarily due to a 10.3 percent salary increase for sworn positions effective July 1, 2023, and higher retirement costs. Parks and recreation expenses increased by \$0.5 million, largely due to expanded programming at entertainment venues and community facilities.

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, 2024, business-type activities' net position was \$753.9 million, an increase of \$53.4 million or 7.62 percent compared to the prior fiscal year.

The assets and deferred outflows of resources increased by a combined total of \$63.8 million. Of this amount, the current cash and investments and other existing assets increased by \$39.2 million, and non-current assets, including capital assets and deferred outflows, increased by \$24.51 million.

The liabilities and deferred inflows of resources increased by \$10.4 million primarily due to SRF loan draw during the year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City's FY 2023-24 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 2023-24 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. 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 103.

The General Fund's original budgeted revenues totaled \$323.1 million and increased to \$323.3 million during the fiscal year. The General Fund ended the fiscal year with total revenues of \$349.5 million, reflecting a \$26.2 million, or 8.1 percent, increase over the final budget. The most significant revenue variance was revenue from investment income at \$9.7 million, more than the budget. Collection of Business license taxes continued to improve resulting in \$3.8 million more revenue than anticipated in the final budget. Another large budget variance was in Utility user taxes \$2.3 million which benefited from electricity and gas rate increases.

GENERAL FUND BUDGETARY HIGHLIGHTS, CONTINUED

The General Fund's original expenditure budget of \$295.2 million was adjusted by encumbrances and commitments carried forward from the prior year for a total final budget of \$322.2 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 GASB 96 and GASB 87. Actual expenditures were lower than the final approved budget appropriations by \$29 million, or 9 percent. Of this variance, \$11.7 million in appropriations rolled into FY 2024-25 for encumbrances and specific City Council authorized activities. General Government departments experienced budget savings of \$9 million, Public Works activities were under budget by \$1.7 million, Parks and recreation activities were under budget by \$5.6 million, Library expenses were \$1.7 million below budget, and \$9.2 million was saved in Public Safety. A significant contributing factor to the savings was staff vacancies. Approximately \$9.5 million in savings was a result of higher-than-anticipated vacancies across all General Fund departments. Of the excess revenues over expenditures, Council appropriated \$25.2 million rolled into FY 2024-25 for additional authorized activities.

The City's General Fund balance on June 30, 2024, was \$228.8 million on a budgetary basis, which is an increase of \$16.4 million from the prior year. The City Council authorized \$13.2 million of this increase to be added to General Fund reserves for a total funded reserve of \$139 million. The ACFR reporting of General Fund balance at \$240.1 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 (\$224.2 million) separate from ancillary services of libraries, recreation, etc. Of the \$240.1 million total General Fund balance, \$51.3 million is unassigned, \$84.3 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, 2024, amounted to \$1.82 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 and amortization, 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	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Land	\$ 38,616	\$ 38,197	\$ 14,767	\$ 15,127	\$ 53,384	\$ 53,324
Intangible Assets	4,355	4,355	-	-	4,355	4,355
Building and Improvements	168,326	174,028	576,374	586,998	744,700	761,026
Machinery and Equipment	38,578	29,142	5,130	6,351	43,707	35,494
Infrastructure	386,005	374,060	-	-	386,005	374,060
Construction in Progress	302,703	252,839	272,834	233,679	575,538	486,519
Lease & Subscription Assets	12,369	10,120	2,268	2,496	14,636	12,617
Total	\$ 950,951	\$ 882,742	\$ 871,373	\$ 844,652	\$ 1,822,325	\$ 1,727,393

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

CAPITAL ASSETS AND DEBT ADMINISTRATION. CONTINUED

Bond Indebtedness

At the end of the fiscal year, the City's total long-term bonded debt was \$457.2 million. The outstanding net bonded debt, including bankruptcy settlements, was \$443.8 million. Of this amount, \$52.6 million is related to governmental activities, and \$391.2 million are debt obligations of business-type activities.

Governmental activities bonded indebtedness decreased by \$237,557 because of the scheduled principal payments.

Business-type activities bonded indebtedness also increased by \$10.7 million due to the scheduled debt service payments for the enterprise debt and added \$35.1 million for the SRF loan.

Governmental outstanding net bonded debt of \$52.6 million reflects the settlement liability to the bond insurer (Assured Guaranty) for 2007 bonds adjusted in bankruptcy.

Business-type activities outstanding net bonded debt obligations of \$393.5 million include \$170.7 million of revenue bonds of the Water Utility, \$181.6 million in revenue bonds, EPA WIFIA loan and SRF Loan for the Wastewater Utility, and \$27.9 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 \$82.4 million is reported separately in a Private Purpose Trust Fund. The balance outstanding at June 30, 2024, includes \$79.0 million of tax-exempt tax allocation bonds issued to refinance revenue bonds for various former redevelopment projects and \$3.4 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



BASIC FINANCIAL STATEMENTS



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GOVERNMENT-WIDE FINANCIAL STATEMENTS



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City of Stockton
Statement of Net Position
June 30, 2024

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and investments	\$ 739,638,020	\$ 251,960,633	\$ 991,598,653
Restricted cash and investments	81,941,443	8,015,460	89,956,903
Interest receivable	3,840,867	1,153,469	4,994,336
Accounts receivable	22,150,443	30,382,889	52,533,332
Due from other governments	43,600,912	569,530	44,170,442
Internal balances	5,713,019	(5,713,019)	-
Inventory of supplies	1,161,457	2,724,063	3,885,520
Prepaid items	4,652,744	2,613,422	7,266,166
Lease receivable	1,392,524	-	1,392,524
Advance deposits	2,318,715	415,787	2,734,502
Loans to Successor Agency, net	1,106,580	-	1,106,580
Loans to property owners, net	157,525,084	190,000	157,715,084
Capital assets:			
Nondepreciable and nonamortizable	345,674,537	287,601,750	633,276,287
Depreciable and amortizable, net	605,276,841	583,771,519	1,189,048,360
Total assets	2,015,993,186	1,163,685,503	3,179,678,689
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on refunding of debt	-	11,826,697	11,826,697
Pension-related deferred outflows of resources	173,467,919	4,987,328	178,455,247
Total deferred outflows of resources	173,467,919	16,814,025	190,281,944
LIABILITIES			
Accounts payable and accrued expenses	31,643,538	7,637,156	39,280,694
Accrued payroll and benefits	3,821,219	1,575,533	5,396,752
Due to other governments/agencies	3,064,345	95,237	3,159,582
Accrued interest	1,634,716	3,245,909	4,880,625
Deposits and other liabilities	2,089,830	2,349,021	4,438,851
Retention payable	1,757,049	1,222,690	2,979,739
Unearned revenue	77,447,843	-	77,447,843
Long-term liabilities:			
Due within one year:			
Compensated absences	6,012,225	802,235	6,814,460
Claims payable	12,899,199	-	12,899,199
Long-term debt	4,446,776	15,376,029	19,822,805
Due in more than one year:			
Compensated absences	4,530,225	471,547	5,001,772
Claims payable	67,160,348	-	67,160,348
Long-term debt	59,289,829	378,129,621	437,419,450
Aggregate net pension liability	612,404,122	15,532,942	627,937,064
Total liabilities	888,201,264	426,437,920	1,314,639,184
DEFERRED INFLOWS OF RESOURCES			
Pension-related deferred inflows of resources	3,451,886	131,966	3,583,852
Leases	1,323,214	-	1,323,214
Total deferred inflows of resources	4,775,100	131,966	4,907,066
NET POSITION			
Net investment in capital assets	885,457,724	488,471,626	1,373,929,350
Restricted	518,950,891	26,030,333	544,981,224
Unrestricted (deficit)	(107,923,874)	239,427,683	131,503,809
Total net position	\$ 1,296,484,741	\$ 753,929,642	\$ 2,050,414,383

See accompanying Notes to the Basic Financial Statements.

City of Stockton
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government	\$ 73,367,881	\$ 31,550,334	\$ 43,283,060	\$ 3,413,527
Public safety	262,820,890	19,055,368	12,767,180	-
Public works	44,445,411	14,219,815	154,014	38,125,369
Library	17,204,926	7,862,784	27,500	-
Parks and recreation	24,176,341	1,196,201	92,419	-
Interest and fiscal charges	10,377,066	-	-	-
Total governmental activities	432,392,515	73,884,502	56,324,173	41,538,896
Business-type activities:				
Water Utility	51,108,476	63,578,685	566,213	10,047,520
Wastewater Utility	73,556,907	87,106,533	1,796,280	5,585,932
Stormwater Utility	8,788,267	5,993,392	-	4,000,581
Parking Authority	5,767,241	5,435,338	1,819,942	-
Downtown Marina	1,241,868	429,310	-	-
Golf Courses	770,057	-	-	-
Total business-type activities	141,232,816	162,543,258	4,182,435	19,634,033
Total	\$ 573,625,331	\$ 236,427,760	\$ 60,506,608	\$ 61,172,929

City of Stockton
Statement of Activities (Continued)
For the Year Ended June 30, 2024

Functions/Programs	Net (Expense) Revenue and Change in Net Position		
	Governmental Activities	Business-Type Activities	Totals
PRIMARY GOVERNMENT:			
Governmental activities:			
General government	\$ 4,879,040	\$ -	\$ 4,879,040
Public safety	(230,998,342)	-	(230,998,342)
Public works	8,053,787	-	8,053,787
Library	(9,314,642)	-	(9,314,642)
Parks and recreation	(22,887,721)	-	(22,887,721)
Interest and fiscal charges	(10,377,066)	-	(10,377,066)
Total governmental activities	(260,644,944)	-	(260,644,944)
Business-type activities:			
Water Utility	-	23,083,942	23,083,942
Wastewater Utility	-	20,931,838	20,931,838
Stormwater Utility	-	1,205,706	1,205,706
Parking Authority	-	1,488,039	1,488,039
Downtown Marina	-	(812,558)	(812,558)
Golf Courses	-	(770,057)	(770,057)
Total business-type activities	-	45,126,910	45,126,910
Total	(260,644,944)	45,126,910	(215,518,034)
General revenues and transfers:			
General revenues:			
Taxes:			
Property	45,403,732	-	45,403,732
Utility user	42,799,092	-	42,799,092
Sales - levied by City	77,027,468	-	77,027,468
Franchise fees	23,476,016	-	23,476,016
Business license	20,430,062	-	20,430,062
Transient occupancy tax	3,520,339	-	3,520,339
Document transfer	991,618	-	991,618
Other	6,215,234	-	6,215,234
Shared revenue:			
Vehicle license fees	31,590,015	-	31,590,015
Sales and use tax levied by state	78,923,776	-	78,923,776
Investment earnings	35,847,022	8,976,917	44,823,939
Miscellaneous	9,031,058	-	9,031,058
Transfers	717,884	(717,884)	-
Total general revenues and transfers	375,973,316	8,259,033	384,232,349
Changes in net position	115,328,372	53,385,943	168,714,315
Net position:			
Beginning of year	1,181,156,369	700,543,699	1,881,700,068
End of year	<u>\$ 1,296,484,741</u>	<u>\$ 753,929,642</u>	<u>\$ 2,050,414,383</u>



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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 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 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, 2024

	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	\$216,041,379	\$ 4,163,737	\$ 55,131,162	\$ 29,417,162	\$ 253,940,225	\$ 558,693,665
Cash and investments with fiscal agents	-	1,702,980	-	-	-	1,702,980
Receivables:						
Interest	1,549,835	8,156	-	6,510	1,302,558	2,867,059
Accounts and other receivables	16,201,702	-	2,905,153	-	1,975,141	21,081,996
Lease	1,392,524	-	-	-	-	1,392,524
Due from other governments	25,078,081	-	2,492,761	5,693,547	10,336,523	43,600,912
Inventory of supplies	681,775	-	-	-	-	681,775
Prepaid items	447,184	-	499,860	-	1,673,742	2,620,786
Advance deposits	1,532,772	-	108,354	-	125,387	1,766,513
Loans to Successor Agency	-	-	-	-	1,106,580	1,106,580
Loans to property owners, net	-	85,198,860	-	-	72,326,224	157,525,084
Total assets	\$262,925,252	\$ 91,073,733	\$ 61,137,290	\$ 35,117,219	\$ 342,786,380	\$ 793,039,874
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	8,599,778	108,872	2,988,239	10,408,119	3,322,974	25,427,982
Accrued payroll and benefits	1,080,555	37,616	341,770	116,119	1,655,898	3,231,958
Due to other governments	2,685,107	-	-	-	379,238	3,064,345
Deposits and other liabilities	932,980	-	-	-	1,107,746	2,040,726
Retention payable	-	22,290	-	1,734,759	-	1,757,049
Unearned revenue	1,760,998	-	55,284,425	20,402,420	-	77,447,843
Total liabilities	15,059,418	168,778	58,614,434	32,661,417	6,465,856	112,969,903
Deferred inflows of resources:						
Unavailable revenue - other	6,442,914	-	2,492,762	2,211,042	499,471	11,646,189
Lease	1,323,214	-	-	-	-	1,323,214
Total deferred inflows of resources	7,766,128	-	2,492,762	2,211,042	499,471	12,969,403
Fund Balances:						
Nonspendable	2,661,731	-	608,214	-	1,799,129	5,069,074
Restricted	6,508,291	90,904,955	-	244,760	334,021,924	431,679,930
Committed	148,294,684	-	-	-	-	148,294,684
Assigned	31,322,378	-	-	-	-	31,322,378
Unassigned (deficit)	51,312,622	-	(578,120)	-	-	50,734,502
Total fund balances (deficit)	240,099,706	90,904,955	30,094	244,760	335,821,053	667,100,568
Total liabilities, deferred inflows of resources and fund balances	\$262,925,252	\$ 91,073,733	\$ 61,137,290	\$ 35,117,219	\$ 342,786,380	\$ 793,039,874

City of Stockton
Reconciliation of the Balance Sheet of Governmental Funds
to the Government-Wide Statement of Net Position
June 30, 2024

Total Fund Balances - Total Governmental Funds	\$ 667,100,568
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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 \$34,578,280 reported in the Internal Service Funds)	311,096,257
Depreciable and amortizable (net capital assets \$35,942,646 reported in the Internal Service Funds)	569,334,195

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.

248,179,268

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 \$665,635 reported in Internal Service Funds)	(9,876,815)
Bonds payable and other long-term debt (net of \$6,756,616 in leases and subscription liabilities reported in Internal Service Funds)	(56,979,989)
Accrued interest payable (net of \$7,873 reported in Internal Service Funds)	(1,626,843)

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.

(612,404,122)

Actuarially determined pension deferred outflows of resources are reported in the government-wide statements but are not reported in the governmental funds.

173,467,919

Actuarially determined pension deferred inflows of resources are reported in the government-wide statements but are not reported in the governmental funds.

(3,451,886)

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	11,646,189
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Net position of governmental activities	<u>\$ 1,296,484,741</u>
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City of Stockton
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	Major Funds					
	Special Revenue Funds			Capital Projects		
	General Fund	Federal Housing Grants	Special Grants	Capital Improvement	Other Governmental Funds	Total Governmental Funds
REVENUES:						
Taxes:						
Property	\$ 45,400,105	\$ -	\$ -	\$ -	\$ -	\$ 45,400,105
Utility user	42,799,092	-	-	-	-	42,799,092
Sales - levied by City	46,214,556	-	-	-	38,352,704	84,567,260
Franchise fees	19,351,515	-	-	-	4,004,711	23,356,226
Business license	18,676,259	-	-	-	1,745,026	20,421,285
Hotel/motel room	3,520,339	-	-	-	-	3,520,339
Document transfer	991,618	-	-	-	-	991,618
Other	6,215,234	-	-	-	-	6,215,234
Licenses and permits	375,315	-	-	-	9,685,076	10,060,391
Intergovernmental:						
Federal grants and subsidies	224,488	6,081,722	21,155,021	6,048,719	14,386	33,524,336
Sales and use tax - levied by state	78,917,161	-	-	-	-	78,917,161
Other governmental	47,037,140	1,762,629	19,396,377	9,455,395	24,079,555	101,731,096
Charges for services	11,164,587	3,150	-	-	22,793,709	33,961,446
Fines and forfeitures	933,490	-	-	-	232,093	1,165,583
Use of money and property	9,307,520	5,533,956	-	-	1,647,775	16,489,251
Interest income	12,058,411	106,214	-	57,309	8,740,796	20,962,730
Refunds and reimbursements	316,034	-	26,670	6,822	175,349	524,875
Miscellaneous	5,990,612	77,181	306,900	501,836	2,343,991	9,220,520
Total revenues	349,493,476	13,564,852	40,884,968	16,070,081	113,815,171	533,828,548
EXPENDITURES:						
Current:						
General government	25,623,236	7,159,944	27,037,207	-	10,024,663	69,845,050
Public safety	219,170,971	-	4,493,446	-	27,769,948	251,434,365
Public works	19,564,987	-	334,875	118,181	17,417,629	37,435,672
Library	12,638,836	-	682,243	-	3,257,052	16,578,131
Parks and recreation	13,324,394	-	2,232,294	-	5,414,634	20,971,322
Capital outlay	1,545,723	-	5,833,529	54,828,553	9,154,069	71,361,874
Debt service:						
Principal retirement	1,306,917	1,976,732	26,098	-	653,120	3,962,867
Interest and fiscal charges	15,298	4,965	1,338	-	10,290,157	10,311,758
Total expenditures	293,190,362	9,141,641	40,641,030	54,946,734	83,981,272	481,901,039
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES						
	56,303,114	4,423,211	243,938	(38,876,653)	29,833,899	51,927,509
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	1,181,818	28,562,744	10,348,133	40,092,695
Transfers out	(29,523,956)	(352,525)	(51,500)	-	(8,873,646)	(38,801,627)
Issuance of debt	953,380	137	-	-	1,968,288	2,921,805
Proceeds from sale of capital assets	3,518	-	-	-	-	3,518
Total other financing sources (uses)	(28,567,058)	(352,388)	1,130,318	28,562,744	3,442,775	4,216,391
CHANGES IN FUND BALANCES	27,736,056	4,070,823	1,374,256	(10,313,909)	33,276,674	56,143,900
FUND BALANCES (DEFICIT):						
Beginning of year	212,363,650	86,834,132	(1,344,162)	10,558,669	302,544,379	610,956,668
End of year	\$ 240,099,706	\$ 90,904,955	\$ 30,094	\$ 244,760	\$ 335,821,053	\$ 667,100,568

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, 2024

Net change in fund balances - Total Governmental Funds: \$ 56,143,900

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 \$12,798,015 in Internal Service Funds)	71,361,874
Capital contribution	7,453,079
Contribution from the Golf Enterprise Fund due to the fund closing	493,009
Net transfer of capital assets to the Internal Service Funds	(1,928,694)
Loss on disposal	(11,547)
Depreciation and amortization expenses (net of depreciation and amortization \$7,754,019 reported in Internal Service Funds)	(20,767,204)

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 \$3,419,315 in Internal Service Funds	3,962,867
Inception of lease and subscription liabilities	(2,921,805)

Internal Service Fundss 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 Fundss is reported with governmental activities. Excluding extraordinary items as a result of remeasurement of liabilities.

30,758,073

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 \$203,795 in Internal Service Funds)	1,708,960
Change in accrued interest	40,999
Change in unavailable revenue - other	(3,312,801)
Changes in deferred outflows, deferred inflows, and net pension liability	(27,652,338)

Changes in net position of governmental activities	\$ 115,328,372
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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, 2024

	Major Enterprise Funds		Nonmajor
	Water	Wastewater	Enterprise
	Utility	Utility	Funds
ASSETS			
Current assets:			
Cash and investments	\$ 121,203,831	\$ 119,369,903	\$ 11,386,899
Receivables, net:			
Interest	581,489	501,476	70,504
Accounts and other receivables	13,051,075	17,111,975	219,839
Loans to other funds - current	-	-	-
Due from other governments	569,530	-	-
Inventory of supplies	-	2,724,063	-
Deposits and advances	84,254	157,067	174,466
Prepays items	2,316,678	271,038	25,706
Total current assets	137,806,857	140,135,522	11,877,414
Noncurrent assets:			
Restricted assets:			
Cash and investments	-	-	-
Cash and investments with fiscal agents	21,355	4,217,784	3,776,321
Loans to other funds - long-term	-	-	-
Loans receivable	-	-	190,000
Capital assets, net:			
Nondepreciable	17,061,030	263,113,693	7,427,027
Depreciable and amortizable, net	274,524,989	227,483,162	81,763,368
Total noncurrent assets	291,607,374	494,814,639	93,156,716
Total assets	429,414,231	634,950,161	105,034,130
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on refunding of debt	10,552,205	881,893	392,599
Pension-related deferred outflows	1,472,264	3,164,801	350,263
Total deferred outflows of resources	12,024,469	4,046,694	742,862

City of Stockton
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2024

	Total	Governmental Activities Internal Service Funds
ASSETS		
Current assets:		
Cash and investments	\$ 251,960,633	\$ 180,944,355
Receivables, net:		
Interest	1,153,469	973,808
Accounts and other receivables	30,382,889	1,068,447
Loans to other funds - current	-	1,095,577
Due from other governments	569,530	-
Inventory of supplies	2,724,063	479,682
Deposits and advances	415,787	552,202
Prepays items	2,613,422	2,031,958
Total current assets	289,819,793	187,146,029
Noncurrent assets:		
Restricted assets:		
Cash and investments	-	80,238,463
Cash and investments with fiscal agents	8,015,460	-
Loans to other funds - long-term	-	5,561,687
Loans receivable	190,000	-
Capital assets, net:		
Nondepreciable	287,601,750	34,578,280
Depreciable and amortizable, net	583,771,519	35,942,646
Total noncurrent assets	879,578,729	156,321,076
Total assets	1,169,398,522	343,467,105
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized loss on refunding of debt	11,826,697	-
Pension-related deferred outflows	4,987,328	-
Total deferred outflows of resources	16,814,025	-

City of Stockton
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2024

	Major Enterprise Funds		Nonmajor
	Water	Wastewater	Enterprise
	Utility	Utility	Funds
LIABILITIES			
Current liabilities:			
Accounts payable	1,069,049	6,317,774	250,333
Accrued payroll	462,267	966,324	146,942
Loans from other funds - current	-	-	666,487
Due to other governments	95,237	-	-
Deposits and other liabilities	2,171,255	6,662	171,104
Retention payable	268,917	950,961	2,812
Accrued interest	1,813,185	1,010,501	422,223
Compensated absences - current	257,830	365,773	178,632
Lease liabilities - due in one year	-	-	183,596
Subscription liabilities - due in one year	-	-	-
Self-insurance claims and judgments - current	-	-	-
Loans payable - current	-	1,252,669	-
Bonds payable - current	7,340,073	5,819,981	779,710
Total current liabilities	13,477,813	16,690,645	2,801,839
Noncurrent liabilities:			
Compensated absences - long-term	173,170	203,205	95,172
Lease liabilities - due in more than one year	-	-	2,127,717
Subscription liability - due in more than one year	-	-	-
Self-insurance claims and judgments - long-term	-	-	-
Loans from other funds - long-term	-	-	5,046,532
Loans payable	-	33,847,331	-
Bonds payable	163,441,116	140,663,920	38,049,537
Net pension liability	4,524,108	9,982,023	1,026,811
Total noncurrent liabilities	168,138,394	184,696,479	46,345,769
Total liabilities	181,616,207	201,387,124	49,147,608
DEFERRED INFLOWS OF RESOURCES			
Pension-related deferred inflows	39,503	82,622	9,841
Total deferred inflows of resources	39,503	82,622	9,841
NET POSITION			
Net investment in capital assets	131,088,118	308,943,886	48,439,622
Restricted for capital projects	21,355	9,194,275	1,996,012
Restricted for debt service	-	13,038,382	1,780,309
Restricted for pensions	-	-	-
Unrestricted	128,673,517	106,350,566	4,403,600
Total net position	\$ 259,782,990	\$ 437,527,109	\$ 56,619,543

City of Stockton
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2024

	Total	Governmental Activities Internal Service Funds
LIABILITIES		
Current liabilities:		
Accounts payable	7,637,156	6,215,556
Accrued payroll	1,575,533	589,261
Loans from other funds - current	666,487	429,089
Due to other governments	95,237	-
Deposits and other liabilities	2,349,021	49,104
Retention payable	1,222,690	-
Accrued interest	3,245,909	7,873
Compensated absences - current	802,235	412,794
Lease liabilities - due in one year	183,596	250,931
Subscription liabilities - due in one year	-	2,690,589
Self-insurance claims and judgments - current	-	12,899,199
Loans payable - current	1,252,669	-
Bonds payable - current	13,939,764	-
Total current liabilities	32,970,297	23,544,396
Noncurrent liabilities:		
Compensated absences - long-term	471,547	252,841
Lease liabilities - due in more than one year	2,127,717	50,965
Subscription liability - due in more than one year	-	3,764,131
Self-insurance claims and judgments - long-term	-	67,160,348
Loans from other funds - long-term	5,046,532	515,156
Loans payable	33,847,331	-
Bonds payable	342,154,573	-
Net pension liability	15,532,942	-
Total noncurrent liabilities	399,180,642	71,743,441
Total liabilities	432,150,939	95,287,837
DEFERRED INFLOWS OF RESOURCES		
Pension-related deferred inflows	131,966	-
Total deferred inflows of resources	131,966	-
NET POSITION		
Net investment in capital assets	488,471,626	63,764,310
Restricted for capital projects	11,211,642	-
Restricted for debt service	14,818,691	-
Restricted for pensions	-	80,238,463
Unrestricted	239,427,683	104,176,495
Total net position	\$ 753,929,642	\$ 248,179,268

City of Stockton
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2024

	Major Enterprise Funds		Nonmajor
	Water	Wastewater	Enterprise
	Utility	Utility	Funds
OPERATING REVENUES:			
Charges for services	\$ 57,455,495	\$ 85,389,789	\$ 11,662,367
Miscellaneous	6,123,190	1,716,744	195,673
Total operating revenues	63,578,685	87,106,533	11,858,040
OPERATING EXPENSES:			
Operation and maintenance	16,235,939	48,123,343	7,846,083
General and administrative	5,077,700	9,860,481	3,488,360
Depreciation and amortization	8,068,921	13,062,277	3,362,799
Purchased water	16,485,899	-	-
Total operating expenses	45,868,459	71,046,101	14,697,242
OPERATING INCOME (LOSS)	17,710,226	16,060,432	(2,839,202)
NONOPERATING REVENUES (EXPENSES):			
Taxes	-	-	1,574,103
Grants and subsidies	566,213	1,796,280	245,839
Interest income	4,317,769	4,046,253	612,895
Interest expense and fiscal charges	(5,240,017)	(2,510,806)	(1,100,134)
Other nonoperating revenues	-	-	-
Loss on disposal of lease asset	-	-	-
Total nonoperating revenues (expenses)	(356,035)	3,331,727	1,332,703
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	17,354,191	19,392,159	(1,506,499)
CONTRIBUTIONS AND TRANSFERS:			
Capital contributions	10,047,520	3,142,095	-
Contribution to governmental activities	-	-	(770,057)
Developer contributions	-	2,443,837	4,000,581
Transfers in	-	-	262,000
Transfers out	(474,899)	(301,657)	(203,328)
Total contributions and transfers	9,572,621	5,284,275	3,289,196
CHANGES IN NET POSITION	26,926,812	24,676,434	1,782,697
NET POSITION:			
Beginning of year	232,856,178	412,850,675	54,836,846
End of year	<u>\$ 259,782,990</u>	<u>\$ 437,527,109</u>	<u>\$ 56,619,543</u>

City of Stockton
Statement of Revenues, Expenses, and Changes in Net Position (Continued)
Proprietary Funds
For the Year Ended June 30, 2024

	Total	Governmental Activities Internal Service Funds
OPERATING REVENUES:		
Charges for services	\$ 154,507,651	\$ 179,251,493
Miscellaneous	8,035,607	212,983
Total operating revenues	162,543,258	179,464,476
OPERATING EXPENSES:		
Operation and maintenance	72,205,365	149,242,776
General and administrative	18,426,541	8,953,058
Depreciation and amortization	24,493,997	7,754,019
Purchased water	16,485,899	-
Total operating expenses	131,611,802	165,949,853
OPERATING INCOME (LOSS)	30,931,456	13,514,623
NONOPERATING REVENUES (EXPENSES):		
Taxes	1,574,103	-
Grants and subsidies	2,608,332	-
Interest income	8,976,917	14,856,726
Interest expense and fiscal charges	(8,850,957)	(106,307)
Other nonoperating revenues	-	321,761
Loss on disposal of lease asset	-	(761,285)
Total nonoperating revenues (expenses)	4,308,395	14,310,895
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	35,239,851	27,825,518
CONTRIBUTIONS AND TRANSFERS:		
Capital contributions	13,189,615	3,505,739
Contribution to governmental activities	(770,057)	-
Developer contributions	6,444,418	-
Transfers in	262,000	801,846
Transfers out	(979,884)	(1,375,030)
Total contributions and transfers	18,146,092	2,932,555
CHANGES IN NET POSITION	53,385,943	30,758,073
NET POSITION:		
Beginning of year	700,543,699	217,421,195
End of year	\$ 753,929,642	\$ 248,179,268

City of Stockton
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	Major Enterprise Funds		Nonmajor
	Water Utility	Wastewater Utility	Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 56,252,242	\$ 82,705,695	\$ 12,306,789
Receipts for interfund services provided	-	-	-
Payments to suppliers and employees	(40,380,638)	(57,020,408)	(11,664,251)
Miscellaneous receipts	6,123,190	1,716,744	195,673
Net cash provided by operating activities	21,994,794	27,402,031	838,211
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in (out), net	(474,899)	(301,657)	58,672
Loans to and from other funds	-	-	(655,208)
Receipt of cash subsidies and federal grants	2,851,117	1,796,280	-
Other nonoperating revenues	-	-	-
Proceeds from taxes	-	-	1,819,942
Net cash provided by noncapital financing activities	2,376,218	1,494,623	1,223,406
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from sale of capital assets	475,214	306,261	43,192
Purchases of capital assets	(9,112,876)	(38,398,654)	(4,989,474)
Capital contributions received	10,047,520	5,585,932	4,000,581
Proceeds from issuance of debt	-	35,099,112	-
Principal paid on debt	(18,179,461)	(5,377,577)	(925,413)
Unamortized loss on refunding of debt and discount	721,388	170,584	-
Interest paid on debt	(5,414,162)	(2,588,056)	(1,114,870)
Net cash (used in) capital and related financing activities	(21,462,377)	(5,202,398)	(2,985,984)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment earnings	4,185,119	3,954,445	610,183
Net cash provided by investing activities	4,185,119	3,954,445	610,183
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	7,093,754	27,648,701	(314,184)
CASH AND CASH EQUIVALENTS:			
Beginning of year	114,131,432	95,938,986	15,477,404
End of year	\$ 121,225,186	\$ 123,587,687	\$ 15,163,220
NONCASH ITEMS:			
Acquisition of subscription assets	\$ -	\$ -	\$ -
Issuance of subscription liabilities	\$ -	\$ -	\$ -

City of Stockton
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2024

	Total	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers and users	\$ 151,264,726	\$ -
Receipts for interfund services provided	-	182,914,873
Payments to suppliers and employees	(109,065,297)	(156,521,388)
Miscellaneous receipts	8,035,607	5,991,922
Net cash provided by operating activities	50,235,036	32,385,407
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers in (out), net	(717,884)	(573,184)
Due to and from other funds	(655,208)	674,976
Receipt of cash subsidies and federal grants	4,647,397	-
Other nonoperating revenues	-	321,761
Proceeds from taxes	1,819,942	-
Net cash provided by noncapital financing activities	5,094,247	423,553
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from sale of capital assets	824,667	-
Purchases of capital assets	(52,501,004)	(12,814,512)
Capital contributions received	19,634,033	-
Proceeds from issuance of debt	35,099,112	-
Principal paid on debt	(24,482,451)	(3,534,681)
Unamortized loss on refunding of debt	891,972	-
Interest paid on debt	(9,117,088)	(109,760)
Net cash (used in) capital and related financing activities	(29,650,759)	(16,458,953)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment earnings	8,749,747	14,573,182
Net cash provided by investing activities	8,749,747	14,573,182
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	34,428,271	30,923,189
CASH AND CASH EQUIVALENTS:		
Beginning of year	225,547,822	230,259,629
End of year	<u><u>\$ 259,976,093</u></u>	<u><u>\$ 261,182,818</u></u>
NONCASH ITEMS:		
Acquisition of subscription assets	\$ -	\$ 4,641,647
Issuance of subscription liabilities	<u><u>\$ -</u></u>	<u><u>\$ 4,641,647</u></u>

City of Stockton
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2024

	Major Enterprise Funds		Nonmajor
	Water	Wastewater	Enterprise
	Utility	Utility	Funds
RECONCILIATION OF CASH AND CASH EQUIVALENTS			
TO THE STATEMENT OF NET POSITION -			
PROPRIETARY FUNDS:			
Cash and investments	\$ 121,203,831	\$ 119,369,903	\$ 11,386,899
Restricted assets:			
Cash and investments	-	-	-
Cash and investments with fiscal agents	21,355	4,217,784	3,776,321
Total cash and investments	<u>\$ 121,225,186</u>	<u>123,587,687</u>	<u>\$ 15,163,220</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET			
CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 17,710,226	\$ 16,060,432	\$ (2,839,202)
Adjustments to reconcile operating income (loss)			
to net cash provided by (used for) operating activities:			
Depreciation and amortization	8,068,921	13,062,277	3,362,799
Changes in assets and liabilities:			
Accounts receivables	(1,203,253)	(2,684,094)	643,844
Due from other funds	-	-	-
Prepaid items	(2,216,100)	(53,814)	35,231
Lease receivable	-	-	33,073
Lease related deferred inflows	-	-	(32,495)
Inventory of supplies	-	(417,166)	-
Deposits and advances	(84,254)	(157,067)	(76,295)
Accounts payable	(203,689)	1,980,243	(413,311)
Accrued payroll	74,370	82,828	13,425
Accrued liabilities	-	-	(25)
Deposits and other liabilities	24,244	(67,960)	18,431
Compensated absences	(279,152)	(125,653)	121,765
Self-insurance - claims and judgments	-	-	-
Net pension liability	(48,261)	(989,501)	(71,159)
Pension-related deferred outflows	248,551	932,221	70,871
Pension-related deferred inflows	(96,809)	(220,715)	(28,741)
Net cash provided by operating activities	<u>\$ 21,994,794</u>	<u>\$ 27,402,031</u>	<u>\$ 838,211</u>
NONCASH TRANSACTIONS:			
Amortization of loss on refunding	\$ 721,388	\$ 170,584	\$ -
Capital contributions received	-	2,443,837	4,000,581
Total noncash capital and related financing activities	<u>\$ 721,388</u>	<u>\$ 2,614,421</u>	<u>\$ 4,000,581</u>

City of Stockton
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2024

	Totals	Governmental Activities Internal Service Funds
RECONCILIATION OF CASH AND CASH EQUIVALENTS		
TO THE STATEMENT OF NET POSITION -		
PROPRIETARY FUNDS:		
Cash and investments	\$ 251,960,633	\$ 180,944,355
Restricted assets:		
Cash and investments	-	80,238,463
Cash and investments with fiscal agents	8,015,460	-
Total cash and investments	\$ 259,976,093	\$ 261,182,818
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET		
CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ 30,931,456	\$ 13,514,623
Adjustments to reconcile operating income (loss)		
to net cash provided by (used for) operating activities:		
Depreciation and amortization	24,493,997	7,754,019
Changes in assets and liabilities:		
Accounts receivables	(3,243,503)	3,470,165
Due from other funds	-	(19,768)
Prepaid items	(2,234,683)	2,093,225
Lease receivable	33,073	-
Lease related deferred inflows	(32,495)	-
Inventory of supplies	(417,166)	(417,121)
Deposits and advances	(317,616)	(282,248)
Accounts payable	1,363,243	(36,542)
Accrued payroll	170,623	113,337
Due to other funds	(25)	-
Deposits and other liabilities	(25,285)	-
Compensated absences	(283,040)	203,795
Self-insurance - claims and judgments	-	5,991,922
Net pension liability	(1,108,921)	-
Pension-related deferred outflows	1,251,643	-
Pension-related deferred inflows	(346,265)	-
Net cash provided by operating activities	\$ 50,235,036	\$ 32,385,407
NONCASH TRANSACTIONS:		
Amortization of loss on refunding	\$ 891,972	\$ -
Capital contributions received	6,444,418	3,505,739
Total noncash capital and related financing activities	\$ 7,336,390	\$ 3,505,739



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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, 2024

	Custodial Funds	Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund
ASSETS		
Cash and investments	\$ 26,189,467	\$ 7,549,111
Cash and investments with fiscal agents	10,691,565	988
Receivables, net:		
Interest	149,190	36,559
Accounts and other receivables	1,472,077	-
Lease	-	26,036
Capital assets:		
Nondepreciable	-	12,231,979
Depreciable and amortizable, net	-	10,829,739
Total assets	38,502,299	30,674,412
LIABILITIES		
Accounts payable	77,753	-
Accrued payroll	-	-
Deposits and other liabilities	-	114
Due to other governments	1,235,796	-
Loans from the City	-	1,106,580
Accrued interest	-	1,155,904
Lease liabilities - current	-	5,398
Bonds payable - current	-	4,582,548
Bonds payable - noncurrent	-	77,860,384
Pollution remediation	-	275,000
Total liabilities	1,313,549	84,985,928
DEFERRED INFLOWS OF RESOURCES		
Lease	-	25,534
Total deferred inflows of resources	-	25,534
NET POSITION (DEFICIT)		
Held in Trust	-	(54,337,050)
Restricted for individual, organization, and other governments	37,188,750	-
Total net position (deficit)	\$ 37,188,750	\$ (54,337,050)

City of Stockton
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2024

	Custodial Funds	Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund
ADDITIONS:		
Property tax	\$ 9,562,617	\$ 7,537,714
Use of money and property	148,212	6,980
Investment income	1,131,460	281,178
Debt issued	14,046,693	-
Miscellaneous	3,453,462	84,409
Total additions	<u>28,342,444</u>	<u>7,910,281</u>
DEDUCTIONS:		
General government	12,056,377	138,524
Public works	7,175,511	-
Debt obligations	8,702,636	2,953,511
Depreciation and amortization	-	575,821
Miscellaneous	-	1,762,629
Total deductions	<u>27,934,524</u>	<u>5,430,485</u>
CHANGE IN NET POSITION	407,920	2,479,796
NET POSITION (DEFICIT):		
Beginning of year	36,780,830	(56,816,846)
End of year	<u>\$ 37,188,750</u>	<u>\$ (54,337,050)</u>



CITY OF STOCKTON



NOTES TO BASIC FINANCIAL STATEMENTS



City of Stockton
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For the Year Ended June 30, 2024

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City of Stockton
For the Year Ended June 30, 2024

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City of Stockton
Notes to the Basic Financial Statements
For the Year Ended June 30, 2024

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 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, 2024.

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.

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 ongoing financial interest in nor obligation to SJAFCA. Therefore financial information for the SJAFCA is not included in the accompanying financial statements.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

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. 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.

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

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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 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.

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.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

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

Governmental Fund Financial Statements (Continued)

- ***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.

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.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

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

Proprietary Fund Financial Statements (Continued)

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.

C. Deferred Outflows/Inflows of Resources

In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the Statement of Net position 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.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

E. Cash, Cash Equivalents, and Investments (Continued)

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 (\$15,273,325.22) for the fiscal year ended June 30, 2024.

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

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.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

G. Fair Value Measurement (Continued)

- 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.

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.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

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.

- 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

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

M. Capital Assets (Continued)

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 threshold to recognize a right-to-use lease asset (lease asset) in the government-wide financial statements and proprietary fund financial statements for a leased asset over \$5,000. 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.

Subscription assets are recorded at the amount of the initial measurement of the subscription liabilities, less any payments made to the Subscription Based Information Technology Arrangement (“SBITA”) vendor before the commencement of the subscription term, and capitalizable initial implementation cost, less any incentives received from the SBITA vendor at or before the commencement of the subscription term.

- Preliminary Project Stage: Outlays are expensed as incurred.
- Initial Implementation Stage: Outlays are capitalized as an addition to the subscription asset.
- Operation and Additional Implementation Stage: Outlays are expensed as incurred unless they meet specific capitalization criteria.

Upon adoption, the City elected to exclude the capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage that were incurred prior to the implementation of this Statement in the measurement of subscription assets as of July 1, 2022.

Subscription assets are reported in capital assets and subscription liabilities are reported with long-term liabilities on the Statement of Net Position. Subscription assets are amortized using the straight-line method over the shorter of the subscription term or the useful life of the underlying, information technology assets unless the subscription contains a purchase option that the City has determined is reasonably certain of being exercised. In this case, the subscription asset is amortized over 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, 2024, the payroll accrual is recorded in the respective funds when the related liability is incurred.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

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.

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.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

R. Lease Liabilities (Continued)

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.

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.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

T. Pensions (Continued)

The following time frames are used for pension reporting:

CALPERS

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

PARS

Valuation Date	June 30, 2022
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024

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.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

V. Fund Balances (Continued)

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.

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 can report a deficit unassigned fund balance amount. In other governmental funds, it is not appropriate to report a deficit unassigned fund balance amount. However, in a governmental fund other than the general fund, expenditures incurred for a specific purpose might exceed the amounts in the fund that are restricted, committed, and assigned to that purpose and a negative residual balance for that purpose may result. If that occurs, amounts assigned to other purposes in that fund should be reduced to eliminate the deficit. If the remaining deficit eliminates all other assigned amounts in the fund, or if there are no amounts assigned to other purposes, the negative residual amount is classified as unassigned fund balance.

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 XIIA 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.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

W. Property Taxes (Continued)

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.

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. 100 – In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections—An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. There were no significant impacts on the City's financial statements.

Note 2 – Cash and Investments

The following is a summary of cash, cash equivalents, and investments, including restricted cash and investments on June 30, 2024:

Deposits:	
Cash on Hand	\$ 21,981
Demand Deposits	191,489,708
Total Deposits	191,511,689
Investments	934,474,998
Total Cash and Investments	\$ 1,125,986,687
 Presented in the government-wide statement of net position:	
Cash and Investments	\$ 991,598,653
Restricted Cash and Investments	89,956,903
 Presented in the statement of fiduciary net position:	
Cash and Investments	33,738,578
Cash and investments with fiscal agents	10,692,553
Total Cash and Investments	\$ 1,125,986,687

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 2 – Cash and Investments (Continued)

A. Cash Deposits

The carrying amount of the City's pooled cash deposits was \$191,489,708 at June 30, 2024. Bank balances before reconciling items were \$199,128,865 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, 2024

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%
				5%; 10% of outstanding CP of any single issuer
Commercial Paper	270 Days	25%	A1, P1, F-1	
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, 2024

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 CGC 53601 as to % that the pool must abide by.

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. As of June 30, 2024, the City had \$826,673 invested in LAIF. LAIF is reported at amortized cost, which approximates fair value.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 2 – Cash and Investments (Continued)

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, 2024, the City had \$61,466,097 invested in CAMP, which had invested 14.3% 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, 2024, 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, 2024. 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.

Investments subject to fair value measurement categorizations:	Measurement Input			
	June 30, 2024	Level 1	Level 2	Uncategorized ⁽³⁾
U. S. Agencies (1)	\$ 97,702,756	\$ -	\$97,702,756	\$ -
U. S. Treasuries (4)	352,695,159	352,695,159	-	-
Medium term notes (1)	150,769,588	-	150,769,588	-
Supranationals (2)	4,142,918	-	4,142,918	-
Municipal Bonds (1)	9,793,780	-	9,793,780	-
Federal Agency CMOs (1)	89,497,863	-	89,497,863	-
Negotiable CD (1)	17,563,907	-	17,563,907	-
Commercial Paper (1)	11,738,461	-	11,738,461	-
Asset backed securities (1)	49,937,906	-	49,937,906	-
Equity Mutual Fund- PARS 115 Trust (2)	26,481,905	-	26,481,905	-
Fixed Income Mutual Fund- PARS 115 Trust (1)	60,938,559	-	60,938,559	-
Idle Funds in Reserve Portfolio (3)	905,955	-	-	905,955
Local Agency Investment Fund (LAIF) (3)	826,673	-	-	826,673
California Asset Management Program (CAMP) (3)	61,466,097	-	-	61,466,097
Money Market Funds (attributable to 115 Trust) (3)	13,471	-	-	13,471
Total	\$ 934,474,998	\$ 352,695,159	\$ 518,567,643	\$ 63,212,196

- (1) Pricing based on Institutional Bond Quotes - evaluations based on various market and industry inputs.
- (2) Pricing based on Intercontinental Exchange Emtel Financial Ltd - evaluations based on various market factors.
- (3) Investments (cash and cash equivalents) are valued at an amortized cost which approximates fair value.
- (4) Inputs are unadjusted, quoted prices for identical assets in active markets at the measurement date.

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 five 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 fifteen percent (15%) of the total portfolio value at any given time. The maturity of investments is evaluated before purchase depending on liquidity needs.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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

F. Risk Disclosures (Continued)

Interest Rate Risk (Continued)

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	Investment Maturities				
	Fair Value	1 year or less	1-3 years	3-5 years	5 years or more
U.S. Agencies	\$ 97,702,756	\$ 29,886,805	\$ 38,280,419	\$ 6,718,964	\$ 22,816,568
U.S. Treasuries	352,695,159	27,135,853	148,643,907	80,042,411	96,872,988
Medium Term (Corporate) Notes	150,769,588	30,088,139	40,397,274	80,284,175	-
Supranationals	4,142,918	4,142,918	-	-	-
Municipal Bonds	9,793,780	4,221,466	5,572,314	-	-
Federal Agency CMOs	89,497,863	-	14,802,710	74,695,153	-
Local Agency Investment Fund	826,673	826,673	-	-	-
Capital Asset Management Program	61,466,097	61,466,097	-	-	-
Money Market Funds (attributable to 115 Trust)	-	-	-	-	-
Negotiable CD	17,563,907	13,322,369	4,241,538	-	-
Asset Backed Securities	49,937,906	789,034	6,582,742	42,566,130	-
Commercial paper	11,738,461	11,738,461	-	-	-
Cash - PARS 115 Trust	13,471	13,471	-	-	-
Equity Mutual Fund- PARS 115 Trust	26,481,905	26,481,905	-	-	-
Fixed Income Mutual Fund- PARS 115 Trust	60,938,559	60,938,559	-	-	-
Idle Funds in Reserve Portfolio	905,955	905,955	-	-	-
Total	\$ 934,474,998	\$ 271,957,705	\$ 258,520,904	\$ 284,306,833	\$ 119,689,556
Allocation by percentage	100%	35%	40%	24%	1%

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, 2024, 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	\$ -	\$ 301,790,064	\$ -	\$ 10,501,155	\$ -	\$ 312,291,219
Callable	-	227,604,559	-	-	-	227,604,559
Medium term notes:						
Non-callable	-	7,993,769	33,768,248	-	1,822,196	43,584,213
Callable	4,850,266	24,748,916	75,763,997	-	1,822,196	107,185,375
Asset Backed Securities	36,792,977	-	-	-	-	36,792,977
Commercial Paper	-	-	11,738,461	-	-	11,738,461
Negariable CDs	-	-	4,241,538	13,322,369	-	17,563,907
Supranationals	4,142,918	-	-	-	-	4,142,918
Municipal securities	1,527,073	8,266,707	-	-	-	9,793,780
Total	\$ 47,313,234	\$ 570,404,015	\$ 125,512,244	\$ 23,823,524	\$ 3,644,392	770,697,409
Not rated or exempt from rating disclosure:						
Asset Backed Securities						13,144,929
Local Agency Investment Fund						826,673
California Asset Management Program						61,466,097
Section 115 Trust Mutual Funds (not rated)						87,420,464
Cash Held in 115 Trust						13,471
Idle Funds in Reserve Portfolio						905,955
Total Investments						\$ 934,474,998

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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

F. Risk Disclosure (Continued)

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. In May of 2023 Fitch placed its AAA rating on a negative watch ultimately downgrading the U.S. to an AA+ rating in August of 2023. In March 2024, both S&P and Fitch affirmed the AA+ rating with a stable outlook. As of June 30, 2024, Moody was the only major credit rating agency that maintained its AAA rating with negative outlook rating for U.S. debt.

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, LAIF, and CAMP, are held by a third-party custodian, U.S. Bank. U.S. Bank is a registered member of the Federal Reserve Bank. The securities held by U.S. 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.

At June 30, 2024, 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:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>	<u>Total Holdings</u>
Held by City:			\$ 934,474,998
Federal National Mortgage Association	Federal Agency Securities	\$ 54,562,112	5.84%
Federal Home Loan Mortgage Company	Federal Agency Securities	97,110,135	10.39%

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.

Governmental activities	<u>\$ 81,941,443</u>
Business-type activities:	
Water Utility	21,355
Wastewater Utility	4,217,784
Parking Authority	<u>3,776,321</u>
Subtotal	<u>8,015,460</u>
Fiduciary Funds	<u>10,692,553</u>
Total restricted cash and investments	<u><u>\$ 100,649,456</u></u>

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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

G. Restricted Cash and Investments (Continued)

The City has a reserve policy governing the establishment of Rate Stabilization Fund for its Water, Wastewater, and Stormwater Funds. These reserves are to ease future revenue fluctuations, where revenues are interrupted or otherwise insufficient to offset the operating expenditures and to minimize the impact of rate increases. 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 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 balance in the Water and Wastewater Rate Stabilization Accounts at June 30, 2024, were \$3,004,452 and \$13,467,689.

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 \$6,657,264 of interfund loan balances, broken down by short and long-term net of interest, as of June 30, 2024 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	\$ 666,487	\$ 5,046,532	\$ 5,713,019
Internal Service Funds -Workers' Compensation	Internal Service Funds -Vehicle Fleet Equipment	429,089	515,156	944,245
			Total	\$ 6,657,264

- The \$5,713,019 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 \$944,245 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.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 3 – Interfund Transactions (Continued)

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, 2024:

		Transfers In	Transfers Out	Net Transfers
Governmental Activities:				
General Fund	Program Support	\$ -	\$ (800,000)	\$ (800,000)
General Fund	Capital Improvement	-	(19,662,530)	(19,662,530)
General Fund	Debt Service	-	(9,061,425)	(9,061,425)
Federal Housing Grant Fund	Retirement	-	(352,526)	(352,526)
Special Grant Fund	Program Support	1,181,818	-	1,181,818
Special Grant Fund	Debt Service/ Settlement	-	(51,500)	(51,500)
Nonmajor Government Funds	Program Support	934,182	(8,873,646)	(7,939,464)
Nonmajor Government Funds	Debt Service	9,413,951	-	9,413,951
Capital Improvement	Program Support	28,562,744	-	28,562,744
Internal Service Funds	Retirement		(193,212)	(193,212)
Internal Service Funds	Program Support	801,846	(1,181,818)	(379,972)
Total governmental activities		40,894,541	(40,176,657)	717,884
Business-type Activities:				
Water Utility	Program Support	-	(474,899)	(474,899)
Wastewater Utility	Program Support	-	(301,657)	(301,657)
Stormwater Utility	Program Support	-	(51,122)	(51,122)
Downtown Marina	Program Support	262,000	-	262,000
Golf Courses	Closing Fund	-	(152,206)	(152,206)
Total business-type activities		262,000	(979,884)	(717,884)
Total Government-Wide Statements		\$ 41,156,541	\$ (41,156,541)	\$ -

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 2 to 564 months. The incremental borrowing rates used were between 0.4110 to 1.8020% depending on the length of the lease term. For the year ended June 30, 2024 the City recognized \$52,528, and \$7,920 in lease revenue and \$23,908 and \$246 in interest revenue for Governmental Activities, and the Successor Agency, respectively. The outstanding receivables are in the amounts of \$1,392,524 and \$26,037 for the Governmental Activities, and the Successor Agency, respectively.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 4 – Lease Receivable (Continued)

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

Year Ending June 30,	Governmental Activities			Fiduciary Funds		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 47,758	\$ 23,186	\$ 70,944	\$ 7,737	\$ 183	\$ 7,920
2026	44,165	22,492	66,657	7,800	120	7,920
2027	47,343	21,751	69,094	7,864	56	7,920
2028	49,513	20,966	70,479	2,635	4	2,639
2029	51,759	20,145	71,904	-	-	-
2030-2034	295,345	87,093	382,438	-	-	-
2035-2039	298,283	61,013	359,296	-	-	-
2040-2044	67,502	47,363	114,865	-	-	-
2045-2049	73,861	41,004	114,865	-	-	-
2050-2054	80,820	34,046	114,866	-	-	-
2055-2059	88,434	26,432	114,866	-	-	-
2060-2064	96,765	18,100	114,865	-	-	-
2065-2069	105,881	8,984	114,865	-	-	-
2070-2071	45,095	851	45,946	-	-	-
	<u>\$ 1,392,524</u>	<u>\$ 433,426</u>	<u>\$ 1,825,950</u>	<u>\$ 26,036</u>	<u>\$ 363</u>	<u>\$ 26,399</u>

Note 5 – Successor Agency – Loans from City

With the dissolution of the Redevelopment Agency effective January 31, 2012, the following loan is outstanding as of June 30, 2024. 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. During fiscal year 2024, two loans were paid off and the remaining outstanding loan balance as of June 30, 2024 is \$1,106,580 with no allowance set up.

Fund Providing Loan	Fund Receiving Loan	Outstanding Balance	Allowance for Uncollectible Loans	Net Balance
Low - Moderate Income Housing RDA Loans	Private-Purpose Trust Fund - Successor Agency of the Redevelopment Agency	\$ 1,106,580	\$ -	\$ 1,106,580
	Total	<u>\$ 1,106,580</u>	<u>\$ -</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.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 6 – Loans to Property Owners, Net

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, 2024 are as follows:

Loan Programs	Governmental Activities			
	Principal Balance	Deferred Interest	Allowance for Uncollectible Loans	Net Balance
First Time Home Buyers Program (HOME)	\$ 41,713,410	\$ 10,841,761	\$ (840,364)	\$ 51,714,807
Community Development Block Grant Programs	15,926,611	5,094,683	(204,180)	20,817,114
Neighborhood Stabilization First Time Home Buyer Program	10,752,837	1,922,077	(7,975)	12,666,939
California Home Loans	2,760,216	391,498	(265,685)	2,886,029
Low & Moderate Income Housing Programs (former Agency)	53,760,511	15,679,684	-	69,440,195
Total	\$ 124,913,585	\$ 33,929,703	\$ (1,318,204)	\$ 157,525,084

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 Program

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 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

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, 2024

Note 7 – Capital Assets

A. Government-Wide Financial Statements

At June 30, 2024, the City's capital assets consisted of the following:

	Governmental Activities	Business -Type Activities	Total
Capital assets, not being depreciated:			
Land	\$ 38,616,370	\$ 14,767,413	\$ 53,383,783
Intangible assets - easements	4,354,960	-	4,354,960
Construction in progress	302,703,207	272,834,337	575,537,544
Total capital assets, not being depreciated	345,674,537	287,601,750	633,276,287
Capital assets, being depreciated:			
Infrastructure	647,536,895	-	647,536,895
Buildings and improvements	329,649,662	1,066,032,706	1,395,682,368
Machinery and equipment	105,491,501	20,465,572	125,957,073
Total capital assets, being depreciated	1,082,678,058	1,086,498,278	2,169,176,336
Less accumulated depreciation for:			
Infrastructure	(261,531,648)	-	(261,531,648)
Buildings and improvements	(161,324,170)	(489,658,259)	(650,982,429)
Machinery and equipment	(66,914,027)	(15,335,989)	(82,250,016)
Total accumulated depreciation	(489,769,845)	(504,994,248)	(994,764,093)
Total capital assets, being depreciated, net	592,908,213	581,504,030	1,174,412,243
Intangible assets, being amortized:			
Intangible asset - right to use leased assets	2,347,476	2,837,601	5,185,077
Intangible asset - right to use subscriptions	18,058,440	8,045	18,066,485
Total intangible assets, being amortized	20,405,916	2,845,646	23,251,562
Less accumulated amortization for:			
Intangible asset - right to use leased assets	(1,438,540)	(573,304)	(2,011,844)
Intangible asset - right to use subscriptions	(6,598,748)	(4,853)	(6,603,601)
Total accumulated amortization	(8,037,288)	(578,157)	(8,615,445)
Total intangible assets, being amortized, net	12,368,628	2,267,489	14,636,117
Capital assets, net	\$ 950,951,378	\$ 871,373,269	\$ 1,822,324,647

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 7 – Capital Assets (Continued)

B. Governmental Activities

Summary of changes in governmental activities capital assets for the year ended June 30, 2024, are as follows:

	Balance July 1, 2023	Additions	Deletions	Transfers	Balance June 30, 2024
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 38,196,565	\$ -	\$ -	\$ 419,805	\$ 38,616,370
Intangible assets - easements	4,354,960	-	-	-	4,354,960
Construction in progress	252,839,333	70,090,646	(761,284)	(19,465,488)	302,703,207
Total capital assets, not being depreciated	295,390,858	70,090,646	(761,284)	(19,045,683)	345,674,537
Capital assets, being depreciated:					
Infrastructure	623,722,939	14,442,008	-	9,371,948	647,536,895
Buildings and improvements	324,338,702	-	-	5,310,960	329,649,662
Machinery and equipment	91,924,681	4,505,100	(2,196,978)	11,258,698	105,491,501
Total capital assets, being depreciated	1,039,986,322	18,947,108	(2,196,978)	25,941,606	1,082,678,058
Less accumulated depreciation for:					
Infrastructure	(249,663,022)	(11,868,626)	-	-	(261,531,648)
Buildings and improvements	(150,310,618)	(6,170,531)	-	(4,843,021)	(161,324,170)
Machinery and equipment	(62,782,244)	(5,847,761)	2,196,978	(481,000)	(66,914,027)
Total accumulated depreciation	(462,755,884)	(23,886,918)	2,196,978	(5,324,021)	(489,769,845)
Total capital assets, being depreciated, net	577,230,438	(4,939,810)	-	20,617,585	592,908,213
Intangible assets, being amortized:					
Intangible asset - right to use leased assets	2,291,649	55,827	-	-	2,347,476
Intangible asset - right to use subscriptions	11,892,463	7,659,186	(1,493,209)	-	18,058,440
Total intangible assets, being amortized	14,184,112	7,715,013	(1,493,209)	-	20,405,916
Less accumulated amortization for:					
Intangible asset - right to use leased assets	(398,930)	(1,039,610)	-	-	(1,438,540)
Intangible asset - right to use subscriptions	(3,664,781)	(3,594,695)	660,728	-	(6,598,748)
Total accumulated amortization	(4,063,711)	(4,634,305)	660,728	-	(8,037,288)
Total intangible assets, being amortized, net	10,120,401	3,080,708	(832,481)	-	12,368,628
Governmental activities capital assets, net	\$ 882,741,697	\$ 68,231,544	\$ (1,593,765)	\$ 1,571,902	\$ 950,951,378

Governmental activities depreciation and amortization expense for capital assets for the year ended June 30, 2024, are as follows:

Governmental Activities:	
General Government	\$ 1,669,400
Public Works	13,898,235
Parks and Recreation	3,140,804
Library	437,419
Public Safety	1,621,344
Internal Service Funds	7,754,021
Total	\$ 28,521,223

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 7 – Capital Assets (Continued)

C. Business-Type Activities

Summary of changes in business-type activities capital assets for the year ended June 30, 2024, are as follows:

	Balance July 1, 2023	Additions	Deletions	Transfers	Balance June 30, 2024
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 15,127,218	\$ -		\$ (359,805)	\$ 14,767,413
Construction in progress	233,679,173	39,306,134	-	(150,970)	272,834,337
Total capital assets, not being depreciated	248,806,391	39,306,134	-	(510,775)	287,601,750
Capital assets, being depreciated:					
Buildings and improvements	1,058,646,940	12,636,583	-	(5,250,817)	1,066,032,706
Machinery and equipment	20,732,210	867,694	-	(1,134,332)	20,465,572
Total capital assets, being depreciated	1,079,379,150	13,504,277	-	(6,385,149)	1,086,498,278
Less accumulated depreciation for:					
Buildings and improvements	(471,649,055)	(22,852,225)	-	4,843,021	(489,658,259)
Machinery and equipment	(14,381,154)	(1,435,836)	-	481,001	(15,335,989)
Total accumulated depreciation	(486,030,209)	(24,288,061)	-	5,324,022	(504,994,248)
Total capital assets, being depreciated, net	593,348,941	(10,783,784)	-	(1,061,127)	581,504,030
Intangible assets, being amortized:					
Intangible asset - right to use leased assets	2,847,464	-	(9,863)	-	2,837,601
Intangible asset - right to use subscriptions	61,204	-	(53,159)	-	8,045
Total intangible assets, being amortized	2,908,668	-	(63,022)	-	2,845,646
Less accumulated amortization for:					
Intangible asset - right to use leased assets	(384,186)	(198,981)	9,863	-	(573,304)
Intangible asset - right to use subscriptions	(28,234)	(6,955)	30,336	-	(4,853)
Total accumulated amortization	(412,420)	(205,936)	40,199	-	(578,157)
Total intangible assets, being amortized, net	2,496,248	(205,936)	(22,823)	-	2,267,489
Business-type activities capital assets, net	\$ 844,651,580	\$ 28,316,414	\$ (22,823)	\$ (1,571,902)	\$ 871,373,269

Business-type activities depreciation and amortization expense for capital assets for the year ended June 30, 2024, are as follows:

Business-type Activities:	
Water Utility	\$ 8,068,864
Wastewater Utility	13,062,325
Stormwater Utility	1,821,567
Parking Authority	993,835
Marina	547,406
Total	<u>\$ 24,493,997</u>

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 7 – Capital Assets (Continued)

D. Fiduciary Fund Activities

Summary of Changes in Fiduciary Fund capital assets for the year ended June 30, 2024, are as follows:

Fiduciary fund activities:	Balance July 1, 2023	Additions	Deletions	Transfers	Balance June 30, 2024
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	(3,524,575)	(249,655)	-	-	(3,774,230)
Buildings and improvements	(7,065,326)	(300,303)	-	-	(7,365,629)
Machinery and equipment	(316,737)	(18,677)	-	-	(335,414)
Total accumulated depreciation	(10,906,638)	(568,635)	-	-	(11,475,273)
Total capital assets, being depreciated, net	11,392,986	(568,635)	-	-	10,824,351
Intangible assets, being amortized:					
Intangible asset - right to use leased assets	14,372	-	-	-	14,372
Total intangible assets, being amortized	14,372	-	-	-	14,372
Less accumulated amortization for:					
Intangible asset - right to use leased assets	(1,798)	(7,186)	-	-	(8,984)
Total accumulated amortization	(1,798)	(7,186)	-	-	(8,984)
Total intangible assets, being amortized, net	12,574	(7,186)	-	-	5,388
Fiduciary fund activities capital assets, net	\$ 23,637,539	\$ (575,821)	\$ -	\$ -	\$ 23,061,718

Fiduciary fund depreciation and amortization expenses for capital assets for the year ended June 30, 2024, are as follows:

Fiduciary Fund Activities:	
Successor Agency	<u><u>\$ 575,821</u></u>

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – Long-Term Liabilities

A. Governmental Activities

Summary of changes in governmental activities long-term debt for the year ended June 30, 2024, are as follows:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Short-Term	Long term
Governmental Fund Activities Debt						
City Debt						
<u>Assured Guaranty Settlement</u>						
Assured Settlement Obligation	\$ 52,884,811	\$ -	\$ (237,557)	\$ 52,647,254	\$ 278,378	\$ 52,368,877
Subtotal Settlement Obligation Bonds	52,884,811	-	(237,557)	52,647,254	278,378	52,368,877
Other Long-Term Obligations						
<u>CDBG</u>						
USD-HUD Housing Note	1,920,000	-	(1,920,000)	-	-	-
Subtotal CDBG	1,920,000	-	(1,920,000)	-	-	-
<u>Lease Liabilities</u>						
Leases liabilities	1,897,699	55,827	(1,038,184)	915,342	797,503	117,839
Subtotal Lease Liabilities	1,897,699	55,827	(1,038,184)	915,342	797,503	117,839
<u>Subscription liabilities</u>						
Subscription liabilities	7,805,621	7,507,626	(5,139,239)	10,174,008	3,370,895	6,803,113
Subtotal Subscription Liabilities	7,805,621	7,507,626	(5,139,239)	10,174,008	3,370,895	6,803,113
Total	\$ 64,508,131	\$ 7,563,453	\$ (8,334,980)	\$ 63,736,604	\$ 4,446,776	\$ 59,289,829

Assured Guaranty Settlement (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, 2024, bonds totaling \$68,335,000 were due in installments of principal ranging from \$3,725,000 on September 1, 2024, 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, 2024, bonds totaling \$22,820,000 are due in installments of principal ranging from \$1,245,000 on September 1, 2024, 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.

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 \$1,673,742 on July 1, 2024 to \$2,009,482 due on July 1, 2053; Lease Ask Fund payments are due in installments ranging from \$2,527,750 on June 1, 2025 to \$2,531,250 due on June 1, 2052; and Supplemental Payments are due in installments of \$250,000 from June 1, 2025, 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, 2025, is currently anticipated to be \$5,255,000.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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)

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.

Annual Debt Service Requirements to Maturity

Year June 30,	Assured Guarantee								Total Principal	Total Interest
	Special Fund Payments		2007 Lease Ask Payments		Supplement al Payments					
	Principal	Interest	Principal	Interest	Principal	Interest				
2025	\$ 278,378	\$ 1,395,364	\$ -	\$ 2,527,750	\$ -	\$ 250,000	\$ 278,378	\$ 4,173,114		
2026	321,242	1,380,009	-	2,530,563	-	250,000	321,242	4,160,572		
2027	93,227	1,362,289	-	2,532,500	-	250,000	93,227	4,144,789		
2028	147,406	1,357,147	-	2,528,625	-	250,000	147,406	4,135,772		
2029	177,041	1,349,016	-	2,528,938	-	250,000	177,041	4,127,954		
2030-2034	1,400,349	6,561,968	-	12,652,439	-	1,250,000	1,400,349	20,464,407		
2035-2039	2,730,029	6,064,237	1,689,924	10,957,578	-	1,250,000	4,419,953	18,271,815		
2040-2044	5,013,786	5,033,624	7,027,085	5,621,604	401,899	1,048,101	12,442,770	11,703,329		
2045-2049	6,557,796	3,489,614	9,195,015	3,457,173	1,271,683	478,317	17,024,494	7,425,104		
2050-2054	8,577,289	1,470,121	6,821,110	766,141	943,995	106,005	16,342,394	2,342,267		
	\$ 25,296,543	\$ 29,463,389	\$ 24,733,134	\$ 46,103,311	\$ 2,617,577	\$ 5,382,423	\$ 52,647,254	\$ 80,949,123		

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Annual Debt Service Requirements to Maturity (Continued)

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. As of June 30, 2024, all four Section 108 loan guarantee agreements have been paid in full. The final payment of \$1,920,000 was paid on August 1, 2023.

Lease 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, 2024 are as follows:

Year Ending June 30,	Leases	
	Principal	Interest
2025	\$ 797,503	\$ 2,394
2026	93,048	892
2027	15,019	451
2028	9,772	226
Total	\$ 915,342	\$ 3,963

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
2025	\$ 3,370,895	\$ 173,756
2026	2,656,518	182,346
2027	1,853,472	114,824
2028	674,561	65,880
2029	272,840	46,938
2030-2034	1,345,722	101,479
Total	\$ 10,174,008	\$ 685,223

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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, 2024, are as follows:

	Balance July 1, 2023	Additions	Reductions	Amort/Prem/ Disc/Deferred Amounts	Balance June 30, 2024	Short-Term	Long-Term
<u>Water Utility Obligations</u>							
2018A Water System Demand Revenue Bonds	\$ 124,285,000	\$ -	\$ (5,650,000)	\$ -	\$ 118,635,000	\$ 5,950,000	\$ 112,685,000
Premium	11,521,262	-	-	(810,073)	10,711,189	810,073	9,901,116
2019A Water System Demand Taxable Revenue	53,140,000	-	(11,705,000)	-	41,435,000	580,000	40,855,000
Subscription liabilities	14,388	-	(14,388)	-	-	-	-
Subtotal Water Utility Obligations	188,960,650	-	(17,369,388)	(810,073)	170,781,189	7,340,073	163,441,116
<u>Wastewater Utility Obligations</u>							
2014 Wastewater Refunding Revenue Bonds	39,345,000	-	(4,635,000)	-	34,710,000	5,090,000.00	29,620,000
Premium (on 2014 refunding)	4,503,881	-	-	(729,980)	3,773,901	729,981	3,043,920
2020 EPA WIFIA loan	108,000,000	-	-	-	108,000,000	-	108,000,000
State Water Resources Control Board Loan	-	35,100,000	-	-	35,100,000	1,252,669	33,847,331
Subscription liabilities	12,595	-	(12,595)	-	-	-	-
Lease liabilities	890	-	(890)	-	-	-	-
Subtotal Wastewater Utility Obligations	151,862,366	35,100,000	(4,648,485)	(729,980)	181,583,901	7,072,650	174,511,251
<u>Stormwater Obligations</u>							
Subscription liabilities	3,954	-	(3,954)	-	-	-	-
Subtotal Stormwater Obligations	3,954	-	(3,954)	-	-	-	-
<u>Central Parking District</u>							
2020 Parking Lease Revenue Bonds	23,750,000	-	(545,000)	-	23,205,000	570,000	22,635,000
Premium	4,963,136	-	-	(209,710)	4,753,426	209,710	4,543,716
Lease liabilities	2,495,382	-	(184,069)	-	2,311,313	183,596	2,127,717
Subtotal Central Parking District	31,208,518	-	(729,069)	(209,710)	30,269,739	963,306	29,306,433
<u>Marina Operation</u>							
CDBW Harbor Facility Construction and Planning Loans	10,870,821	-	-	-	10,870,821	-	10,870,821
Subtotal Marina Operation	10,870,821	-	-	-	10,870,821	-	10,870,821
Total - Enterprise Fund Activities Debt	\$ 382,906,309	\$ 35,100,000	\$ (22,750,896)	\$ (1,749,763)	\$ 393,505,650	\$ 15,376,029	\$ 378,129,621

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, 2024, \$118,635,000 of 2018A Bonds remain outstanding with installments of principal ranging from \$5,950,000 to \$12,195,000 due October 1, 2024, 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 \$10,711,189.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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. 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. As of June 30, 2024, \$41,435,000 of 2019A Bonds remain outstanding with installments of principal ranging from \$580,000 to \$11,610,000 due from October 1, 2024, through October 1, 2040, with interest rates ranging from 2.464% to 3.61%. 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. 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, 2024, total principal and interest paid was \$14,021,588 and net revenues were \$36,209,546. The total principal and interest remaining to be paid on the Water Utility Revenue Bonds are \$224,684,193.

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, 2024.

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, 2024

Note 8 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

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, 2024, bonds totaling \$34,710,000 are due in annual installments of principal ranging from \$5,090,000 to \$6,530,000 from September 1, 2024, 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, 2024, 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.

Clean Water State Revolving Loan Act (SRF) Loan

In November 2021, the City and Clean Water State Revolving Fund (CWSRF) entered into loan agreement in the amount of \$46,800,000 at a rate of 0.09%. The City received the first disbursement of \$35,100,000 on June 12, 2024. As of June 30, 2024, the total principal & interest remaining to be paid on the SRF loan are \$35,100,000. The City is expected to draw the remaining \$11,700,000 in October 2024. Annual installments of principal ranging from \$1,252,669 to \$1,681,877 from December 31, 2024 to December 31, 2047 from December 31, 2024 to December 31, 2052.

Along with the WIFIA loan, the SRF loan also funded the Regional Wastewater Control Facility upgrades, which are necessary to maintain compliance with updated state and federal standards. Repayment of the SRF loan is from a pledge of net revenues of the Wastewater Fund and the loan is issued on parity with the 2024 & WIFIA bonds.

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, 2024, the City paid total principal and interest of \$7,782,375 and had net revenues of \$39,526,604. On June 30, 2024, the total principal and interest remaining to be paid on the Wastewater Bonds & Loans are \$211,722,539.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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 XIID, 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, 2024, 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.

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, 2024, the 2020 Parking Bonds totaling \$23,205,000 are due in annual installments of principal ranging from \$570,000 on March 1, 2025 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.

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 \$4,753,426.

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 2.3217% based on the term of the agreements. The total principal and interest remaining to be paid on the lease payable are \$2,530,310.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

Parking Authority (Continued)

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, 2024, the City paid total principal and interest of \$1,688,950 and had net revenues of \$765,415.

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, 2024 is \$10,870,821.

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.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

Annual Debt Service Requirements to Maturity

Year Ending June 30,	Water Utility		Wastewater Utility				Central Parking District					
	Revenue Bonds		Revenue Bonds		WIFIA Loan		SRF Loan		Revenue Bonds		Leases	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 6,530,000	\$ 7,498,221	\$ 5,090,000	\$ 1,608,250	\$ -	\$ 1,296,000	\$ 1,252,669	\$ 350,649	\$ 570,000	\$ 1,116,700	\$ 183,596	\$ 33,613
2026	6,860,000	7,178,633	5,345,000	1,347,375	-	1,296,000	1,399,898	390,842	600,000	1,088,200	176,891	30,949
2027	7,215,000	6,841,793	5,620,000	1,073,250	-	1,296,000	1,393,413	397,327	630,000	1,058,200	179,585	28,255
2028	7,525,000	6,486,724	5,910,000	785,000	-	1,296,000	1,405,954	384,786	660,000	1,026,700	182,319	25,521
2029	7,955,000	6,112,584	6,215,000	481,875	-	1,296,000	1,418,607	372,133	695,000	993,700	185,095	22,745
2030-2034	46,380,000	24,210,784	6,530,000	163,250	22,118,496	5,955,488	7,286,862	1,666,837	4,030,000	4,411,250	968,613	70,587
2035-2039	58,350,000	11,458,661	-	-	23,477,840	4,596,143	7,620,726	1,332,973	5,105,000	3,330,400	435,214	7,433
2040-2044	19,255,000	825,066	-	-	24,920,727	3,153,256	7,969,888	983,812	6,325,000	2,114,200	-	-
2045-2049	-	-	-	-	26,452,290	1,621,694	5,351,983	618,653	4,590,000	466,500	-	-
2050-54	-	-	-	-	11,030,647	198,946	-	-	-	-	-	-
Total	\$ 160,070,000	\$ 70,612,466	\$ 34,710,000	\$ 5,459,000	\$ 108,000,000	\$ 22,005,527	\$ 35,100,000	\$ 6,498,012	\$ 23,205,000	\$ 15,605,850	\$ 2,311,313	\$ 219,103

The SFR loan payment was an estimated when the loan is fully drawn. Therefore, the principal amount does not agree with the current loan outstanding balance.

C. Fiduciary Fund Activities

Summary of changes in fiduciary fund long-term liabilities for the year ended June 30, 2024, are as follows:

Successor Agency to RDA of Stockton	Balance			Balance		
	July 1, 2023	Additions	Reductions	June 30, 2024	Current	Non-Current
Revenue Bonds						
2016 Series A Successor Agency						
Tax Allocation Bonds	\$ 73,310,000	\$ -	\$ -	\$ 73,310,000	\$ 610,000	\$ 72,700,000
Premium	6,286,286	-	(562,951)	5,723,335	562,951	5,160,384
2016 Series B Successor Agency						
Tax Allocation Bonds (Taxable)	7,340,000	-	(3,925,000)	3,415,000	3,415,000	-
Discount	(37,799)	-	32,396	(5,403)	(5,403)	-
Lease liabilities	12,577	-	(7,179)	5,398	5,398	-
Total Successor Agency to RDA Liabilities	\$ 86,911,064	\$ -	\$ (4,462,734)	\$ 82,448,330	\$ 4,587,946	\$ 77,860,384

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.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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)

As of June 30, 2024, 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 \$5,723,335.

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, 2024, the 2016 Series B Bonds totaling \$3,415,000 is scheduled for final payment on September 1, 2024, with principal due at an interest rate of 2.75%. The principal amount due is reported net of the unamortized discount of \$5,403.

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
2025	\$ 610,000	\$ 3,358,550	\$ 3,415,000	\$ 46,956	\$ 5,398	\$ 7
2026	4,150,000	3,239,550	-	-	-	-
2027	4,360,000	3,026,800	-	-	-	-
2028	4,575,000	2,803,425	-	-	-	-
2029	4,805,000	2,568,925	-	-	-	-
2030-2034	27,760,000	9,072,800	-	-	-	-
2035-2039	27,050,000	2,336,125	-	-	-	-
Total	\$ 73,310,000	\$ 26,406,175	\$ 3,415,000	\$ 46,956	\$ 5,398	\$ 7

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – Long-Term Liabilities (Continued)

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.

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, 2024, there were eight CFD special tax bonds and three revenue bonds outstanding with aggregate principal amounts payable of \$61,460,000 and \$51,075,000, respectively.

	<u>Amount of Issue</u>	<u>Outstanding June 30, 2024</u>
CFD Special Tax Bonds:		
Cannery Park CFD 2005-1 Series 2019	\$ 9,855,000	\$ 8,550,000
CFD 2018-12018 Arch Road/Newcastle	3,535,000	3,170,000
Westlake CFD 2006-2 SERIES 2019 (Private Placement)	3,134,000	2,715,000
Westlake Villages II Imp Area 1A (Series 2020)	8,970,000	8,830,000
Westlake Villages II Imp Area 1A (Series 2021)	4,535,000	4,485,000
Westlake Villages II Imp Area 1A2 (Series 2022)	9,775,000	9,775,000
Westlake Villages IA 3 Series 2024	14,020,000	14,020,000
Cannery Park II	9,915,000	9,915,000
Subtotal CFD Special Tax Bonds		<u>61,460,000</u>
Revenue Bonds:		
2016 Combined Refunding	33,350,000	21,035,000
CFD 99-02 2018 Arch Road East	24,210,000	22,150,000
AD 2014-01 Mosher Estates	13,020,000	7,890,000
Subtotal Revenue Bonds		<u>51,075,000</u>
Total Noncity Obligation		<u><u>\$ 112,535,000</u></u>

E. Conduit Debt

Conduit Debt (No City Commitment) – At June 30, 2024, 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, 2024

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, 2024. 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, 2023	\$ 12,047,615	\$ 1,556,822	\$ 13,604,437
Additions	7,402,803	1,213,507	8,616,310
Payments	(8,907,968)	(1,496,547)	(10,404,514)
Balance June 30, 2024	\$ 10,542,450	\$ 1,273,782	\$ 11,816,232
Current Portion	\$ 6,012,225	\$ 802,235	\$ 6,814,460
Noncurrent Portion	\$ 4,530,225	\$ 471,547	\$ 5,001,772

Note 10 – Unamortized Loss on Refunding

Summary of changes in unamortized loss on refunding for the year ended June 30, 2024:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Municipal Utility Enterprise Debt Obligations				
2018 Water Refunding	\$ 5,498,075	\$ -	\$ (386,576)	\$ 5,111,499
2019 Water Refunding	5,775,518	-	(334,813)	5,440,705
2014 Wastewater Refunding Revenue Bonds	1,052,477	-	(170,583)	881,894
Subtotal - Municipal Utility Enterprise Debt	12,326,070	-	(891,972)	11,434,098
Parking Authority				
2020 Parking Revenue Bonds	409,919	-	(17,320)	392,599
Total Deferred Amount on Refunding	\$ 12,735,989	\$ -	\$ (909,292)	\$ 11,826,697

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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, 2024, are as follows:

	General Fund	Federal Housing Grants	Special Grants	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Fund balances:						
Nonspendable:						
Inventories	\$ 681,775	\$ -	\$ -	\$ -	\$ -	\$ 681,775
Prepaid items	447,184	-	499,860	-	1,736,088	2,683,132
Advance deposits	1,532,772	-	108,354	-	63,041	1,704,167
Total Nonspendable	2,661,731	-	608,214	-	1,799,129	5,069,074
Restricted for:						
Community development	1,925,555	-	-	-	67,973,239	69,898,794
Debt service reserve	-	-	-	-	315,912	315,912
General government	-	-	-	-	8,952,419	8,952,419
Housing	1,277,452	90,904,955	-	-	80,914,262	173,096,669
Libraries and arts	1,996,991	-	-	-	4,984,469	6,981,460
Parks and recreation	1,294,270	-	-	-	48,200,982	49,495,252
Public safety	14,023	-	-	-	15,337,170	15,351,193
Solid waste/recycling	-	-	-	-	11,287,337	11,287,337
Streets, transit & traffic	-	-	-	244,760	96,056,134	96,300,894
Total Restricted	6,508,291	90,904,955	-	244,760	334,021,924	431,679,930
Committed for:						
General government operations	148,294,684	-	-	-	-	148,294,684
Total Committed	148,294,684	-	-	-	-	148,294,684
Assigned for:						
General government operations	31,322,378	-	-	-	-	31,322,378
Total Assigned	31,322,378	-	-	-	-	31,322,378
Unassigned (deficit):	51,312,622	-	(578,120)	-	-	50,734,502
Total Fund Balances	\$ 240,099,706	\$ 90,904,955	\$ 30,094	\$ 244,760	\$ 335,821,053	\$ 667,100,568

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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 Activities	Total
Deferred Outflows of Resources:			
CalPERS:			
Safety			
Contributions made after measurement date	\$ 45,350,173	\$ -	\$ 45,350,173
Change in assumptions	22,902,104	-	22,902,104
Differences between expected and actual experience	13,932,417	-	13,932,417
Difference between projected and actual investment earnings	40,381,459	-	40,381,459
Total Safety Plan	122,566,153	-	122,566,153
Miscellaneous			
Contributions made after measurement date	17,300,714	1,593,747	18,894,461
Change in assumptions	1,720,833	158,524	1,879,357
Difference between projected and actual investment earnings	3,656,309	336,820	3,993,129
Total Miscellaneous Plan	50,901,766	4,689,088	55,590,854
PARS			
Change in assumptions	-	26,324	26,324
Differences between expected and actual experience	-	106,501	106,501
Difference between projected and actual investment earnings	-	165,415	165,415
Total PARS Plan	-	298,240	298,240
Total Pension related Deferred Outflows of Resources	\$ 173,467,919	\$ 4,987,328	\$ 178,455,247
Net Pension Liability:			
CalPERS:			
Safety	\$ 463,456,397	\$ -	\$ 463,456,397
Miscellaneous	148,947,725	13,721,117	162,668,842
PARS		1,811,825	1,811,825
Total Net Pension Liability	\$ 612,404,122	\$ 15,532,942	\$ 627,937,064
Deferred Inflows of Resources:			
CalPERS:			
Safety			
Differences between expected and actual experience	\$ 2,019,334	\$ -	\$ 2,019,334
Total Safety Plan	2,019,334	-	2,019,334
Miscellaneous			
Differences between expected and actual experience	1,432,552	131,966	1,564,518
Total Miscellaneous Plan	1,432,552	131,966	1,564,518
Total Pension Deferred Inflows of Resources	\$ 3,451,886	\$ 131,966	\$ 3,583,852

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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 PEPPRA (California Public Employees' Pension Reform Act of 2013-PEPPRA 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, 2024, are summarized as follows:

	Safety Plan	
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%	13.5% and 14.50%
Required Employer Contribution Rates	22.91%	22.91%

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 12 – Retirement Plans (Continued)

A. CalPERS Retirement Plan (Continued)

General Information about Pension Plans (Continued)

	Miscellaneous Plan	
Hire Date	Prior to January 1, 2014	After January 1, 2014
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	7.00%	7.50%
Required Employer Contribution Rates	10.52%	10.52%

Employees Covered – At June 30, 2023, the measurement date, the following employees were covered under benefit terms:

	Safety Plan	Miscellaneous Plan
Active employees	530	989
Transferred and terminated employees	559	1,620
Retired employees and beneficiaries	965	1,620
	2,054	4,229

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, 2024, the Safety Plan employer contribution rate was 22.91% of wages. The Miscellaneous Plan was 10.52% of wages.

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, applying 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:

	Safety Plan		Miscellaneous Plan	
Valuation Date	6/30/2022		6/30/2022	
Measurement Date	6/30/2023		6/30/2023	
Actuarial Cost Method	Entry Age Actuarial Cost Method			
Actuarial Assumptions:				
Discount Rate	6.90%		6.90%	
Inflation	2.30%		2.30%	
Projected Salary Increase	Varies	(1)	Varies	(1)
Mortality	see note	(2)	see note	(2)

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

(2) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 12 – Retirement Plans (Continued)

A. CalPERS Retirement Plan (Continued)

General Information about Pension Plans (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.

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:

Asset Class	Assumed Asset Allocation	Real Return Years 1-10⁽¹⁾⁽²⁾
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	100.00%	

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

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

Change of Assumptions

There were no changes of assumptions for the June 30, 2023 measurement period.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 12 – Retirement Plans (Continued)

A. CalPERS Retirement Plan (Continued)

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 06/30/2022 (valuation date)	\$ 1,297,211,187	\$ 854,015,080	\$ 443,196,107
Changes for the year:			
Service cost	18,857,878	-	18,857,878
Interest on total pension liability	88,681,309	-	88,681,309
Changes of Benefit Terms	471,635	-	471,635
Changes of Assumption	-	-	-
Differences between expected and actual experience	14,050,958	-	14,050,958
Net plan to plan resource movement	-	(27,329)	27,329
Contributions-employer	-	42,540,178	(42,540,178)
Contributions-employee	-	7,336,349	(7,336,349)
Net investment income	-	52,580,295	(52,580,295)
Benefit payments, including refunds of employee	(71,852,731)	(71,852,731)	-
Administrative expense	-	(628,003)	628,003
Net Changes	50,209,049	29,948,759	20,260,290
Balances at 06/30/2023 (measurement date)	\$ 1,347,420,236	\$ 883,963,839	\$ 463,456,397

	Miscellaneous Plan		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at 06/30/2022 (valuation date)	\$ 802,855,577	\$ 649,304,071	\$ 153,551,506
Changes for the year:			
Service cost	12,379,553	-	12,379,553
Interest on total pension liability	54,744,796	-	54,744,796
Changes of Benefit Terms	1,194,464	-	1,194,464
Differences between expected and actual experience	6,488,834	-	6,488,834
Net plan to plan resource movement	-	27,329	(27,329)
Contributions-employer	-	21,302,978	(21,302,978)
Contributions-employee	-	5,020,603	(5,020,603)
Net investment income	-	39,816,869	(39,816,869)
Benefit payments, including refunds of employee	(46,651,662)	(46,651,662)	-
Administrative expense	-	(477,468)	477,468
Other Miscellaneous Income (Expense)	-	-	-
Net Changes	28,155,985	19,038,649	9,117,336
Balances at 06/30/2023 (measurement date)	\$ 831,011,562	\$ 668,342,720	\$ 162,668,842

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 12 – Retirement Plans (Continued)

A. CalPERS Retirement 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 6.90 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	\$ 648,261,557	\$ 463,456,397	\$ 312,909,455
Miscellaneous Plan			
	1% Decrease Rate (5.90%)	Current Discount Rate (6.90%)	1% Increase Rate (7.90%)
Net pension liability	\$ 266,803,501	\$ 162,668,842	\$ 76,299,585

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

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

As of measurement date June 30, 2023, 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	\$ 45,350,173	\$ -
Changes of assumptions	22,902,104	-
Differences between expected and actual experience	13,932,417	(2,019,334)
Net differences between projected and actual earnings on pension plan investments	40,381,459	-
Total	<u>\$ 122,566,153</u>	<u>\$ (2,019,334)</u>
Miscellaneous Plan		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contribution subsequent to measurement date	\$ 18,894,461	\$ -
Changes of assumptions	1,879,357	-
Differences between expected and actual experience	3,993,129	(1,564,518)
Net differences between projected and actual earnings on pension plan investments	30,823,907	-
Total	<u>\$ 55,590,854</u>	<u>\$ (1,564,518)</u>

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 12 – Retirement Plans (Continued)

A. CalPERS Retirement Plan (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The \$45,350,173 and \$18,894,461 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, 2024, will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. 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
2024	\$ 21,822,808
2025	20,360,052
2026	31,908,067
2027	1,105,719
2028	-
Thereafter	-
Total	<u>\$ 75,196,646</u>

Miscellaneous Plan	
Measurement periods ended June 30:	Deferred Outflows/(inflows) of Resources
2024	\$ 8,276,386
2025	4,481,881
2026	21,524,100
2027	849,508
2028	-
Thereafter	-
Total	<u>\$ 35,131,875</u>

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.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 12 – Retirement Plans (Continued)

B. PARS Enhancement Plan (Continued)

General Information about Pension Plans (Continued)

Employees covered – At June 30, 2024, the following employees were covered by the benefit terms:

	<u>PARS Enhancement Plan</u>
Active employees	27
Terminated vested and other inactive	-
Retirees and beneficiaries	55
	<u>82</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.

Net Pension Liability

The City's net pension liability was measured as of June 30, 2024, using an annual actuarial valuation as of June 30, 2022, using standard update procedures.

Actuarial assumptions – The total pension liability on June 30, 2024, 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	6/30/2024	
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.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 12 – Retirement Plans (Continued)

B. PARS Enhancement Plan (Continued)

Net Pension Liability (Continued)

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

There were no changes of assumptions in 2024.

Long-Term Expected Rate of Return

The assumption for the long-term expected rate of return was selected by the City. Below is a projection of the 30 year average return derived by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation on the Plan's current asset allocation. The capital market assumptions are per Milliman's investment consulting practice as of June 30, 2024.

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	3.03%	0.94%	0.91%
US Core Fixed Income	46.45%	2.52%	2.36%
US Broad Equity Market	38.98%	5.52%	3.82%
Foreign Developed Equity	6.47%	1.92%	5.12%
Emerging Markets Equity	3.36%	9.34%	6.21%
US REITs	1.71%	6.91%	4.72%
Total	100.00%		
Assumed Inflation - Mean		2.31%	2.30%
Assumed Inflation - Standard Deviation		1.45%	1.45%
Portfolio Real Mean Return		4.23%	3.72%
Portfolio Nominal Mean Return		6.53%	6.13%
Portfolio Standard Deviation			9.44%
City's Long-Term Expected Rate of Return			6.50%

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 12 – Retirement Plans (Continued)

B. PARS Enhancement Plan (Continued)

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	\$ 13,558,387	\$ 10,449,018	\$ 3,109,369
Changes for the year:			
Service cost	117,422	-	117,422
Interest on total pension liability	866,354	-	866,354
Effect of economic/demographic gains or losses	-	-	-
Effect of assumptions changes or inputs	-	-	-
Benefit payments	(705,653)	(705,653)	-
Employer contributions	-	1,112,705	(1,112,705)
Net investment income	-	1,186,744	(1,186,744)
Administrative expense	-	(18,129)	18,129
Net Changes	278,123	1,575,667	(1,297,544)
Balances at 06/30/2023	\$ 13,836,510	\$ 12,024,685	\$ 1,811,825

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	\$ 3,411,112	\$ 1,811,825	\$ 460,559

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, 2024, 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	\$ 26,324	\$ -
Differences between expected and actual experience	106,501	-
Net differences between projected and actual earnings on pension plan investments	165,415	-
Total	\$ 298,240	\$ -

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 12 – Retirement Plans (Continued)

B. PARS Enhancement Plan (Continued)

Amounts \ will be recognized in future pension expense as follows:

PARS Enhancement Plan	
Measurement periods ended June 30:	Deferred Outflows/(inflows) of Resources
2025	\$ 172,282
2026	334,409
2027	(109,467)
2028	(98,984)
2029	-
Thereafter	-
Total	\$ 298,240

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 2023-24, the Section 115 Plan, has \$80.2 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.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 13 – Claims Payable (Continued)

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, 2024 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.

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, 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	23,504,625	50,563,000	-	74,067,625
Claims incurred	8,083,175	7,365,861	1,729,370	17,178,406
Claims paid	(2,641,253)	(6,815,861)	(1,729,370)	(11,186,484)
Balance, June 30, 2024	\$ 28,946,547	\$ 51,113,000	\$ -	\$ 80,059,547

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 18 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.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 13 – Claims Payable (Continued)

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.

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 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, *Accounting and Financial Reporting for Pollution Remediation Obligations*, 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, 2024, 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.

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 14 – Pollution Remediation Obligations (Continued)

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

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, 2024, 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, 2024.

Note 15 – Other Required Disclosures

Deficit Fund Balances

At June 30, 2024, the following funds had net positions or fund balance deficits:

Fund	Fund Type	Deficit
Parking Authority	Enterprise Fund	\$ (3,400,238)
Successor Agency	Private Purpose Trust Fund	(54,337,050)

- The Parking Authority Fund has an accumulated deficit fund balance of \$3,400,238 as of June 30, 2024. 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 \$54,337,050 as of June 30, 2024. 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.

Expenditures in Excess of Appropriations

The following fund had expenditures in excess of appropriations:

Major Governmental Fund:

General Fund				
Non-departmental	\$	1,315,209	\$	1,479,033
Debt service:				\$ 163,824
Principal		-	1,306,917	1,306,917
Interest		-	15,298	15,298

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, requires disclosure of pending litigation for which contingency is possible, and the amount cannot be reasonably estimated. As discussed in Note 13, 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.

Capital Commitments

The City is undertaking some capital improvement projects, the most significant of which include the following outstanding capital commitments at June 30, 2024:

	Amount
Waterfront Towers New City Hall	\$ 17,685,524
Regional Wastewater Control Facility	10,460,983
Developer Reimbursements	8,272,003
South Stockton Well SSS8 Rehab	4,143,420
Citywide Tree Maintenance	3,414,150
Bus Rapid Transit, Phase V	2,996,429
	<u>\$ 46,972,509</u>

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, *Fund Balance Reporting and Governmental Fund Type Definitions*, 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, 2024, are as follows:

	Amount
General Fund	\$ 10,136,394
Housing Grant Fund	597,701
Special Grant Fund	23,353,236
Capital Improvements	58,666,976
Other Governmental Funds	18,701,483
Total Governmental Funds	<u>\$ 111,455,790</u>

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, 2024

Note 16 – Commitments and Contingencies (Continued)

Facilities Management Agreement

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 Global 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 Global 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, 2024:

	Governmental Activities	Business -Type Activities	Totals
Capital assets, net	\$ 950,951,378	\$ 871,373,269	\$ 1,822,324,647
Debt related to capital assets	(63,736,605)	(393,505,650)	(457,242,255)
Unamortized loss on refunding of debt	-	11,826,697	11,826,697
Retention payable	(1,757,049)	(1,222,690)	(2,979,739)
Net investment in capital assets	<u>\$ 885,457,724</u>	<u>\$ 488,471,626</u>	<u>\$ 1,373,929,350</u>

City of Stockton
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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

Restricted Net Position

At June 30, 2024, restricted net position consisted of the following:

	Governmental Activities	Business -Type Activities	Totals
Restricted:			
Capital projects	\$ 2,455,802	\$ 11,211,642	\$ 13,667,444
Debt service	1,989,654	14,818,691	16,808,345
Community Development	69,961,834	-	69,961,834
General government	8,864,980	-	8,864,980
Housing	173,096,670	-	173,096,670
Library and arts	6,985,426	-	6,985,426
Parks and recreation	45,513,350	-	45,513,350
Public safety	17,869,257	-	17,869,257
Solid waste/recycling	11,300,167	-	11,300,167
Streets, transit and traffic	96,675,288	-	96,675,288
Pension	80,238,463	-	80,238,463
Total restricted	\$ 514,950,891	\$ 26,030,333	\$ 540,981,224

Note 18 – Subsequent Events

Issuance of Debt in Districts that have no commitment from City resources

Cannery Park II CFD 2019-1

On July 17, 2024 the City of Stockton issued Special Tax Bonds, Series 2024 at a par amount of \$1,525,000. The final payoff of the debt is September 1, 2054. Payment of the bonds are solely derived from special taxes on residential properties in the district and city funds are not pledged toward repayment of the bonds.

Issuance of Debt with net revenue commitment from Wastewater Utility

Stockton Public Finance Authority Wastewater Revenue Refunding Bonds, Series 2024

On September 4, 2024, the Stockton Public Financing Authority refunded revenue bonds in a par amount of \$28,085,000. The refunding refinanced the Wastewater Revenue Refunding, Series 2014 bonds that were issued to complete 1998 and 2003 Wastewater Projects. The debt is issued on parity and will have a final pay off date of September 1, 2029. Payments on the debt are solely derived from the net revenues of the Wastewater system which have been pledged toward repayment of the bonds.

California Clean Water State Revolving Fund (SRF) Loan

In November 2021, City Council approved a low interest loan with the California Clean Water State Revolving Fund (SRF) in the amount of \$46.8 million for planning, design and construction of the RWCF Modifications Project. As of June 30, 2024 the City had drawn \$35.1 million. The remaining \$11.7 million was drawn on October 23, 2024. The debt is issued on parity and will have a final pay off date of December 31, 2053. Payments on the debt are solely derived from the net revenues of the Wastewater system which have been pledged toward repayment of the bonds.



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, 2024

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, 2024

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, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Taxes:				
Property	\$ 43,251,000	\$ 43,251,000	\$ 45,400,105	\$ 2,149,105
Utility user	40,503,027	40,503,027	42,799,092	2,296,065
Sales - levied by City	46,338,887	46,338,887	46,214,556	(124,331)
Franchise fees	18,698,517	18,698,517	19,351,515	652,998
Business license	14,874,886	14,874,886	18,676,259	3,801,373
Hotel/motel room	3,453,342	3,453,342	3,520,339	66,997
Document transfer	972,295	972,295	991,618	19,323
Other	3,300,061	3,300,061	6,215,234	2,915,173
Licenses and permits	586,405	586,405	375,315	(211,090)
Intergovernmental:				
Federal grants and subsidies	116,429	263,557	224,488	(39,069)
Sales and use tax - levied by state	77,451,510	77,451,510	78,917,161	1,465,651
Other governmental	45,552,504	45,552,504	47,037,140	1,484,636
Charges for services	11,021,060	11,021,060	11,164,587	143,527
Fines and forfeitures	1,128,004	1,128,004	933,490	(194,514)
Use of money and property	8,366,478	8,388,572	9,307,520	918,948
Investment income:				
Interest income	2,362,318	2,362,318	12,058,411	9,696,093
Refunds and reimbursements	117,264	159,378	316,034	156,656
Miscellaneous	4,991,033	4,962,739	5,990,612	1,027,873
	<u>323,085,020</u>	<u>323,268,062</u>	<u>349,493,476</u>	<u>26,225,414</u>
EXPENDITURES:				
General government:				
City council	1,038,115	1,178,713	1,033,906	144,807
City manager	3,221,371	3,203,550	2,750,496	453,054
City attorney	1,478,000	1,591,699	1,246,853	344,846
City clerk	1,165,923	1,242,420	1,152,163	90,257
City auditor	513,147	1,095,040	669,798	425,242
Administrative services	9,067,260	9,593,559	8,230,874	1,362,685
Human resources	2,922,285	10,364,245	7,373,813	2,990,432
Housing	1,648,370	5,013,007	1,686,300	3,326,707
Non-departmental	2,686,521	1,315,209	1,479,033	(163,824)
Total general government	<u>23,740,992</u>	<u>34,597,442</u>	<u>25,623,236</u>	<u>8,974,206</u>

City of Stockton
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - General Fund (Continued)
For the Year Ended June 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
EXPENDITURES (CONTINUED):				
Public safety:				
Police	161,014,205	164,431,872	156,236,561	8,195,311
Fire	62,916,990	63,944,540	62,934,410	1,010,130
Total public safety	223,931,195	228,376,412	219,170,971	9,205,441
Public works	19,110,736	21,290,578	19,564,987	1,725,591
Library	13,229,564	14,327,230	12,638,836	1,688,394
Parks and recreation	15,001,857	18,934,684	13,324,394	5,610,290
Capital outlay	210,600	4,677,918	1,545,723	3,132,195
Debt service:				
Principal retirement	-	-	1,306,917	(1,306,917)
Interest and fiscal charges	-	-	15,298	(15,298)
Total expenditures	295,224,944	322,204,264	293,190,362	29,013,902
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES (BUDGETARY BASIS)	27,860,076	1,063,798	56,303,114	55,239,316
OTHER FINANCING SOURCES (USES):				
Transfers in	-	500,000	-	(500,000)
Transfers out	(14,410,425)	(21,106,053)	(29,523,956)	(8,417,903)
Issuance of debt	-	-	953,380	953,380
Proceed from sale of capital assets	100,000	100,000	3,518	(96,482)
Total other financing sources (uses)	(14,310,425)	(20,506,053)	(28,567,058)	(8,061,005)
NET CHANGE IN FUND BALANCE (GAAP BASIS)	\$ 13,549,651	\$ (19,442,255)	27,736,056	\$ 47,178,311
BASIS ADJUSTMENT:				
Encumbrances (included in Final Budget above)*			(11,315,764)	
NET CHANGE IN FUND BALANCE (BUDGETARY BASIS)			16,420,292	
FUND BALANCE, BEGINNING OF YEAR			212,363,650	
FUND BALANCE (BUDGETARY BASIS), END OF YEAR			<u>\$ 228,783,942</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, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Intergovernmental:				
Federal grants and subsidies	\$ 4,981,181	\$ 5,064,499	\$ 6,081,722	\$ 1,017,223
Other governmental	-	1,747,243	1,762,629	15,386
Charges for services	-	-	3,150	3,150
Use of money and property	334,000	681,639	5,533,956	4,852,317
Investment income:				
Interest income	-	-	106,214	106,214
Miscellaneous	-	-	77,181	77,181
Total revenues	5,315,181	7,493,381	13,564,852	6,071,471
EXPENDITURES:				
Current:				
General government	8,411,871	27,810,135	7,159,944	20,650,191
Debt service:				
Principal retirement	1,920,000	1,920,000	1,976,732	(56,732)
Interest and fiscal charges	41,541	41,541	4,965	36,576
Total expenditures	10,373,412	29,771,676	9,141,641	20,630,035
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES (GAAP BASIS)	(5,058,231)	(22,278,295)	4,423,211	26,701,506
OTHER FINANCING USES:				
Transfers in	1,747,243	1,747,243	-	(1,747,243)
Transfers out	(349,449)	(349,449)	(352,525)	(3,076)
Proceeds from sale of capital assets	-	-	137	-
Total other financing uses	1,397,794	1,397,794	(352,388)	(1,750,319)
NET CHANGE IN FUND BALANCE (GAAP BASIS)	\$ (3,660,437)	\$ (20,880,501)	4,070,823	\$ 26,701,506
BASIS ADJUSTMENT:				
Encumbrances (included in Final Budget above)*			(672,146)	
NET CHANGE IN FUND BALANCE (BUDGETARY BASIS)			3,398,677	
FUND BALANCE, BEGINNING OF YEAR			86,834,132	
FUND BALANCE (BUDGATARY BASIS), END OF YEAR			\$ 90,232,809	

* 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 - Special Grants Special Revenue Fund
For the Year Ended June 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Intergovernmental:				
Federal grants and subsidies	\$ 4,574,768	\$ 59,793,103	\$ 21,155,021	\$ (38,638,082)
Other governmental	-	44,378,657	19,396,377	(24,982,280)
Refunds and reimbursements	-	-	26,670	26,670
Miscellaneous	-	(277,247)	306,900	584,147
Total revenues	4,574,768	103,894,513	40,884,968	(63,009,545)
EXPENDITURES:				
Current:				
General government	(75,079)	88,090,259	27,037,207	61,053,052
Public safety	100,125	17,653,651	4,493,446	13,160,205
Public works	-	1,511,892	334,875	1,177,017
Library	-	69,901	682,243	(612,342)
Parks and recreation	-	3,392,584	2,232,294	1,160,290
Capital outlay	-	29,496,904	5,833,529	23,663,375
Debt service:				
Principal retirement	-	-	26,098	(26,098)
Interest and fiscal charges	-	-	1,338	(1,338)
Total expenditures	25,046	140,215,191	40,641,030	99,574,161
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES (BUDGETARY BASIS)	4,549,722	(36,320,678)	243,938	36,564,616
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	1,181,818	1,181,818
Transfers out	-	51,500	(51,500)	(103,000)
Total other financing sources (uses)	-	51,500	1,130,318	1,078,818
NET CHANGE IN FUND BALANCE (GAAP BASIS)	\$ 4,549,722	\$ (36,269,178)	1,374,256	\$ 37,643,434
BASIS ADJUSTMENT:				
Encumbrances (included in Final Budget above)*			(25,718,191)	
NET CHANGE IN FUND BALANCE (BUDGETARY BASIS)			(24,343,935)	
FUND BALANCE, BEGINNING OF YEAR (DEFICIT)			(1,344,162)	
FUND BALANCE (BUDGATARY BASIS), END OF YEAR (DEFICIT)			\$ (25,688,097)	

* 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)
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended June 30, 2024

Last Ten Fiscal Years

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

	Fiscal Year				
Measurement period	2013-14	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) ¹	-	-	-	-	(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 - beginning²	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 payroll³	\$ 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 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).

² Includes any beginning of year adjustment.

³ Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal years ended in 2022 and 2023; 2.75% payroll growth assumption for fiscal years ended in 2018 through 2021; 3.00% payroll growth assumption for fiscal years ended in 2014 through 2017.

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.

In 2022, SB 1168 increased the standard retiree lump sum death benefit from \$500 to \$2,000 for any death occurring on or after July 1, 2023. The impact, if any, is included in the changes of benefit terms.

Changes of Assumptions: There were no assumption changes in 2023. Effective with the June 30, 2021 valuation date (June 30, 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. In addition, demographic assumptions and the price inflation 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 June 30, 2017 through June 30, 2021, 7.65% for measurement dates June 30, 2015 through June 30, 2016, and 7.50% for measurement date June 30, 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, 2024

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	2022-23
Total pension liability					
Service cost	\$ 11,446,572	\$ 11,098,178	\$ 11,194,084	\$ 12,181,998	\$ 12,379,553
Interest	50,718,177	51,801,795	53,055,641	52,840,932	54,744,796
Changes of benefit terms	-	-	-	-	1,194,464
Changes of assumptions	-	-	-	8,143,881	-
Differences between expected and actual experience	2,061,288	(8,567,800)	(5,435,616)	(6,779,583)	6,488,834
Benefit payments, including refunds of employee contributions	(37,477,251)	(39,057,265)	(40,894,732)	(43,773,909)	(46,651,662)
Net change in total pension liability	26,748,786	15,274,908	17,919,377	22,613,319	28,155,985
Total pension liability - beginning	720,299,187	747,047,973	762,322,881	780,242,258	802,855,577
Total pension liability - ending (a)	<u>\$ 747,047,973</u>	<u>\$ 762,322,881</u>	<u>\$ 780,242,258</u>	<u>\$ 802,855,577</u>	<u>\$ 831,011,562</u>
Pension fiduciary net position					
Contributions - employer	\$ 17,112,542	\$ 19,204,043	\$ 20,363,651	\$ 20,485,648	\$ 21,302,978
Contributions - employee	4,540,503	4,721,760	4,939,316	4,857,018	5,020,603
Net investment income	37,027,715	29,185,528	135,230,666	(54,203,709)	39,816,869
Benefit payments, including refunds of employee contributions	(37,477,251)	(39,057,265)	(40,894,732)	(43,773,909)	(46,651,662)
Net plan to plan resource movement	-	-	-	-	27,329
Administrative expense	(406,288)	(831,939)	(602,713)	(450,005)	(477,468)
Other miscellaneous income/ (expense) ¹	1,325	-	-	-	-
Net change in plan fiduciary net position	20,798,546	13,222,127	119,036,188	(73,084,957)	19,038,649
Plan fiduciary net position - beginning²	569,332,167	590,130,713	603,352,840	722,389,028	649,304,071
Plan fiduciary net position - ending (b)	<u>\$ 590,130,713</u>	<u>\$ 603,352,840</u>	<u>\$ 722,389,028</u>	<u>\$ 649,304,071</u>	<u>\$ 668,342,720</u>
Plan net pension liability - ending (a) - (b)	<u>\$ 156,917,260</u>	<u>\$ 158,970,041</u>	<u>\$ 57,853,230</u>	<u>\$ 153,551,506</u>	<u>\$ 162,668,842</u>
Plan fiduciary net position as a percentage of the total pension liability	79.00%	79.15%	92.59%	80.87%	80.43%
Covered payroll³	<u>\$ 67,851,642</u>	<u>\$ 67,099,018</u>	<u>\$ 69,099,285</u>	<u>\$ 70,213,245</u>	<u>\$ 71,932,325</u>
Plan net pension liability as a percentage of covered payroll	231.27%	236.92%	83.72%	218.69%	226.14%

City of Stockton
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended June 30, 2024

Last Ten Fiscal Years

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

	Fiscal Year				
Measurement period	2013-14	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) ¹	-	-	-	-	(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 - beginning²	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 payroll³	\$ 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 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).

² Includes any beginning of year adjustment.

³ Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal years ended in 2022 and 2023; 2.75% payroll growth assumption for fiscal years ended in 2018 through 2021; 3.00% payroll growth assumption for fiscal years ended in 2014 through 2017.

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.

In 2022, SB 1168 increased the standard retiree lump sum death benefit from \$500 to \$2,000 for any death occurring on or after July 1, 2023. The impact, if any, is included in the changes of benefit terms.

Changes of Assumptions: There were no assumption changes in 2023. Effective with the June 30, 2021 valuation date (June 30, 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. In addition, demographic assumptions and the price inflation 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 June 30, 2017 through June 30, 2021, 7.65% for measurement dates June 30, 2015 through June 30, 2016, and 7.50% for measurement date June 30, 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, 2024

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	2022-23
Total pension liability					
Service cost	\$ 18,340,749	\$ 18,438,776	\$ 17,442,651	\$ 20,255,092	\$ 18,857,878
Interest	77,850,318	79,970,381	82,106,386	85,264,766	88,681,309
Changes of benefit terms	-	-	-	-	471,635
Changes of assumptions	-	-	-	44,713,632	-
Differences between expected and actual experience	2,178,151	(7,219,787)	(5,649,159)	7,388,791	14,050,958
Benefit payments, including refunds of employee contributions	(57,512,870)	(61,225,237)	(63,550,272)	(67,804,721)	(71,852,731)
Net change in total pension liability	40,856,348	29,964,133	30,349,606	89,817,560	50,209,049
Total pension liability - beginning	1,106,223,540	1,147,079,888	1,177,044,021	1,207,393,627	1,297,211,187
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>	<u>\$ 1,347,420,236</u>
Pension fiduciary net position					
Contributions - employer	\$ 29,781,351	\$ 33,596,802	\$ 37,208,895	\$ 39,195,163	\$ 42,540,178
Contributions - employee	7,139,569	7,347,966	7,775,415	7,961,859	7,336,349
Net investment income	48,529,461	38,307,390	177,671,066	(71,402,376)	52,580,295
Benefit payments, including refunds of employee contributions	(57,512,870)	(61,225,237)	(63,550,272)	(67,804,721)	(71,852,731)
Net plan to plan resource movement	-	-	-	-	(27,329)
Administrative expense	(530,927)	(1,087,482)	(787,501)	(589,709)	(628,003)
Other miscellaneous income/ (expense) ¹	1,732	-	-	-	-
Net change in plan fiduciary net position	27,408,316	16,939,439	158,317,603	(92,639,784)	29,948,759
Plan fiduciary net position - beginning²	743,989,506	771,397,822	788,337,261	946,654,864	854,015,080
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>	<u>\$ 883,963,839</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>	<u>\$ 463,456,397</u>
Plan fiduciary net position as a percentage of the total pension liability	67.25%	66.98%	78.40%	65.83%	65.60%
Covered payroll³	<u>\$ 59,708,789</u>	<u>\$ 60,894,239</u>	<u>\$ 58,297,630</u>	<u>\$ 61,286,210</u>	<u>\$ 57,058,632</u>
Plan net pension liability as a percentage of covered payroll	629.19%	638.33%	447.25%	723.16%	812.25%

City of Stockton
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended June 30, 2024

Last Ten Fiscal Years

PARS Enhancement Plan

Measurement period	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%

City of Stockton
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios (Continued)
For the Year Ended June 30, 2024

Last Ten Fiscal Years

PARS Enhancement Plan (Continued)

Measurement period	Fiscal Year				
	2019-20	2020-21	2021-22	2022-23	2023-24
Total pension liability					
Service cost	\$ 155,670	\$ 132,117	\$ 135,750	\$ 114,224	\$ 117,422
Interest	759,727	781,943	809,517	826,109	866,354
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)	(705,653)
Net change in total pension liability	397,686	451,236	299,521	622,725	278,123
Total pension liability - beginning	11,787,219	12,184,905	12,636,141	12,935,662	13,558,387
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>	<u>\$ 13,836,510</u>
Pension fiduciary net position					
Contributions - employer	\$ 803,170	\$ 602,378	\$ 1,055,182	\$ 854,389	\$ 1,112,705
Contributions - employee	-	-	-	-	-
Net investment income	272,545	1,923,213	(1,452,185)	682,430	1,186,744
Benefit payments, including refunds of employee contributions	(517,711)	(583,450)	(645,746)	(691,937)	(705,653)
Net plan to plan resource movement	-	-	-	-	-
Administrative expense	(15,254)	(16,676)	(17,644)	(16,773)	(18,129)
Net change in plan fiduciary net position	542,750	1,925,465	(1,060,393)	828,109	1,575,667
Plan fiduciary net position - beginning	8,213,087	8,755,837	10,681,302	9,620,909	10,449,018
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>	<u>\$ 12,024,685</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>	<u>\$ 1,811,825</u>
Plan fiduciary net position as a percentage of the total pension liability	71.86%	84.53%	74.38%	77.07%	86.91%
Covered payroll	<u>\$ 2,784,812</u>	<u>\$ 2,966,110</u>	<u>\$ 2,403,153</u>	<u>\$ 2,560,684</u>	<u>\$ 2,417,785</u>
Plan net pension liability as a percentage of covered payroll	123.13%	65.91%	137.93%	121.43%	74.94%

City of Stockton
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions
For the Year Ended June 30, 2024

Last Ten Fiscal Years¹

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

	Fiscal Year ¹				
	2014-15	2015-16	2016-17	2017-18	2018-19
Actuarially determined contribution	\$ 10,783,518	\$ 12,545,482	\$ 13,189,681	\$ 15,252,226	\$ 17,112,542
Contributions in relation to the actuarially determined contribution ²	(10,783,518)	(13,879,482)	(13,189,681)	(15,252,226)	(17,112,542)
Contribution deficiency (excess)	\$ -	\$ (1,334,000)	\$ -	\$ -	\$ -
Covered payroll ³	\$ 53,997,677	\$ 56,400,439	\$ 61,357,565	\$ 67,079,626	\$ 67,851,642
Contributions as a percentage of covered payroll ³	19.97%	24.61%	21.50%	22.74%	25.22%

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 years ended in 2022 and 2023; 2.75% payroll growth assumption for fiscal years ended in 2018 through 2021; 3.00% payroll growth assumption for fiscal years ended in 2014 through 2017.

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, 2020 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, 2020 Funding Valuation Report.
Asset Valuation Method	Fair Value of Assets. For details, see June 30, 2020 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 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

City of Stockton
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions (Continued)
For the Year Ended June 30, 2024

Last Ten Fiscal Years¹

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

	Fiscal Year ¹				
	2019-20	2020-21	2021-22	2022-23	2023-24
Actuarially determined contribution	\$ 19,204,043	\$ 20,363,651	\$ 20,485,648	\$ 21,302,978	\$ 18,894,461
Contributions in relation to the actuarially determined contribution ²	(19,204,043)	(20,363,651)	(20,485,648)	(21,302,978)	(18,894,461)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll ³	\$ 67,099,018	\$ 69,099,285	\$ 70,213,245	\$ 71,932,325	\$ 73,946,430
Contributions as a percentage of covered payroll ³	28.62%	29.47%	29.18%	29.62%	25.55%

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 years ended in 2022 and 2023; 2.75% payroll growth assumption for fiscal years ended in 2018 through 2021; 3.00% payroll growth assumption for fiscal years ended in 2014 through 2017.

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, 2020 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, 2020 Funding Valuation Report.
Asset Valuation Method	Fair Value of Assets. For details, see June 30, 2020 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 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

City of Stockton
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions
For the Year Ended June 30, 2024

Last Ten Fiscal Years¹

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

	Fiscal Year ¹				
	2014-15	2015-16	2016-17	2017-18	2018-19
Actuarially determined contribution	\$ 17,178,961	\$ 20,338,253	\$ 23,342,334	\$ 26,124,666	\$ 29,781,351
Contributions in relation to the actuarially determined contribution ²	(17,178,961)	(20,338,253)	(23,342,334)	(26,124,666)	(29,781,351)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll ³	\$ 46,710,538	\$ 47,115,477	\$ 48,429,252	\$ 56,947,904	\$ 59,708,789
Contributions as a percentage of covered payroll ³	36.78%	43.17%	48.20%	45.87%	49.88%

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 years ended in 2022 and 2023; 2.75% payroll growth assumption for fiscal years ended in 2018 through 2021; 3.00% payroll growth assumption for fiscal years ended in 2014 through 2017.

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, 2020 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, 2020 Funding Valuation Report.
Asset Valuation Method	Fair Value of Assets. For details, see June 30, 2020 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 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

City of Stockton
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions (Continued)
For the Year Ended June 30, 2024

Last Ten Fiscal Years

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

	Fiscal Year ¹				
	2019-20	2020-21	2021-22	2022-23	2023-24
Actuarially determined contribution	\$ 33,596,802	\$ 37,208,895	\$ 39,195,163	\$ 42,540,178	\$ 45,350,173
Contributions in relation to the actuarially determined contribution ²	(33,596,802)	(37,208,895)	(39,195,163)	(42,540,178)	(45,350,173)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll ³	\$ 60,894,239	\$ 58,297,630	\$ 61,286,210	\$ 57,058,632	\$ 58,656,274
Contributions as a percentage of covered payroll ³	55.17%	63.83%	63.95%	74.56%	77.32%

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 years ended in 2022 and 2023; 2.75% payroll growth assumption for fiscal years ended in 2018 through 2021; 3.00% payroll growth assumption for fiscal years ended in 2014 through 2017.

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, 2020 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, 2020 Funding Valuation Report.
Asset Valuation Method	Fair Value of Assets. For details, see June 30, 2020 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 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

City of Stockton
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions
For the Year Ended June 30, 2024

Last Ten Fiscal Years

PARS Enhancement Plan

	Fiscal Year				
	2014-15	2015-16	2016-17	2017-18	2018-19
Actuarially determined contribution	\$ 700,451	\$ 705,192	\$ 705,192	\$ 753,296	\$ 753,296
Contributions in relation to the actuarially determined contribution	(751,157)	(705,192)	(528,894)	(941,620)	(753,296)
Contribution deficiency (excess)	\$ (50,706)	\$ -	\$ 176,298	\$ (188,324)	\$ -
Covered payroll	\$ 3,610,315	\$ 3,454,139	\$ 3,327,608	\$ 3,427,436	\$ 3,446,204
Contributions as a percentage of covered payroll	20.81%	20.42%	15.89%	27.47%	21.86%

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2023-24 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 with an entry age of 30.
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, 2021.

City of Stockton
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions (Continued)
For the Year Ended June 30, 2024

Last Ten Fiscal Years

PARS Enhancement Plan (Continued)

	Fiscal Year				
	2019-20	2020-21	2021-22	2022-23	2023-24
Actuarially determined contribution	\$ 803,170	\$ 803,170	\$ 854,389	\$ 854,389	\$ 1,112,705
Contributions in relation to the actuarially determined contribution	(803,170)	(602,378)	(1,055,182)	(854,389)	(1,112,705)
Contribution deficiency (excess)	\$ -	\$ 200,792	\$ (200,793)	\$ -	\$ -
Covered payroll	\$ 2,784,812	\$ 2,966,110	\$ 2,403,153	\$ 2,560,684	\$ 2,417,785
Contributions as a percentage of covered payroll	28.84%	20.31%	43.91%	33.37%	46.02%

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2023-24 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 with an entry age of 30.
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, 2021.



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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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental:				
Federal grants and subsidies	\$ -	\$ 5,299,919	\$ 6,048,719	\$ 748,800
Other governmental	-	36,927,583	9,455,395	(27,472,188)
Interest income	-	-	57,309	57,309
Refunds and reimbursements	-	-	6,822	6,822
Miscellaneous	-	-	501,836	501,836
Total revenues	-	42,227,502	16,070,081	(26,157,421)
EXPENDITURES:				
Current:				
Public works	4,629,331	18,201,321	118,181	18,083,140
Capital outlay	-	289,304,469	54,828,553	234,475,916
Total expenditures	4,629,331	307,505,860	54,946,734	252,559,126
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES (BUDGETARY BASIS)	(4,629,331)	(265,278,358)	(38,876,653)	226,401,705
OTHER FINANCING SOURCES:				
Transfers in	1,005,000	40,057,935	28,562,744	(11,495,191)
Transfers out	(1,250,000)	(1,800,071)	-	1,800,071
Total other financing sources	(245,000)	38,257,864	28,562,744	(9,695,120)
NET CHANGE IN FUND BALANCE (GAAP BASIS)	\$ (4,874,331)	\$ (227,020,494)	(10,313,909)	\$ 216,706,585
BASIS ADJUSTMENT:				
Encumbrances (included in Final Budget above)*			(59,729,282)	
NET CHANGE IN FUND BALANCE (BUDGETARY BASIS)			(70,043,191)	
FUND BALANCE, BEGINNING OF YEAR			10,558,669	
FUND BALANCE (BUDGETARY BASIS) (DEFICIT), END OF YEAR			\$ (59,484,522)	

* Adjusted to Budgetary Basis.



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CITY OF STOCKTON



NONMAJOR GOVERNMENTAL FUNDS



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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

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 Assessments 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

Permanent funds are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs—that is, for the benefit of the government or its citizenry. Permanent funds do not include private-purpose trust funds, which should be used to report situations in which the government is required to use the principal or earnings for the benefit of individuals, private organizations, or other governments.

Miscellaneous Permanent Fund

To account for the 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, 2024

	Special Revenue Funds				
	State Housing Grants	Solid Waste & Recycling	Gas Tax	Measure K Streets Sales Tax	Measure M Strong Communities
ASSETS					
Cash and investments	\$ 7,453,039	\$ 11,287,419	\$ 19,559,496	\$ 19,466,403	\$ 38,494,908
Receivables, net:					
Interest	30,402	50,679	111,944	107,874	187,277
Accounts and other	-	227,104	-	-	-
Lease	-	-	-	-	-
Advance deposits	-	-	20,836	21,883	18,097
Due from other governments, net	-	-	2,220,604	1,752,612	2,695,829
Prepaid items	-	-	-	-	-
Loans to Successor Agency, net	1,106,580	-	-	-	-
Loans to property owners, net	72,326,224	-	-	-	-
Total assets	\$ 80,916,245	\$ 11,565,202	\$ 21,912,880	\$ 21,348,772	\$ 41,396,111
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 212,360	\$ 309,264	\$ 1,016,442	\$ 293,689
Accrued payroll and benefits	1,982	61,590	166,597	11,086	255,483
Due to other governments	-	-	-	-	-
Deposits and other liabilities	-	3,915	-	-	-
Total liabilities	1,982	277,865	475,861	1,027,528	549,172
Deferred Inflows of Resources:					
Unavailable revenue - Other	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund Balances:					
Nonspendable	-	-	20,836	21,883	18,097
Restricted	80,914,263	11,287,337	21,416,183	20,299,361	40,828,842
Total fund balances	80,914,263	11,287,337	21,437,019	20,321,244	40,846,939
Total liabilities, deferred inflows of resources and fund balances	\$ 80,916,245	\$ 11,565,202	\$ 21,912,880	\$ 21,348,772	\$ 41,396,111

(Continued)

City of Stockton
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds				
	Measure W Public Safety Tax	Special Assessments	Development Services	Other Special Revenue	Transportation Development Act
ASSETS					
Cash and investments	\$ 11,186,945	\$ 21,379,691	\$ 47,485,865	\$ 6,219,947	\$ 1,677,900
Receivables, net:					
Interest	51,034	106,867	224,352	23,720	-
Accounts and other	-	439,026	747,297	64,174	-
Lease	-	-	-	-	-
Advance deposits	-	-	63,041	1,530	-
Due from other governments, net	2,688,778	-	65,000	790,331	123,369
Prepaid items	-	-	-	-	-
Loans to Successor Agency, net	-	-	-	-	-
Loans to property owners, net	-	-	-	-	-
Total assets	\$ 13,926,757	\$ 21,925,584	\$ 48,585,555	\$ 7,099,702	\$ 1,801,269
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 133,722	\$ 182,632	\$ 662,349	\$ 360,632	\$ -
Accrued payroll and benefits	551,223	21,143	504,905	48,162	-
Due to other governments	-	-	-	-	-
Deposits and other liabilities	-	-	1,103,831	-	-
Total liabilities	684,945	203,775	2,271,085	408,794	-
Deferred Inflows of Resources:					
Unavailable revenue - Other	-	-	-	1,931	-
Total deferred inflows of resources	-	-	-	1,931	-
Fund Balances:					
Nonspendable	-	-	63,041	1,530	-
Restricted	13,241,812	21,721,809	46,251,429	6,687,447	1,801,269
Total fund balances	13,241,812	21,721,809	46,314,470	6,688,977	1,801,269
Total liabilities, deferred inflows of resources and fund balances	\$ 13,926,757	\$ 21,925,584	\$ 48,585,555	\$ 7,099,702	\$ 1,801,269

(Continued)

City of Stockton
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2024

	Capital Projects Fund Public Facilities Impact Fees	Debt Service Fund Stockton Public Financing Authority	Permanent Fund Miscellaneous	Totals
ASSETS				
Cash and investments	\$ 68,973,646	\$ 355,180	\$ 399,786	\$ 253,940,225
Receivables, net:				
Interest	348,171	59,103	1,135	1,302,558
Accounts and other	497,540	-	-	1,975,141
Lease	-	-	-	-
Advance deposits	-	-	-	125,387
Due from other governments, net	-	-	-	10,336,523
Prepaid items	-	1,673,742	-	1,673,742
Loans to Successor Agency, net	-	-	-	1,106,580
Loans to property owners, net	-	-	-	72,326,224
Total assets	<u>\$ 69,819,357</u>	<u>\$ 2,088,025</u>	<u>\$ 400,921</u>	<u>\$ 342,786,380</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 71,329	\$ 80,555	\$ -	\$ 3,322,974
Accrued payroll and benefits	15,911	17,816	-	1,655,898
Due to other governments	379,238	-	-	379,238
Deposits and other liabilities	-	-	-	1,107,746
Total liabilities	<u>466,478</u>	<u>98,371</u>	<u>-</u>	<u>6,465,856</u>
Deferred Inflows of Resources:				
Unavailable revenue - Other	497,540	-	-	499,471
Total deferred inflows of resources	<u>497,540</u>	<u>-</u>	<u>-</u>	<u>499,471</u>
Fund Balances:				
Nonspendable	-	1,673,742	-	1,799,129
Restricted	68,855,339	315,912	400,921	334,021,924
Total fund balances	<u>68,855,339</u>	<u>1,989,654</u>	<u>400,921</u>	<u>335,821,053</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 69,819,357</u>	<u>\$ 2,088,025</u>	<u>\$ 400,921</u>	<u>\$ 342,786,380</u>

(Concluded)

City of Stockton
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	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	\$ -	\$ -	\$ -	\$ 7,539,791	\$ 15,406,039
Franchise fees	-	4,004,711	-	-	-
Business license	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental:					
Federal grants and subsidies	-	-	-	-	-
Other governmental	-	877,186	17,110,715	1,297,168	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Use of money and property	1,549,359	-	-	-	-
Investment income:					
Interest income	224,264	275,531	519,203	810,685	1,388,782
Refunds and reimbursements	-	-	169,720	2,529	-
Miscellaneous	28,439	3,160	316	7,307	-
	<u>1,802,062</u>	<u>5,160,588</u>	<u>17,799,954</u>	<u>9,657,480</u>	<u>16,794,821</u>
EXPENDITURES:					
Current:					
General government	64,386	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	2,236,913	6,515,241	4,333,345	-
Library	-	-	-	-	3,187,520
Parks and recreation	-	-	-	-	5,414,634
Capital outlay	-	-	533,396	1,232,280	202,343
Debt service:					
Principal retirement	31,586	-	-	-	18,046
Interest and fiscal charges	132	-	-	-	1,955
Total expenditures	<u>96,104</u>	<u>2,236,913</u>	<u>7,048,637</u>	<u>5,565,625</u>	<u>8,824,498</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,705,958</u>	<u>2,923,675</u>	<u>10,751,317</u>	<u>4,091,855</u>	<u>7,970,323</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	352,526	-	16,000	-	-
Transfers out	-	-	(4,537,003)	(2,624,214)	(587,986)
Issuance of debt	-	-	-	-	55,827
Total other financing sources (uses)	<u>352,526</u>	<u>-</u>	<u>(4,521,003)</u>	<u>(2,624,214)</u>	<u>(532,159)</u>
NET CHANGES IN FUND BALANCES	<u>2,058,484</u>	<u>2,923,675</u>	<u>6,230,314</u>	<u>1,467,641</u>	<u>7,438,164</u>
FUND BALANCES:					
Beginning of year	78,855,779	8,363,662	15,206,705	18,853,603	33,408,775
End of year	<u>\$ 80,914,263</u>	<u>\$ 11,287,337</u>	<u>\$ 21,437,019</u>	<u>\$ 20,321,244</u>	<u>\$ 40,846,939</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, 2024

	Special Revenue				
	Measure W Public Safety Tax	Special Assessments	Development Services	Other Special Revenue	Transportation Development Act
REVENUES:					
Taxes:					
Sales - levied by City	\$ 15,406,874	\$ -	\$ -	\$ -	\$ -
Franchise fees	-	-	-	-	-
Business license	-	1,745,026	-	-	-
Licenses and permits	-	-	9,661,484	23,592	-
Intergovernmental:					
Federal grants and subsidies	-	-	-	14,386	-
Other governmental	-	-	-	4,301,010	493,476
Charges for services	-	4,699,257	11,879,525	91,190	-
Fines and forfeitures	-	-	232,093	-	-
Use of money and property	-	-	-	31,186	-
Investment income:					
Interest income	397,545	790,252	1,466,904	183,419	-
Refunds and reimbursements	-	-	3,100	-	-
Miscellaneous	-	18,249	69,309	516,847	-
	<u>15,804,419</u>	<u>7,252,784</u>	<u>23,312,415</u>	<u>5,161,630</u>	<u>493,476</u>
EXPENDITURES:					
Current:					
General government	-	1,594,806	7,278,116	270,083	-
Public safety	15,275,879	-	9,155,448	3,338,621	-
Public works	-	3,675,508	-	510,822	-
Library	-	-	-	69,532	-
Parks and recreation	-	-	-	-	-
Capital outlay	308,491	-	1,912,461	550,349	-
Debt service:					
Principal retirement	9,986	-	355,945	-	-
Interest and fiscal charges	476	-	-	-	-
Total expenditures	<u>15,594,832</u>	<u>5,270,314</u>	<u>18,701,970</u>	<u>4,739,407</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>209,587</u>	<u>1,982,470</u>	<u>4,610,445</u>	<u>422,223</u>	<u>493,476</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	118,182	-	800,000	-	-
Transfers out	-	-	-	-	(263,776)
Issuance of debt	-	-	1,912,461	-	-
Total other financing sources (uses)	<u>118,182</u>	<u>-</u>	<u>2,712,461</u>	<u>-</u>	<u>(263,776)</u>
NET CHANGES IN FUND BALANCES	<u>327,769</u>	<u>1,982,470</u>	<u>7,322,906</u>	<u>422,223</u>	<u>229,700</u>
FUND BALANCES:					
Beginning of year	12,914,043	19,739,339	38,991,564	6,266,754	1,571,569
End of year	<u>\$ 13,241,812</u>	<u>\$ 21,721,809</u>	<u>\$ 46,314,470</u>	<u>\$ 6,688,977</u>	<u>\$ 1,801,269</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, 2024

	Capital Projects	Debt Service	Permanent	
	Public	Stockton Public		
	Facilities	Financing		
	Impact Fees	Authority	Miscellaneous	Totals
REVENUES:				
Taxes:				
Sales - levied by City	\$ -	\$ -	\$ -	\$ 38,352,704
Franchise fees	-	-	-	4,004,711
Business license	-	-	-	1,745,026
Licenses and permits	-	-	-	9,685,076
Intergovernmental:				
Federal grants and subsidies	-	-	-	14,386
Other governmental	-	-	-	24,079,555
Charges for services	6,123,737	-	-	22,793,709
Fines and forfeitures	-	-	-	232,093
Use of money and property	58,518	-	8,712	1,647,775
Investment income:				
Interest income	2,788,596	(113,405)	9,020	8,740,796
Refunds and reimbursements	-	-	-	175,349
Miscellaneous	-	1,700,364	-	2,343,991
	<u>8,970,851</u>	<u>1,586,959</u>	<u>17,732</u>	<u>113,815,171</u>
EXPENDITURES:				
Current:				
General government	613,762	203,428	82	10,024,663
Public safety	-	-	-	27,769,948
Public works	145,800	-	-	17,417,629
Library	-	-	-	3,257,052
Parks and recreation	-	-	-	5,414,634
Capital outlay	4,414,749	-	-	9,154,069
Debt service:				
Principal retirement	-	237,557	-	653,120
Interest and fiscal charges	-	10,287,594	-	10,290,157
Total expenditures	<u>5,174,311</u>	<u>10,728,579</u>	<u>82</u>	<u>83,981,272</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,796,540</u>	<u>(9,141,620)</u>	<u>17,650</u>	<u>29,833,899</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	9,061,425	-	10,348,133
Transfers out	(860,667)	-	-	(8,873,646)
Issuance of debt	-	-	-	1,968,288
Total other financing sources (uses)	<u>(860,667)</u>	<u>9,061,425</u>	<u>-</u>	<u>3,442,775</u>
NET CHANGES IN FUND BALANCES	<u>2,935,873</u>	<u>(80,195)</u>	<u>17,650</u>	<u>33,276,674</u>
FUND BALANCES:				
Beginning of year	65,919,466	2,069,849	383,271	302,544,379
End of year	<u>\$ 68,855,339</u>	<u>\$ 1,989,654</u>	<u>\$ 400,921</u>	<u>\$ 335,821,053</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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Use of money and property	\$ 20,000	\$ 20,000	\$ 1,549,359	\$ 1,529,359
Investment income:				
Interest income	800	800	224,264	223,464
Miscellaneous	-	-	28,439	28,439
Total revenues	<u>20,800</u>	<u>20,800</u>	<u>1,802,062</u>	<u>1,781,262</u>
EXPENDITURES:				
Current:				
General government	1,796,940	4,764,868	64,386	4,700,482
Debt service:				
Principal retirement	-	-	31,586	(31,586)
Interest and fiscal charges	-	-	132	(132)
Total expenditures	<u>1,796,940</u>	<u>4,764,868</u>	<u>96,104</u>	<u>4,668,764</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES (BUDGETARY BASIS)	<u>(1,776,140)</u>	<u>(4,744,068)</u>	<u>1,705,958</u>	<u>6,450,026</u>
OTHER FINANCING SOURCES:				
Transfers in	349,449	349,449	352,526	3,077
Total other financing sources	<u>349,449</u>	<u>349,449</u>	<u>352,526</u>	<u>3,077</u>
NET CHANGE IN FUND BALANCE (GAAP BASIS)	<u>\$ (1,426,691)</u>	<u>\$ (4,394,619)</u>	<u>2,058,484</u>	<u>\$ 6,453,103</u>
BASIS ADJUSTMENT:				
Encumbrances (included in Final Budget above)*			<u>(173,999)</u>	
NET CHANGE IN FUND BALANCE (BUDGETARY BASIS)			1,884,485	
FUND BALANCE, BEGINNING OF YEAR			<u>78,855,779</u>	
FUND BALANCE (BUDGETARY BASIS), END OF YEAR			<u>\$ 80,740,264</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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes:				
Franchise fees	\$ -	\$ -	\$ 4,004,711	\$ 4,004,711
Intergovernmental:				
Other governmental	3,315,000	3,817,060	877,186	(2,939,874)
Investment income:				
Interest income	-	-	275,531	275,531
Miscellaneous	-	-	3,160	3,160
Total revenues	<u>3,315,000</u>	<u>3,817,060</u>	<u>5,160,588</u>	<u>1,343,528</u>
EXPENDITURES:				
Current:				
Public works	3,951,358	4,699,432	2,236,913	2,462,519
Total expenditures	<u>3,951,358</u>	<u>4,699,432</u>	<u>2,236,913</u>	<u>2,462,519</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES (BUDGETARY BASIS)	<u>(636,358)</u>	<u>(882,372)</u>	<u>2,923,675</u>	<u>3,806,047</u>
NET CHANGE IN FUND BALANCE (GAAP BASIS)	<u>\$ (636,358)</u>	<u>\$ (882,372)</u>	<u>2,923,675</u>	<u>\$ 3,806,047</u>
BASIS ADJUSTMENT:				
Encumbrances (included in Final Budget above)*			<u>(371,219)</u>	
NET CHANGE IN FUND BALANCE (BUDGETARY BASIS)			2,552,456	
FUND BALANCE, BEGINNING OF YEAR			<u>8,363,662</u>	
FUND BALANCE (BUDGETARY BASIS), END OF YEAR			<u>\$ 10,916,118</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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental:				
Other governmental	\$ 17,119,777	\$ 17,119,777	\$ 17,110,715	\$ (9,062)
Investment income:				
Interest income	-	-	519,203	519,203
Refunds and reimbursements	-	-	169,720	169,720
Miscellaneous	-	-	316	316
Total revenues	<u>17,119,777</u>	<u>17,119,777</u>	<u>17,799,954</u>	<u>680,177</u>
EXPENDITURES:				
Current:				
Public works	7,987,888	8,451,198	6,515,241	1,935,957
Capital outlay	-	10,933,415	533,396	10,400,019
Total expenditures	<u>7,987,888</u>	<u>19,384,613</u>	<u>7,048,637</u>	<u>12,335,976</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES (BUDGETARY BASIS)	<u>9,131,889</u>	<u>(2,264,836)</u>	<u>10,751,317</u>	<u>13,016,153</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	4,100,000	16,000	(4,084,000)
Transfers out	(6,100,000)	(6,100,000)	(4,537,003)	1,562,997
Total other financing sources (uses)	<u>(6,100,000)</u>	<u>(2,000,000)</u>	<u>(4,521,003)</u>	<u>(2,521,003)</u>
NET CHANGE IN FUND BALANCE (GAAP BASIS)	<u>\$ 3,031,889</u>	<u>\$ (4,264,836)</u>	<u>6,230,314</u>	<u>\$ 10,495,150</u>
BASIS ADJUSTMENT:				
Encumbrances (included in Final Budget above)*			<u>1,600,884</u>	
NET CHANGE IN FUND BALANCE (BUDGETARY BASIS)			7,831,198	
FUND BALANCE, BEGINNING OF YEAR			<u>15,206,705</u>	
FUND BALANCE (BUDGETARY BASIS), END OF YEAR			<u>\$ 23,037,903</u>	

* Adjusted to Budgetary Basis.

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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes:				
Sales - levied by City	\$ 7,916,980	\$ 7,916,980	\$ 7,539,791	\$ (377,189)
Intergovernmental:				
Other governmental	-	469,879	1,297,168	827,289
Investment income:				
Interest income	-	-	810,685	810,685
Refunds and reimbursements	-	-	2,529	2,529
Miscellaneous	-	-	7,307	7,307
Total revenues	<u>7,916,980</u>	<u>8,386,859</u>	<u>9,657,480</u>	<u>1,270,621</u>
EXPENDITURES:				
Current:				
Public works	5,340,000	5,870,902	4,333,345	1,537,557
Capital outlay	-	21,277,455	1,232,280	20,045,175
Total expenditures	<u>5,340,000</u>	<u>27,148,357</u>	<u>5,565,625</u>	<u>21,582,732</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES (BUDGETARY BASIS)	<u>2,576,980</u>	<u>(18,761,498)</u>	<u>4,091,855</u>	<u>22,853,353</u>
OTHER FINANCING USES:				
Transfers out	(2,100,000)	(3,496,651)	(2,624,214)	872,437
Total other financing uses	<u>(2,100,000)</u>	<u>(3,496,651)</u>	<u>(2,624,214)</u>	<u>872,437</u>
NET CHANGE IN FUND BALANCE (GAAP BASIS)	<u>\$ 476,980</u>	<u>\$ (22,258,149)</u>	<u>1,467,641</u>	<u>\$ 23,725,790</u>
BASIS ADJUSTMENT:				
Encumbrances (included in Final Budget above)*			<u>(1,857,810)</u>	
NET CHANGE IN FUND BALANCE (BUDGETARY BASIS)			<u>(390,169)</u>	
FUND BALANCE, BEGINNING OF YEAR			<u>18,853,603</u>	
FUND BALANCE (BUDGETARY BASIS), END OF YEAR			<u>\$ 18,463,434</u>	

* Adjusted to Budgetary Basis.

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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes:				
Sales - levied by City	\$ 14,852,687	\$ 14,852,687	\$ 15,406,039	\$ 553,352
Investment income:				
Interest income	186,778	186,778	1,388,782	1,202,004
Total revenues	<u>15,039,465</u>	<u>15,039,465</u>	<u>16,794,821</u>	<u>1,755,356</u>
EXPENDITURES:				
Current:				
Library	4,172,819	4,684,611	3,187,520	1,497,091
Parks and recreation	7,040,657	7,857,877	5,414,634	2,443,243
Capital outlay	-	132,760	202,343	(69,583)
Debt service:				
Principal retirement	-	-	18,046	(18,046)
Interest expense and fiscal charges	-	-	1,955	(1,955)
Total expenditures	<u>11,213,476</u>	<u>12,675,248</u>	<u>8,824,498</u>	<u>3,850,750</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES (BUDGETARY BASIS)	<u>3,825,989</u>	<u>2,364,217</u>	<u>7,970,323</u>	<u>(2,095,394)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(14,541,000)	(14,541,000)	(587,986)	13,953,014
Issuance of debt	-	-	55,827	55,827
Total other financing (sources) uses	<u>(14,541,000)</u>	<u>(14,541,000)</u>	<u>(532,159)</u>	<u>14,008,841</u>
NET CHANGE IN FUND BALANCE (GAAP BASIS)	<u>\$ (10,715,011)</u>	<u>\$ (12,176,783)</u>	<u>7,438,164</u>	<u>\$ 19,614,947</u>
BASIS ADJUSTMENT:				
Encumbrances (included in Final Budget above)*			(850,142)	
NET CHANGE IN FUND BALANCE (BUDGETARY BASIS)			6,588,022	
FUND BALANCE, BEGINNING OF YEAR			33,408,775	
FUND BALANCE (BUDGETARY BASIS), END OF YEAR			<u>\$ 39,996,797</u>	

* Adjusted to Budgetary Basis.

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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes:				
Sales - levied by City	\$ 15,328,904	\$ 15,328,904	\$ 15,406,874	\$ 77,970
Investment income:				
Interest income	-	-	397,545	397,545
Total revenues	<u>15,328,904</u>	<u>15,328,904</u>	<u>15,804,419</u>	<u>475,515</u>
EXPENDITURES:				
Current:				
Public safety	15,407,904	15,444,251	15,275,879	168,372
Capital outlay	100,000	290,116	308,491	(18,375)
Debt service:				
Principal retirement	-	-	9,986	(9,986)
Interest and fiscal charges	-	-	476	(476)
Total expenditures	<u>15,507,904</u>	<u>15,734,367</u>	<u>15,594,832</u>	<u>139,535</u>
OTHER FINANCING SOURCES:				
Transfers in	-	-	118,182	118,182
Total other financing sources	<u>-</u>	<u>-</u>	<u>118,182</u>	<u>118,182</u>
NET CHANGE IN FUND BALANCE (GAAP BASIS)	<u>\$ (179,000)</u>	<u>\$ (405,463)</u>	<u>\$ 327,769</u>	<u>\$ 733,232</u>
BASIS ADJUSTMENT:				
Encumbrances (included in Final Budget above)*			<u>(151,098)</u>	
NET CHANGE IN FUND BALANCE (BUDGETARY BASIS)			176,671	
FUND BALANCE, BEGINNING OF YEAR			<u>12,914,043</u>	
FUND BALANCE (BUDGETARY BASIS), END OF YEAR			<u>\$ 13,090,714</u>	

* Adjusted to Budgetary Basis.

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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes:				
Business license	\$ 1,720,000	\$ 1,720,000	\$ 1,745,026	\$ 25,026
Charges for services	4,784,709	4,784,709	4,699,257	(85,452)
Investment income:				
Interest income	-	-	790,252	790,252
Miscellaneous	-	-	18,249	18,249
Total revenues	<u>6,504,709</u>	<u>6,504,709</u>	<u>7,252,784</u>	<u>748,075</u>
EXPENDITURES:				
Current:				
General government	1,720,000	1,720,000	1,594,806	125,194
Public works	3,745,100	6,655,403	3,675,508	2,979,895
Total expenditures	<u>5,465,100</u>	<u>8,375,403</u>	<u>5,270,314</u>	<u>3,105,089</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES (BUDGETARY BASIS)	<u>1,039,609</u>	<u>(1,870,694)</u>	<u>1,982,470</u>	<u>3,853,164</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	7,566	7,565	-	(7,565)
Transfers out	(7,566)	(8,267)	-	8,267
Total other financing sources uses	<u>-</u>	<u>(702)</u>	<u>-</u>	<u>702</u>
NET CHANGE IN FUND BALANCE (GAAP BASIS)	<u>\$ 1,039,609</u>	<u>\$ (1,871,396)</u>	<u>\$ 1,982,470</u>	<u>\$ 3,853,866</u>
BASIS ADJUSTMENT:				
Encumbrances (included in Final Budget above)*			<u>(595,112)</u>	
NET CHANGE IN FUND BALANCE (BUDGETARY BASIS)			1,387,358	
FUND BALANCE, BEGINNING OF YEAR			<u>19,739,339</u>	
FUND BALANCE (BUDGETARY BASIS), END OF YEAR (DEFICIT)			<u>\$ 21,126,697</u>	

* Adjusted to Budgetary Basis.

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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Licenses and permits	\$ 9,235,548	\$ 9,235,548	\$ 9,661,484	\$ 425,936
Charges for services	13,208,875	13,208,875	11,879,525	(1,329,350)
Fines and forfeitures	105,094	105,094	232,093	126,999
Interest income	(137,750)	(137,750)	1,466,904	1,604,654
Refunds and reimbursements	1,500	1,500	3,100	1,600
Miscellaneous	40,750	40,750	69,309	28,559
Total revenues	<u>22,454,017</u>	<u>22,454,017</u>	<u>23,312,415</u>	<u>858,398</u>
EXPENDITURES:				
Current:				
General government	8,968,737	11,561,440	7,278,116	4,283,324
Public safety	7,614,588	9,958,298	9,155,448	802,850
Capital outlay	24,666	24,666	1,912,461	(1,887,795)
Debt service:				
Principal retirement	-	-	355,945	(355,945)
Total expenditures	<u>16,607,991</u>	<u>21,544,404</u>	<u>18,701,970</u>	<u>2,842,434</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES (BUDGETARY BASIS)	<u>5,846,026</u>	<u>909,613</u>	<u>4,610,445</u>	<u>3,700,832</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	800,000	800,000	800,000	-
Transfers out	-	(89,220)	-	89,220
Issuance of debt	-	-	1,912,461	1,912,461
Total other financing sources (uses)	<u>800,000</u>	<u>710,780</u>	<u>2,712,461</u>	<u>2,001,681</u>
NET CHANGE IN FUND BALANCE (GAAP BASIS)	<u>\$ 6,646,026</u>	<u>\$ 1,620,393</u>	<u>7,322,906</u>	<u>\$ 5,702,513</u>
BASIS ADJUSTMENT:				
Encumbrances (included in Final Budget above)*			<u>(2,696,226)</u>	
NET CHANGE IN FUND BALANCE (BUDGETARY BASIS)			4,626,680	
FUND BALANCE, BEGINNING OF YEAR			<u>38,991,564</u>	
FUND BALANCE (BUDGETARY BASIS), END OF YEAR			<u>\$ 43,618,244</u>	

* Adjusted to Budgetary Basis.

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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Licenses and permits	\$ 55,500	\$ 55,500	\$ 23,592	\$ (31,908)
Intergovernmental:				
Federal grants and subsidies	3,000	3,000	14,386	11,386
Other governmental	1,430,000	3,486,298	4,301,010	814,712
Charges for services	100,304	100,304	91,190	(9,114)
Use of money and property	9,600	9,600	31,186	21,586
Interest income	4,258	4,258	183,419	179,161
Miscellaneous	413,733	455,739	516,847	61,108
Total revenues	2,016,395	4,114,699	5,161,630	1,046,931
EXPENDITURES:				
Current:				
General government	1,010,715	1,010,715	270,083	740,632
Public safety	2,401,742	4,190,011	3,338,621	851,390
Public works	357,814	535,262	510,822	24,440
Library	-	50,000	69,532	(19,532)
Parks and recreation	20,000	20,000	-	20,000
Capital outlay	54,313	449,032	550,349	(101,317)
Total expenditures	3,844,584	6,255,020	4,739,407	1,515,613
NET CHANGE IN FUND BALANCE (GAAP BASIS)	\$ (1,828,189)	\$ (2,140,321)	422,223	\$ 2,562,544
BASIS ADJUSTMENT:				
Encumbrances (included in Final Budget above)*			(4,674,015)	
NET CHANGE IN FUND BALANCE (BUDGETARY BASIS)			(4,251,792)	
FUND BALANCE, BEGINNING OF YEAR (AS RESTATED)			6,266,754	
FUND BALANCE (BUDGETARY BASIS), END OF YEAR			\$ 2,014,962	

* Adjusted to Budgetary Basis.

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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Other governmental	\$ 610,737	\$ 610,737	\$ 493,476	\$ (117,261)
Total revenues	<u>610,737</u>	<u>610,737</u>	<u>493,476</u>	<u>(117,261)</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>610,737</u>	<u>325,127</u>	<u>493,476</u>	<u>168,349</u>
OTHER FINANCING USES:				
Transfers out	(610,737)	(610,737)	(263,776)	346,961
Total other financing uses	<u>(610,737)</u>	<u>(610,737)</u>	<u>(263,776)</u>	<u>346,961</u>
NET CHANGES IN FUND BALANCE	<u>\$ -</u>	<u>\$ (285,610)</u>	<u>229,700</u>	<u>\$ 515,310</u>
BASIS ADJUSTMENT:				
Encumbrances (included in Final Budget above)*			-	
NET CHANGE IN FUND BALANCE (BUDGETARY BASIS)			229,700	
FUND BALANCE, BEGINNING OF YEAR			1,571,569	
FUND BALANCE (BUDGETARY BASIS), END OF YEAR			<u>\$ 1,801,269</u>	

* Adjusted to Budgetary Basis.

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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Charges for services	\$ 6,827,310	\$ 6,827,310	\$ 6,123,737	\$ (703,573)
Use of money and property	-	-	58,518	58,518
Interest income	37,250	37,250	2,788,596	2,751,346
Total revenues	<u>6,864,560</u>	<u>6,864,560</u>	<u>8,970,851</u>	<u>2,106,291</u>
EXPENDITURES:				
Current:				
General government	351,721	817,950	613,762	204,188
Public works	-	196,886	145,800	51,086
Capital outlay	-	26,576,872	4,414,749	22,162,123
Total expenditures	<u>351,721</u>	<u>27,591,708</u>	<u>5,174,311</u>	<u>22,417,397</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES (BUDGETARY BASIS)	<u>6,512,839</u>	<u>(20,727,148)</u>	<u>3,796,540</u>	<u>(20,311,106)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	378,844	503,844	-	(503,844)
Transfers out	(1,178,844)	(2,846,092)	(860,667)	1,985,425
Total other financing (sources) uses	<u>(800,000)</u>	<u>(2,342,248)</u>	<u>(860,667)</u>	<u>1,481,581</u>
NET CHANGE IN FUND BALANCE (GAAP BASIS)	<u>\$ 5,712,839</u>	<u>\$ (23,069,396)</u>	<u>2,935,873</u>	<u>\$ 26,005,269</u>
BASIS ADJUSTMENT:				
Encumbrances (included in Final Budget above)*			<u>(7,026,291)</u>	
NET CHANGE IN FUND BALANCE (BUDGETARY BASIS)			<u>(4,090,418)</u>	
FUND BALANCE, BEGINNING OF YEAR			<u>65,919,466</u>	
FUND BALANCE (BUDGETARY BASIS), END OF YEAR			<u>\$ 61,829,048</u>	

* Adjusted to Budgetary Basis.

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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Interest income	\$ -	\$ -	\$ (113,405)	\$ (113,405)
Miscellaneous	1,737,744	1,764,364	1,700,364	(64,000)
Total revenues	<u>1,737,744</u>	<u>1,764,364</u>	<u>1,586,959</u>	<u>(177,405)</u>
EXPENDITURES:				
Current:				
General government	265,100	301,251	203,428	97,823
Debt service:				
Principal retirement	237,557	237,557	237,557	-
Interest and fiscal charges	9,214,594	10,287,594	10,287,594	-
Total expenditures	<u>9,717,251</u>	<u>10,826,402</u>	<u>10,728,579</u>	<u>97,823</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES (BUDGETARY BASIS)	<u>(7,979,507)</u>	<u>(9,062,038)</u>	<u>(9,141,620)</u>	<u>(79,582)</u>
OTHER FINANCING SOURCES:				
Transfers in	7,988,425	9,061,425	9,061,425	-
Total other financing sources	<u>7,988,425</u>	<u>9,061,425</u>	<u>9,061,425</u>	<u>-</u>
NET CHANGE IN FUND BALANCE (GAAP BASIS)	<u>\$ 8,918</u>	<u>\$ (613)</u>	<u>(80,195)</u>	<u>\$ (79,582)</u>
BASIS ADJUSTMENT:				
Encumbrances (included in Final Budget above)*			<u>(99,842)</u>	
NET CHANGE IN FUND BALANCE (BUDGETARY BASIS)			<u>(180,037)</u>	
FUND BALANCE, BEGINNING OF YEAR			<u>2,069,849</u>	
FUND BALANCE (BUDGETARY BASIS), END OF YEAR			<u>\$ 1,889,812</u>	

* Adjusted to Budgetary Basis.



CITY OF STOCKTON



NONMAJOR ENTERPRISE FUNDS



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NONMAJOR ENTERPRISE FUNDS

Enterprise funds are self-supporting government funds that sells 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. The fund was closed to the City's General Fund as of July 1, 2023.

City of Stockton
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2024

	Stormwater Utility	Parking Authority	Downtown Marina	Golf Courses
ASSETS				
Current assets:				
Cash and investments	\$ 7,822,755	\$ 3,298,481	\$ 265,663	\$ -
Receivables, net:				
Interest	37,300	32,663	541	-
Accounts and other receivables	167,390	-	52,449	-
Deposits and advances	45,482	128,984	-	-
Prepays items	556	-	25,150	-
Total current assets	8,073,483	3,460,128	343,803	-
Noncurrent assets:				
Restricted assets:				
Cash and investments with fiscal agents	-	3,776,321	-	-
Loans receivable	-	190,000	-	-
Capital assets, net:				
Nondepreciable	1,688,867	5,738,160	-	-
Depreciable and amortizable, net	42,517,384	19,558,974	19,687,010	-
Total noncurrent assets	44,206,251	29,263,455	19,687,010	-
Total assets	52,279,734	32,723,583	20,030,813	-
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized loss on refunding of debt	-	392,599	-	-
Pension-related deferred outflows	350,263	-	-	-
Total deferred outflows of resources	350,263	392,599	-	-

City of Stockton
Combining Statement of Net Position (Continued)
Nonmajor Enterprise Funds
June 30, 2024

ASSETS	Totals
Current assets:	
Cash and investments	\$ 11,386,899
Receivables, net:	
Interest	70,504
Accounts and other receivables	219,839
Deposits and advances	174,466
Prepays items	25,706
Total current assets	11,877,414
Noncurrent assets:	
Restricted assets:	
Cash and investments with fiscal agents	3,776,321
Loans receivable	190,000
Capital assets, net:	
Nondepreciable	7,427,027
Depreciable and amortizable, net	81,763,368
Total noncurrent assets	93,156,716
Total assets	105,034,130
 DEFERRED OUTFLOWS OF RESOURCES	
Unamortized loss on refunding of debt	392,599
Pension-related deferred outflows	350,263
Total deferred outflows of resources	742,862

City of Stockton
Combining Statement of Net Position (Continued)
Nonmajor Enterprise Funds
June 30, 2024

	Stormwater Utility	Parking Authority	Downtown Marina	Golf Courses
LIABILITIES				
Current liabilities:				
Accounts payable	161,463	43,146	45,724	-
Accrued payroll	114,886	32,056	-	-
Loans from other funds - current	-	666,487	-	-
Deposits and other liabilities	102,009	-	69,095	-
Retention payable	2,812	-	-	-
Accrued interest	-	422,223	-	-
Compensated absences - current	156,828	21,804	-	-
Lease liabilities - due in one year	-	183,596	-	-
Bonds payable - current	-	779,710	-	-
Total current liabilities	537,998	2,149,022	114,819	-
Noncurrent liabilities:				
Compensated absences - long-term	80,739	14,433	-	-
Lease liabilities - due in more than one year	-	2,127,717	-	-
Loans from other funds - long-term	-	5,046,532	-	-
Bonds payable	-	27,178,716	10,870,821	-
Net pension liability	1,026,811	-	-	-
Total noncurrent liabilities	1,107,550	34,367,398	10,870,821	-
Total liabilities	1,645,548	36,516,420	10,985,640	-
DEFERRED INFLOWS OF RESOURCES				
Pension-related deferred inflows	9,841	-	-	-
Total deferred inflows of resources	9,841	-	-	-
NET POSITION				
Net investment in capital assets	44,203,439	(4,580,006)	8,816,189	-
Restricted for capital projects	-	1,996,012	-	-
Restricted for debt service	-	1,780,309	-	-
Unrestricted (deficit)	6,771,169	(2,596,553)	228,984	-
Total net position	\$ 50,974,608	\$ (3,400,238)	\$ 9,045,173	\$ -

City of Stockton
Combining Statement of Net Position (Continued)
Nonmajor Enterprise Funds
June 30, 2024

	Totals
LIABILITIES	
Current liabilities:	
Accounts payable	250,333
Accrued payroll	146,942
Loans from other funds - current	666,487
Deposits and other liabilities	171,104
Retention payable	2,812
Accrued interest	422,223
Compensated absences - current	178,632
Lease liabilities - due in one year	183,596
Bonds payable - current	779,710
Total current liabilities	2,801,839
Noncurrent liabilities:	
Compensated absences - long-term	95,172
Lease liabilities - due in more than one year	2,127,717
Loans from other funds - long-term	5,046,532
Bonds payable	38,049,537
Net pension liability	1,026,811
Total noncurrent liabilities	46,345,769
Total liabilities	49,147,608
DEFERRED INFLOWS OF RESOURCES	
Pension-related deferred inflows	9,841
Total deferred inflows of resources	9,841
NET POSITION	
Net investment in capital assets	48,439,622
Restricted for capital projects	1,996,012
Restricted for debt service	1,780,309
Unrestricted (deficit)	4,403,600
Total net position	\$ 56,619,543

City of Stockton
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2024

	Stormwater Utility	Parking Authority	Downtown Marina	Golf Courses
OPERATING REVENUES:				
Charges for services	\$ 5,843,883	\$ 5,432,560	\$ 385,924	\$ -
Miscellaneous	149,509	2,778	43,386	-
Total operating revenues	5,993,392	5,435,338	429,310	-
OPERATING EXPENSES:				
Operation and maintenance	4,252,569	2,908,649	684,865	-
General and administrative	2,714,104	764,660	9,596	-
Depreciation and amortization	1,821,557	993,835	547,407	-
Total operating expenses	8,788,230	4,667,144	1,241,868	-
OPERATING INCOME (LOSS)	(2,794,838)	768,194	(812,558)	-
NONOPERATING REVENUES (EXPENSES):				
Taxes	-	1,574,103	-	-
Grants and subsidies	-	245,839	-	-
Investment income:				
Interest income	366,661	243,928	2,306	-
Interest expense and fiscal charges	(37)	(1,100,097)	-	-
Total nonoperating revenues (expenses)	366,624	963,773	2,306	-
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(2,428,214)	1,731,967	(810,252)	-
CONTRIBUTIONS AND TRANSFERS:				
Developer contributions	4,000,581	-	-	-
Contribution to governmental activities	-	-	-	(770,057)
Transfers in	-	-	262,000	-
Transfers out	(51,122)	-	-	(152,206)
Total contributions and transfers	3,949,459	-	262,000	(922,263)
CHANGES IN NET POSITION	1,521,245	1,731,967	(548,252)	(922,263)
NET POSITION (DEFICIT):				
Beginning of year	49,453,363	(5,132,205)	9,593,425	922,263
End of year	<u>\$ 50,974,608</u>	<u>\$ (3,400,238)</u>	<u>\$ 9,045,173</u>	<u>\$ -</u>

City of Stockton
Combining Statement of Revenues, Expenses, and Changes in Net Position (Continued)
Nonmajor Enterprise Funds
For the Year Ended June 30, 2024

	Totals
OPERATING REVENUES:	
Charges for services	\$ 11,662,367
Miscellaneous	195,673
Total operating revenues	<u>11,858,040</u>
OPERATING EXPENSES:	
Operation and maintenance	7,846,083
General and administrative	3,488,360
Depreciation and amortization	3,362,799
Total operating expenses	<u>14,697,242</u>
OPERATING INCOME (LOSS)	<u>(2,839,202)</u>
NONOPERATING REVENUES (EXPENSES):	
Taxes	1,574,103
Grants and subsidies	245,839
Investment income:	
Interest income	612,895
Interest expense and fiscal charges	(1,100,134)
Total nonoperating revenues (expenses)	<u>1,332,703</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>(1,506,499)</u>
CONTRIBUTIONS AND TRANSFERS:	
Developer contributions	4,000,581
Contribution to governmental activities	(770,057)
Transfers in	262,000
Transfers out	(203,328)
Total contributions and transfers	<u>3,289,196</u>
CHANGES IN NET POSITION	1,782,697
NET POSITION (DEFICIT):	
Beginning of year	54,836,846
End of year	<u><u>\$ 56,619,543</u></u>

City of Stockton
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2024

	Stormwater Utility	Parking Authority	Downtown Marina	Golf Courses
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 6,506,658	\$ 5,432,560	\$ 362,942	\$ 4,629
Payments to suppliers and employees	(7,035,630)	(3,900,648)	(674,831)	(53,142)
Miscellaneous receipts	149,509	2,778	43,386	-
Net cash provided by (used in) operating activities	(379,463)	1,534,690	(268,503)	(48,513)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers in (out), net	(51,122)	-	262,000	(152,206)
Loans to and from other funds	-	(655,208)	-	-
Receipt of cash subsidies and federal grants	-	-	-	-
Proceeds from taxes	-	1,819,942	-	-
Net cash provided by (used in) noncapital financing activities	(51,122)	1,164,734	262,000	(152,206)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from sale of capital assets	43,192	-	-	-
Purchases of capital assets	(4,516,904)	(472,570)	-	-
Capital contributions received	4,000,581	-	-	-
Proceeds from issuance of debt	-	-	-	-
Principal paid on debt	(3,954)	(921,459)	-	-
Interest paid on debt	(37)	(1,114,833)	-	-
Net cash (used in) capital and related financing activities	(477,122)	(2,508,862)	-	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment earnings	363,782	243,501	2,134	766
Net cash provided by investing activities	363,782	243,501	2,134	766
NET INCREASE (DECREASE) IN CASH AND CASH	(543,925)	434,063	(4,369)	(199,953)
CASH AND CASH EQUIVALENTS:				
Beginning of year	8,366,680	6,640,739	270,032	199,953
End of year	<u>\$ 7,822,755</u>	<u>\$ 7,074,802</u>	<u>\$ 265,663</u>	<u>\$ -</u>

City of Stockton
Combining Statement of Cash Flows (Continued)
Nonmajor Enterprise Funds
For the Year Ended June 30, 2024

	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers and users	\$ 12,306,789
Payments to suppliers and employees	(11,664,251)
Miscellaneous receipts	195,673
Net cash provided by (used in) operating activities	838,211
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Transfers in (out), net	58,672
Loans to and from other funds	(655,208)
Receipt of cash subsidies and federal grants	-
Proceeds from taxes	1,819,942
Net cash provided by (used in) noncapital financing activities	1,223,406
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Proceeds from sale of capital assets	43,192
Purchases of capital assets	(4,989,474)
Capital contributions received	4,000,581
Proceeds from issuance of debt	-
Principal paid on debt	(925,413)
Interest paid on debt	(1,114,870)
Net cash (used in) capital and related financing activities	(2,985,984)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investment earnings	610,183
Net cash provided by investing activities	610,183
NET INCREASE (DECREASE) IN CASH AND CASH	(314,184)
CASH AND CASH EQUIVALENTS:	
Beginning of year	15,477,404
End of year	\$ 15,163,220

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	\$ 7,822,755	\$ 3,298,481	\$ 265,663	\$ -
Restricted assets:				
Cash and investments with fiscal agents	-	3,776,321	-	-
Total cash and investments	<u>\$ 7,822,755</u>	<u>\$ 7,074,802</u>	<u>\$ 265,663</u>	<u>\$ -</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	\$ (2,794,838)	\$ 768,194	\$ (812,558)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation and amortization	1,821,557	993,835	547,407	-
Changes in assets and liabilities:				
Accounts receivables	662,775	-	(22,982)	4,051
Prepaid items	51,558	-	(17,088)	761
Lease receivable	-	-	-	33,073
Lease related deferred inflows	-	-	-	(32,495)
Deposits and advances	(45,482)	(30,813)	-	-
Accounts payable	(157,364)	(222,239)	15,965	(49,673)
Accrued payroll	13,323	2,307	-	(2,205)
Accrued liabilities	-	-	(25)	-
Deposits and other liabilities	(322)	-	20,778	(2,025)
Compensated absences	98,359	23,406	-	-
Net pension liability	(71,159)	-	-	-
Pension-related deferred outflows	70,871	-	-	-
Pension-related deferred inflows	(28,741)	-	-	-
Net cash provided by (used in) operating activities	<u>\$ (379,463)</u>	<u>\$ 1,534,690</u>	<u>\$ (268,503)</u>	<u>\$ (48,513)</u>
NONCASH TRANSACTIONS:				
Amortization of loss on refunding	\$ -	\$ (392,599)	\$ -	\$ -
Capital contributions received	4,000,581	-	-	-
Capital contributions provided	-	-	-	(770,057)
Total noncash capital and related financing activities	<u>\$ 4,000,581</u>	<u>\$ (392,599)</u>	<u>\$ -</u>	<u>\$ (770,057)</u>

City of Stockton
Combining Statement of Cash Flows (Continued)
Nonmajor Enterprise Funds
For the Year Ended June 30, 2024

	<u>Totals</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS	
TO THE STATEMENT OF NET POSITION -	
PROPRIETARY FUNDS:	
Cash and investments	\$ 11,386,899
Restricted assets:	
Cash and investments with fiscal agents	3,776,321
Total cash and investments	<u><u>\$ 15,163,220</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET	
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:	
Operating income (loss)	\$ (2,839,202)
Adjustments to reconcile operating income (loss)	
to net cash provided by (used for) operating activities:	
Depreciation and amortization	3,362,799
Changes in assets and liabilities:	
Accounts receivables	643,844
Prepaid items	35,231
Lease receivable	33,073
Lease related deferred inflows	(32,495)
Deposits and advances	(76,295)
Accounts payable	(413,311)
Accrued payroll	13,425
Accrued liabilities	(25)
Deposits and other liabilities	18,431
Compensated absences	121,765
Net pension liability	(71,159)
Pension-related deferred outflows	70,871
Pension-related deferred inflows	(28,741)
Net cash provided by (used in) operating activities	<u><u>\$ 838,211</u></u>
NONCASH TRANSACTIONS:	
Amortization of loss on refunding	\$ (392,599)
Capital contributions received	4,000,581
Capital contributions provided	(770,057)
Total noncash capital and related financing activities	<u><u>\$ 2,837,925</u></u>



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CITY OF STOCKTON



INTERNAL SERVICE FUNDS



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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, 2024

	General Liability Insurance	Workers' Compensation Insurance	Employee Health Insurance	Retirement Benefits	Other Benefits & Insurance
ASSETS					
Current assets:					
Cash and investments	\$ 24,784,240	\$ 52,137,602	\$ 5,326,827	\$ 30,895,008	\$ 2,953,669
Receivables, net:					
Interest	92,716	294,111	14,278	233,185	9,847
Accounts and other receivables	536,091	524,333	-	8,023	-
Inventories	-	-	-	-	-
Deposits and advances	-	446	130,576	-	-
Prepaid items	-	-	1,785,082	-	-
Loans to other funds - short-term	-	1,095,577	-	-	-
Total current assets	25,413,047	54,052,069	7,256,763	31,136,216	2,963,516
Noncurrent assets:					
Restricted assets:					
Cash and investments	-	-	-	80,238,463	-
Loans to other funds - long-term	-	5,561,687	-	-	-
Capital assets, net:					
Nondepreciable	-	-	-	-	-
Depreciable and amortizable, net	172,992	128,143	-	-	-
Total noncurrent assets	172,992	5,689,830	-	80,238,463	-
Total assets	25,586,039	59,741,899	7,256,763	111,374,679	2,963,516
LIABILITIES					
Current liabilities:					
Accounts payable	88,895	1,183	258,138	4,691,852	36,250
Accrued payroll	62,791	29,220	44,592	4,298	-
Deposits and other liabilities	-	49,104	-	-	-
Accrued interest	-	-	-	-	-
Compensated absences - due in one year	56,852	10,072	17,530	4,619	-
Lease payable - due in one year	-	-	-	-	-
Subscription liability - due in one year	67,016	48,460	-	-	-
Claims payable, due in one year	5,300,199	7,599,000	-	-	-
Loans from other funds- current	-	-	-	-	-
Total current liabilities	5,575,753	7,737,039	320,260	4,700,769	36,250
Noncurrent liabilities:					
Compensated absences - due in more than one year	29,483	11,116	8,147	-	-
Lease payable - due in more than one year	-	-	-	-	-
Subscription liability - due in more than one year	83,720	51,217	-	-	-
Claims payable, due in more than one year	23,646,348	43,514,000	-	-	-
Loans from other funds- due in more than one year	-	-	-	-	-
Total noncurrent liabilities	23,759,551	43,576,333	8,147	-	-
Total liabilities	29,335,304	51,313,372	328,407	4,700,769	36,250
NET POSITION					
Net investment in capital assets	22,256	28,466	-	-	-
Restricted for pensions	-	-	-	80,238,463	-
Unrestricted	(3,771,521)	8,400,061	6,928,356	26,435,447	2,927,266
Total net position	\$ (3,749,265)	\$ 8,428,527	\$ 6,928,356	\$ 106,673,910	\$ 2,927,266

City of Stockton
Combining Statement of Net Position (Continued)
Internal Service Funds
June 30, 2024

	Vehicle Fleet Equipment	Computer and Radio Equipment	Other Equipment	Total
ASSETS				
Current assets:				
Cash and investments	\$ 16,938,535	\$ 46,448,716	\$ 1,459,758	\$ 180,944,355
Receivables, net:				
Interest	99,034	223,632	7,005	973,808
Accounts and other receivables	-	-	-	1,068,447
Inventories	-	479,682	-	479,682
Deposits and advances	283,055	138,125	-	552,202
Prepaid items	-	214,150	32,726	2,031,958
Loans to other funds - short-term	-	-	-	1,095,577
Total current assets	17,320,624	47,504,305	1,499,489	187,146,029
Noncurrent assets:				
Restricted assets:				
Cash and investments	-	-	-	80,238,463
Loans to other funds - long-term	-	-	-	5,561,687
Capital assets, net:				
Nondepreciable	8,740,669	25,837,611	-	34,578,280
Depreciable and amortizable, net	23,371,701	12,170,750	99,060	35,942,646
Total noncurrent assets	32,112,370	38,008,361	99,060	156,321,076
Total assets	49,432,994	85,512,666	1,598,549	343,467,105
LIABILITIES				
Current liabilities:				
Accounts payable	209,598	907,105	22,535	6,215,556
Accrued payroll	140,284	298,665	9,411	589,261
Deposits and other liabilities	-	-	-	49,104
Accrued interest	7,782	-	91	7,873
Compensated absences - due in one year	102,809	202,702	18,210	412,794
Lease payable - due in one year	-	200,250	50,681	250,931
Subscription liability - due in one year	32,323	2,542,790	-	2,690,589
Claims payable, due in one year	-	-	-	12,899,199
Loans from other funds- current	429,089	-	-	429,089
Total current liabilities	921,885	4,151,512	100,928	23,544,396
Noncurrent liabilities:				
Compensated absences - due in more than one year	41,693	151,166	11,236	252,841
Lease payable - due in more than one year	-	-	50,965	50,965
Subscription liability - due in more than one year	-	3,629,194	-	3,764,131
Claims payable, due in more than one year	-	-	-	67,160,348
Loans from other funds- due in more than one year	515,156	-	-	515,156
Total noncurrent liabilities	556,849	3,780,360	62,201	71,743,441
Total liabilities	1,478,734	7,931,872	163,129	95,287,837
NET POSITION				
Net investment in capital assets	32,080,047	31,636,127	(2,586)	63,764,310
Restricted for pensions	-	-	-	80,238,463
Unrestricted	15,874,213	45,944,667	1,438,006	104,176,495
Total net position	\$ 47,954,260	\$ 77,580,794	\$ 1,435,420	\$ 248,179,268

City of Stockton
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2024

	General Liability Insurance	Workers' Compensation Insurance	Employee Health Insurance	Retirement Benefits	Other Benefits and Insurance
OPERATING REVENUES:					
Charges for services	\$ 15,570,276	\$ 14,791,386	\$ 25,843,431	\$ 86,593,125	\$ 3,372,580
Miscellaneous	212,796	92	-	-	-
Total operating revenues	15,783,072	14,791,478	25,843,431	86,593,125	3,372,580
OPERATING EXPENSES:					
Operation and maintenance	17,596,708	7,435,678	22,884,708	79,467,577	1,841,657
General and administrative	2,018,123	4,110,556	1,236,138	3,585	622
Depreciation and amortization	43,976	20,668	-	-	-
Total operating expenses	19,658,807	11,566,902	24,120,846	79,471,162	1,842,279
OPERATING INCOME (LOSS)	(3,875,735)	3,224,576	1,722,585	7,121,963	1,530,301
NONOPERATING REVENUES (EXPENSES):					
Investment income:					
Interest income	889,377	1,852,766	179,849	9,181,487	76,480
Interest expense and fiscal charges	(533)	(366)	-	-	-
Other nonoperating revenues	-	-	17,509	-	2,025
Loss on disposal of lease asset	-	-	-	-	-
Total nonoperating revenues (expenses)	888,844	1,852,400	197,358	9,181,487	78,505
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(2,986,891)	5,076,976	1,919,943	16,303,450	1,608,806
CAPITAL CONTRIBUTIONS AND TRANSFERS					
Capital contributions	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total capital contributions and transfers	-	-	-	-	-
CHANGES IN NET POSITION	(2,986,891)	5,076,976	1,919,943	16,303,450	1,608,806
NET POSITION:					
Beginning of year	(762,374)	3,351,551	5,008,413	90,370,460	1,318,460
End of year	\$ (3,749,265)	\$ 8,428,527	\$ 6,928,356	\$ 106,673,910	\$ 2,927,266

City of Stockton
Combining Statement of Revenues, Expenses, and Changes in Net Position (Continued)
Internal Service Funds
For the Year Ended June 30, 2024

	Vehicle Fleet Equipment	Computer and Radio Equipment	Other Equipment	Total
OPERATING REVENUES:				
Charges for services	\$ 14,871,069	\$ 17,858,266	\$ 351,360	\$ 179,251,493
Miscellaneous	95	-	-	212,983
Total operating revenues	14,871,164	17,858,266	351,360	179,464,476
OPERATING EXPENSES:				
Operation and maintenance	8,165,270	11,500,393	350,785	149,242,776
General and administrative	1,298,288	278,322	7,424	8,953,058
Depreciation and amortization	3,248,199	4,385,491	55,685	7,754,019
Total operating expenses	12,711,757	16,164,206	413,894	165,949,853
OPERATING INCOME (LOSS)	2,159,407	1,694,060	(62,534)	13,514,623
NONOPERATING REVENUES (EXPENSES):				
Investment income:				
Interest income	767,335	1,850,858	58,574	14,856,726
Interest expense and fiscal charges	(23,371)	(81,267)	(770)	(106,307)
Other nonoperating revenues	302,227	-	-	321,761
Loss on disposal of lease asset	-	(761,285)	-	(761,285)
Total nonoperating revenues (expenses)	1,046,191	1,008,306	57,804	14,310,895
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	3,205,598	2,702,366	(4,730)	27,825,518
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital contributions	3,351,717	154,022	-	3,505,739
Transfers in	801,846	-	-	801,846
Transfers out	(1,300,000)	(75,030)	-	(1,375,030)
Total capital contributions and transfers	2,853,563	78,992	-	2,932,555
CHANGES IN NET POSITION	6,059,161	2,781,358	(4,730)	30,758,073
NET POSITION:				
Beginning of year	41,895,099	74,799,436	1,440,150	217,421,195
End of year	\$ 47,954,260	\$ 77,580,794	\$ 1,435,420	\$ 248,179,268

City of Stockton
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2024

	General Liability Insurance	Workers' Compensation Insurance	Employee Health Insurance	Retirement Benefits	Other Benefits & Insurance
CASH FLOWS FROM OPERATING					
Receipts for interfund services provided	\$ 15,769,251	\$ 18,145,126	\$ 25,843,431	\$ 86,585,102	\$ 3,372,580
Payments to suppliers and employees	(19,239,882)	(11,584,246)	(23,933,728)	(80,325,604)	(1,902,111)
Claims and insurance paid	5,441,922	550,000	-	-	-
Net cash provided by (used in) operating activities	1,971,291	7,110,880	1,909,703	6,259,498	1,470,469
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers in and out	-	-	-	-	-
Loans to and from other funds	-	1,095,576	-	-	-
Other nonoperating revenues	-	-	17,509	-	2,025
Net cash provided by (used in) noncapital financing activities	-	1,095,576	17,509	-	2,025
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Purchases of capital assets	-	-	-	-	-
Principal paid on debt	(66,232)	(49,134)	-	-	-
Interest paid on debt	(533)	(366)	-	-	-
Net cash (used in) capital and related financing activities	(66,765)	(49,500)	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment earnings	879,322	1,800,029	175,762	9,028,833	75,260
Net cash provided by investing activities	879,322	1,800,029	175,762	9,028,833	75,260
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,783,848	9,956,985	2,102,974	15,288,331	1,547,754
CASH AND CASH EQUIVALENTS:					
Beginning of year	22,000,392	42,180,617	3,223,853	95,845,140	1,405,915
End of year	\$ 24,784,240	\$ 52,137,602	\$ 5,326,827	\$ 111,133,471	\$ 2,953,669
RECONCILIATION OF CASH AND INVESTMENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS:					
Cash and investments	\$ 24,784,240	\$ 52,137,602	\$ 5,326,827	\$ 30,895,008	\$ 2,953,669
Restricted assets:					
Cash with investments fiscal agents	-	-	-	80,238,463	-
Total cash and investments	\$ 24,784,240	\$ 52,137,602	\$ 5,326,827	\$ 111,133,471	\$ 2,953,669
NONCASH ITEMS:					
Acquisition of subscription assets	\$ 216,968	\$ 148,811	\$ -	\$ -	\$ -
Issuance of subscription liabilities	\$ 216,968	\$ 148,811	\$ -	\$ -	\$ -

City of Stockton
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Year Ended June 30, 2024

	Vehicle Fleet Equipment	Computer and Radio Equipment	Other Equipment	Total
ACTIVITIES:				
Receipts for interfund services provided	\$ 14,989,757	\$ 17,858,266	\$ 351,360	\$ 182,914,873
Payments to suppliers and employees	(9,414,489)	(9,793,741)	(327,587)	(156,521,388)
Claims and insurance paid	-	-	-	5,991,922
Net cash provided by (used in) operating activities	5,575,268	8,064,525	23,773	32,385,407
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers in and out	(498,154)	(75,030)	-	(573,184)
Loans to and from other funds	(420,600)	-	-	674,976
Other nonoperating revenues	302,227	-	-	321,761
Net cash provided by (used in) noncapital financing activities	(616,527)	(75,030)	-	423,553
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchases of capital assets	(8,400,339)	(4,414,173)	-	(12,814,512)
Principal paid on debt	(76,380)	(3,292,538)	(50,397)	(3,534,681)
Interest paid on debt	(26,824)	(81,267)	(770)	(109,760)
Net cash (used in) capital and related financing activities	(8,503,543)	(7,787,978)	(51,167)	(16,458,953)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment earnings	744,361	1,812,258	57,357	14,573,182
Net cash provided by investing activities	744,361	1,812,258	57,357	14,573,182
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,800,441)	2,013,775	29,963	30,923,189
CASH AND CASH EQUIVALENTS:				
Beginning of year	19,738,976	44,434,941	1,429,795	230,259,629
End of year	<u>\$ 16,938,535</u>	<u>\$ 46,448,716</u>	<u>\$ 1,459,758</u>	<u>\$ 261,182,818</u>
RECONCILIATION OF CASH AND INVESTMENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS:				
Cash and investments	\$ 16,938,535	\$ 46,448,716	\$ 1,459,758	\$ 180,944,355
Restricted assets:				
Cash with investments fiscal agents	-	-	-	80,238,463
Total cash and investments	<u>\$ 16,938,535</u>	<u>\$ 46,448,716</u>	<u>\$ 1,459,758</u>	<u>\$ 261,182,818</u>
NONCASH ITEMS:				
Acquisition of subscription assets	\$ -	\$ 4,275,868	\$ -	\$ 4,641,647
Issuance of subscription liabilities	<u>\$ -</u>	<u>\$ 4,275,868</u>	<u>\$ -</u>	<u>\$ 4,641,647</u>

City of Stockton
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Year Ended June 30, 2024

	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)	\$ (3,875,735)	\$ 3,224,576	\$ 1,722,585	\$ 7,121,963	\$ 1,530,301
Adjustments to reconcile operating income (loss) to net cash provided by (used for)					
operating activities:					
Depreciation and amortization	43,976	20,668	-	-	-
Changes in assets and liabilities:					
Accounts and other receivables	(13,821)	3,373,416	-	(8,023)	-
Due from other funds		(19,768)			
Prepaid items	241,984	446	(31,121)	-	-
Inventory of supplies	-	-	-	-	-
Deposits and advances	-	(446)	1,253	-	-
Accounts payable	88,753	(61,252)	192,106	(859,177)	(59,832)
Accrued payroll	(2,479)	2,995	11,597	116	-
Compensated absences	46,691	20,245	13,283	4,619	-
Self-insurance - claims and judgments	5,441,922	550,000	-	-	-
Net cash provided by (used in) operating activities	\$ 1,971,291	\$ 7,110,880	\$ 1,909,703	\$ 6,259,498	\$ 1,470,469
NONCASH TRANSACTIONS:					
Capital contributions	\$ -	\$ -	\$ -	\$ -	\$ -

City of Stockton
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Year Ended June 30, 2024

	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)	\$ 2,159,407	\$ 1,694,060	\$ (62,534)	\$ 13,514,623
Adjustments to reconcile operating income (loss) to net cash provided by (used for)				
operating activities:				
Depreciation and amortization	3,248,199	4,385,491	55,685	7,754,019
Changes in assets and liabilities:				
Accounts and other receivables	118,593	-	-	3,470,165
Due from other funds	-	-	-	(19,768)
Prepaid items	283,055	1,586,589	12,272	2,093,225
Inventory of supplies	-	(417,121)	-	(417,121)
Deposits and advances	(283,055)	-	-	(282,248)
Accounts payable	(13,357)	676,433	(216)	(36,542)
Accrued payroll	23,753	75,966	1,389	113,337
Compensated absences	38,673	63,107	17,177	203,795
Self-insurance - claims and judgments	-	-	-	5,991,922
Net cash provided by (used in) operating activities	\$ 5,575,268	\$ 8,064,525	\$ 23,773	\$ 32,385,407
NONCASH TRANSACTIONS:				
Capital contributions	\$ 3,351,717	\$ 154,022	\$ -	\$ 3,505,739



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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, 2024

	Land-Secured Financing	All Other	Total
Assets:			
Cash and investments	\$ 9,752,688	\$ 16,436,779	\$ 26,189,467
Cash and investments with fiscal agents	10,691,565	-	10,691,565
Receivables:			
Interest	68,212	80,978	149,190
Accounts and other receivables	-	1,472,077	1,472,077
Total assets	20,512,465	17,989,834	38,502,299
Liabilities:			
Accounts payable	-	77,753	77,753
Due to other governments	31,699	1,204,097	1,235,796
Total liabilities	31,699	1,281,850	1,313,549
Net Position:			
Restricted for individual, organization, and other government	20,480,766	16,707,984	37,188,750
Total net position	\$ 20,480,766	\$ 16,707,984	\$ 37,188,750

City of Stockton
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Custodial Funds
For the Year Ended June 30, 2024

	Land-Secured Financing	All Other	Total
ADDITIONS:			
Property taxes	\$ 9,562,617	\$ -	\$ 9,562,617
Use of money and property	148,212	-	148,212
Investment income	535,101	596,359	1,131,460
Miscellaneous income	3,417,238	36,224	3,453,462
Debt issued	14,046,693	-	14,046,693
Total additions	27,709,861	632,583	28,342,444
DEDUCTIONS:			
General government	12,055,739	638	12,056,377
Public works	6,811,651	363,860	7,175,511
Debt obligations	8,702,636	-	8,702,636
Total deductions	27,570,026	364,498	27,934,524
CHANGE IN NET POSITION	139,835	268,085	407,920
NET POSITION:			
Beginning of year	20,340,931	16,439,899	36,780,830
End of year	<u>\$ 20,480,766</u>	<u>\$ 16,707,984</u>	<u>\$ 37,188,750</u>

City of Stockton
Schedule of Sources and Uses
Measures A and B
For Year Ended June 30, 2024

	Final Budget	Year End Actual	Variance with Final Budget
Revenues			
Measure A Transaction and Use Tax	\$ 46,338,887	\$ 46,214,556	\$ (124,331)
Total revenues	46,338,887	46,214,556	(124,331)
Uses/Expenditures			
Police			
Salary & benefits			
Sworn	28,034,533	22,965,412	5,069,121
Non-Sworn	3,826,458	3,478,123	348,335
Vacancy savings	(2,149,267)	-	(2,149,267)
Recruitment, Retention, and Wellness	-	3,988,998	(3,988,998)
Other services	5,172,993	4,678,504	494,489
Materials & supplies			
Fuel	386,396	421,178	(34,782)
Other supplies	1,712,910	822,536	890,374
Equipment			
Radios	29,534	29,533	1
Technology Upgrades	45,378	45,378	-
Other expenses			
Training	616,244	767,125	(150,881)
Total police	37,675,179	37,196,787	478,392
Office of Violence Prevention			
Salary & benefits			
Non-sworn	972,327	973,097	(770)
Other services	321,367	320,576	791
Materials & supplies			
Fuel	30,077	13,026	17,051
Other supplies	45,304	44,514	790
Office equipment	3,379	3,361	18
Other expenses	20,000	20,489	(489)
Total Office of Violence Prevention	1,392,454	1,375,063	17,391
Basis Adjustment			
Encumbrances (included in final budget)	-	-	-
Total Measure B Expenditures	39,067,633	38,571,850	495,783
Crime Prevention (Measure B) expenditures as a % of annual Measure A revenues	84%	83%	
Other City Services			
General Fund available fund balance	7,271,254	7,642,706	(371,452)
Basis adjustment			
Encumbrances (included in final budget)	-	-	-
Total adjustment	7,271,254	7,642,706	(371,452)
Total Uses/Expenditures	\$ 46,338,887	\$ 46,214,556	\$ 124,331



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CITY OF STOCKTON



STATISTICAL SECTION



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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 174-187)

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 188-195)

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 196-204)

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 205-206)

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 207-213)

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				
	2024	2023	2022	2021	2020
Governmental activities:					
Net investment in capital assets	\$ 885,458	\$ 817,086	\$ 764,271	\$ 732,219	\$ 724,164
Restricted	518,951	495,695	524,467	457,693	239,339
Unrestricted (deficit)	(107,924)	(131,625)	(171,572)	(262,907)	(119,715)
Total governmental activities net position	1,296,485	1,181,156	1,117,167	927,005	843,787
Business-type activities:					
Net investment in capital assets	488,472	473,568	438,675	365,873	301,434
Restricted	26,030	25,367	25,394	46,241	125,668
Unrestricted	239,428	201,609	200,819	224,551	177,840
Total business-type activities net position	753,930	700,544	664,888	636,665	604,942
Primary government:					
Net investment in capital assets	1,373,929	1,290,654	1,202,947	1,098,093	1,025,598
Restricted	544,981	521,062	549,800	503,934	365,007
Unrestricted	131,504	69,984	29,308	(38,356)	58,125
Total primary government net position	\$ 2,050,414	\$ 1,881,700	\$ 1,782,055	\$ 1,563,670	\$ 1,448,729

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				
	2019	2018	2017	2016	2015
Governmental activities:					
Net investment in capital assets	\$ 346,021	\$ 328,284	\$ 330,655	\$ 287,078	\$ 326,823
Restricted	204,114	170,507	148,493	153,087	130,763
Unrestricted (deficit)	260,748	238,421	229,584	196,005	160,224
Total governmental activities net position	810,883	737,211	708,732	636,170	617,810
Business-type activities:					
Net investment in capital assets	381,015	367,317	362,886	369,983	379,853
Restricted	28,411	46,805	50,904	54,618	56,521
Unrestricted	155,217	133,656	82,938	44,792	28,751
Total business-type activities net position	564,643	547,778	496,728	469,393	465,125
Primary government:					
Net investment in capital assets	727,036	695,601	693,540	657,061	706,676
Restricted	232,525	217,311	199,397	207,705	187,284
Unrestricted	415,965	372,077	312,522	240,797	188,975
Total primary government net position	\$ 1,375,526	\$ 1,284,989	\$ 1,205,460	\$ 1,105,563	\$ 1,082,935

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				
	2024	2023	2022	2021	2020
Expenses					
Governmental activities:					
General government	\$ 73,368	\$ 54,871	\$ 72,135	\$ 74,314	\$ 37,269
Public safety	262,821	227,637	170,406	217,953	217,941
Public works	44,445	50,048	41,373	55,086	44,922
Library	17,205	16,275	13,086	12,792	14,657
Parks and recreation	24,176	21,141	14,289	11,526	27,798
Interest and fiscal charges	10,377	9,968	7,894	4,373	5,298
Total governmental activities	432,393	379,942	319,183	376,045	347,885
Business-type activities:					
Water utility	51,108	50,185	54,532	54,266	47,974
Wastewater utility	73,557	68,976	66,991	61,124	63,983
Stormwater utility	8,788	7,914	7,288	6,759	6,599
Parking Authority	5,767	6,153	5,687	4,995	5,795
Other	2,012	1,395	1,375	1,667	2,499
Total business-type activities	141,233	134,622	135,873	128,811	126,850
Total expenses	573,625	514,564	455,056	504,856	474,736
Program Revenues					
Governmental activities:					
Charges for services:					
General government	31,550	26,165	31,123	12,560	9,250
Public safety	19,055	20,469	18,688	13,235	11,220
Public works	14,220	11,886	14,291	32,456	3,143
Library	7,863	8,294	7,537	7,037	278
Parks and recreation	1,196	1,191	852	406	4,010
Operating grants and contributions	56,324	42,072	100,879	51,329	21,509
Capital grants and contributions	41,539	26,667	53,140	39,065	30,227
Total governmental activities	171,748	136,745	226,510	156,087	79,637
Business-type activities:					
Charges for services:					
Water utility	63,579	60,822	66,013	64,097	57,519
Wastewater utility	87,107	84,393	78,509	73,885	71,210
Stormwater utility	5,993	6,159	6,137	6,040	6,417
Parking Authority	5,435	4,657	5,690	4,589	4,749
Other	429	410	428	355	1,038
Operating grants and contributions	4,182	1,653	2,500	-	7,314
Capital grants and contributions	19,634	12,363	12,231	13,263	7,258
Total business-type activities	186,360	170,458	171,508	162,229	155,504
Total program revenues	358,107	307,203	398,018	318,316	235,141
Change in Net Position					
Governmental activities	(260,645)	(243,197)	(92,673)	(219,957)	(268,248)
Business-type activities	45,127	35,836	35,635	33,417	28,654
Total primary government	\$ (215,518)	\$ (207,361)	\$ (57,038)	\$ (186,540)	\$ (239,594)

City of Stockton
Table 2
Changes in Net Position (Continued)
Last Ten Fiscal Years
(Dollar amounts in thousands)

	Fiscal Year				
	2024	2023	2022	2021	2020
General Revenues and Other					
Change in Net Position:					
Governmental activities:					
Taxes:					
Property	\$ 45,404	\$ 42,578	\$ 41,066	\$ 38,523	\$ 36,692
In lieu of sales tax	-	-	-	-	-
Utility user	42,799	42,445	38,328	36,414	34,537
Sales - levied by City (1)	77,027	82,833	75,037	68,639	57,077
Franchise fees	23,476	22,784	21,186	16,901	15,292
Business licenses	20,430	23,748	15,905	15,695	14,557
Hotel/motel room	3,520	3,433	3,620	2,860	2,834
Document transfer	992	1,028	1,626	1,222	912
Other	6,215	4,628	4,016	2,874	3,262
Shared revenue:					
Vehicle license fees	31,590	29,343	27,310	27,757	31,839
Sales and use tax levied by state (1)	78,924	76,954	76,239	65,201	56,122
Other	-	-	-	-	18,303
Investment earnings	35,847	1,707	(25,552)	14,086	21,759
Gain (Loss) on sale of capital assets	-	44	(8,356)	147	12
Miscellaneous	9,031	9,715	10,369	11,105	9,469
Special item	-	-	-	-	(547)
Proceeds of long-term debt	-	-	-	-	-
Extraordinary items	-	-	-	-	-
Transfers from Successor Agency, Net	-	-	-	-	-
Transfers	718	415	438	1,751	(922)
Total governmental activities	375,973	341,656	281,232	303,175	301,198
Business-type activities:					
Other taxes	-	-	-	-	1,407
Grants and contributions not restricted to	-	-	-	-	-
Investment earnings	8,977	235	(7,018)	57	9,318
Gain on sale of capital assets	-	-	-	-	(2)
Miscellaneous	-	-	-	-	-
Special item	-	-	-	-	-
Transfers	(718)	(415)	(438)	-	922
Extraordinary items (2)	-	-	-	(1,751)	-
Total business-type activities	8,259	(181)	(7,456)	(1,694)	11,645
Total general revenues and other changes in net position	384,232	341,475	273,775	301,481	312,843
Change in Net Position					
Governmental activities	115,328	98,459	188,559	83,218	32,950
Business-type activities	53,386	35,655	28,178	31,723	40,299
Total primary government	\$ 168,714	\$ 134,115	\$ 216,737	\$ 114,941	\$ 73,249

(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				
	2019	2018	2017	2016	2015
Expenses					
Governmental activities:					
General government	\$ 37,821	\$ 37,259	\$ 33,378	\$ 39,608	\$ 35,576
Public safety	199,263	212,181	154,932	169,015	123,403
Public works	37,168	38,435	45,670	36,344	37,685
Library	13,501	12,301	10,904	10,406	9,098
Parks and recreation	27,288	23,753	22,481	21,620	20,801
Interest and fiscal charges	5,914	5,964	4,288	2,216	3,401
Total governmental activities	320,954	329,894	271,653	279,209	229,964
Business-type activities:					
Water utility	46,641	39,526	42,886	48,001	47,474
Wastewater utility	58,093	41,648	50,545	58,665	56,153
Stormwater utility	7,419	4,729	5,288	6,601	7,084
Parking Authority	5,501	5,310	5,641	5,384	5,026
Other	3,613	3,299	3,235	3,116	3,374
Total business-type activities	121,267	94,512	107,595	121,767	119,111
Total expenses	442,221	424,406	379,248	400,976	349,075
Program Revenues					
Governmental activities:					
Charges for services:					
General government	13,977	16,451	19,184	15,831	15,169
Public safety	16,925	15,309	9,188	13,663	16,863
Public works	10,367	14,914	3,373	8,292	6,105
Library	470	595	377	517	441
Parks and recreation	11,320	12,194	8,765	9,158	6,145
Operating grants and contributions	13,446	12,402	12,565	12,861	18,823
Capital grants and contributions	45,632	21,426	17,591	16,286	34,268
Total governmental activities	112,137	93,292	71,043	76,608	97,814
Business-type activities:					
Charges for services:					
Water utility	49,489	50,590	42,308	33,277	35,059
Wastewater utility	67,432	68,191	66,833	68,938	65,726
Stormwater utility	6,407	5,683	5,619	5,573	5,569
Parking Authority	4,592	4,447	5,141	4,971	4,170
Other	1,755	1,776	1,675	1,750	1,769
Operating grants and contributions	3,643	3,855	3,889	3,776	5,133
Capital grants and contributions	4,626	6,245	2,971	3,562	2,945
Total business-type activities	137,944	140,787	128,436	121,847	120,371
Total program revenues	250,081	234,078	199,479	198,455	218,185
Change in Net Position					
Governmental activities	(208,817)	(236,603)	(200,610)	(202,601)	(132,150)
Business-type activities	16,677	46,275	20,841	80	1,260
Total primary government	\$ (192,140)	\$ (190,328)	\$ (179,769)	\$ (202,521)	\$ (130,890)

City of Stockton
Table 2
Changes in Net Position (Continued)
Last Ten Fiscal Years
(Dollar amounts in thousands)

	Fiscal Year				
	2019	2018	2017	2016	2015
General Revenues and Other					
Change in Net Position:					
Governmental activities:					
Taxes:					
Property	\$ 35,739	\$ 33,112	\$ 32,411	\$ 30,646	\$ 29,573
In lieu of sales tax	-	-	-	8,775	9,816
Utility user	34,252	35,415	34,455	33,379	32,921
Sales - levied by City (1)	57,911	52,788	42,506	39,070	37,208
Franchise fees	12,307	13,243	13,289	12,397	12,379
Business licenses	19,958	13,507	12,243	11,996	10,805
Hotel/motel room	3,377	3,193	2,997	2,711	2,378
Document transfer	1,071	1,078	801	857	587
Other	2,905	2,916	1,939	1,801	930
Shared revenue:					
Vehicle license fees	23,599	29,091	21,423	20,354	19,602
Sales and use tax levied by state (1)	57,151	68,467	49,910	45,097	36,904
Other	-	165	44	45	49
Investment earnings	18,438	899	1,966	4,728	1,532
Gain on sale of capital assets	(1,602)	(203)	578	568	(13,214)
Miscellaneous	7,810	4,083	2,820	7,303	16,982
Special item	500	6,203	-	-	-
Proceeds of long-term debt	-	-	10,237	-	23,396
Extraordinary items	-	-	-	-	250,701
Transfers from Successor Agency, Net	-	734	-	-	-
Transfers	9,074	389	654	(297)	383
Total governmental activities	282,489	265,082	228,273	219,430	472,932
Business-type activities:					
Other taxes	1,341	1,271	1,292	1,239	974
Grants and contributions not restricted to	-	100	-	-	-
Investment earnings	7,920	233	131	2,653	1,172
Gain on sale of capital assets	-	20	(1,156)	-	(3,300)
Miscellaneous	-	-	-	-	-
Special item	-	3,540	-	-	-
Transfers	(9,074)	(389)	(654)	297	(383)
Extraordinary items (2)	-	-	-	-	9,548
Total business-type activities	188	4,774	(387)	4,189	8,011
Total general revenues and other changes in net position	282,676	269,857	227,886	223,619	480,943
Change in Net Position					
Governmental activities	73,671	28,479	27,662	16,829	340,782
Business-type activities	16,865	51,049	20,454	4,271	9,271
Total primary government	\$ 90,536	\$ 79,529	\$ 48,116	\$ 21,100	\$ 350,053

(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				
	2024	2023	2022	2021	2020
General Fund					
Nonspendable	\$ 2,662	\$ 2,397	\$ 2,077	\$ 2,215	\$ 5,796
Restricted	6,508	5,218	5,289	4,428	3,998
Committed	148,295	150,811	123,754	77,638	59,714
Assigned	31,322	5,447	4,285	4,526	4,017
Unassigned	51,313	48,490	43,208	42,049	41,085
Total General Fund	240,100	212,364	178,613	130,857	114,611
All other governmental funds					
Nonspendable	2,407	1,771	151	152,462	356
Restricted	425,172	398,166	428,305	222,308	189,758
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned (deficit)	(578)	(1,344)	-	-	-
Total all other governmental funds	427,001	398,593	428,455	374,770	190,114
Total Fund Balance	\$ 667,101	\$ 610,957	\$ 607,068	\$ 505,627	\$ 304,725

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				
	2019	2018	2017	2016	2015
General Fund					
Nonspendable	\$ 3,621	\$ 1,303	\$ 1,539	\$ 2,214	\$ 810
Restricted	4,034	4,730	4,603	3,549	2,949
Committed	54,243	45,957	56,439	49,088	28,930
Assigned	4,144	2,227	3,922	5,467	-
Unassigned	37,990	36,265	36,184	33,326	38,639
Total General Fund	104,032	90,482	102,687	93,644	71,328
All other governmental funds					
Nonspendable	356	370	-	373	382
Restricted	169,507	117,387	114,254	122,084	104,785
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	3,232	-	-
Total all other governmental funds	169,863	117,757	117,486	122,457	105,167
Total Fund Balance	\$ 273,895	\$ 208,239	\$ 220,173	\$ 216,101	\$ 176,495

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				
	2024	2023	2022	2021	2020
Revenues:					
Taxes:					
Property	\$ 45,400	\$ 42,578	\$ 41,066	\$ 38,523	\$ 36,692
In lieu of sales tax	-	-	-	-	-
Utility user	42,799	42,445	38,328	36,414	34,537
Sales (levied by City) (1)	84,567	90,305	82,951	68,639	57,077
Franchise fees	23,356	22,547	19,932	16,901	15,292
Business license	20,421	23,748	15,906	15,695	14,557
Hotel/motel room	3,520	3,433	3,620	2,860	2,834
Document transfer	992	1,028	1,626	1,222	912
Other	6,215	4,628	4,016	2,874	3,262
Licenses and permits	10,060	7,762	9,129	7,670	6,847
Federal grants and subsidies	33,524	34,803	84,812	30,339	15,578
Other shared revenue (sales and use tax levied by state) (1)	78,917	76,954	76,239	65,201	56,122
Other governmental	101,731	76,933	85,662	99,161	59,367
Charges for services	33,961	35,677	39,532	31,330	26,904
Fines and forfeitures	1,166	317	2,001	379	1,101
Use of money and property	16,489	11,704	9,955	5,731	10,569
Investment income:					
Interest income	20,963	(248)	(13,673)	7,785	14,075
Refunds and reimbursements	525	1,029	550	602	6,633
Miscellaneous	9,221	8,951	8,258	10,189	8,981
Total revenues	533,829	484,596	509,910	441,514	371,340
Expenditures:					
Current:					
General government	69,845	53,152	76,830	72,185	30,148
Public safety	251,434	227,859	206,107	205,923	193,778
Public works	37,436	35,659	34,263	41,960	20,120
Library	16,578	15,643	14,659	12,762	14,400
Parks and recreation	20,971	17,601	14,552	8,207	25,920
Capital outlay	71,362	65,959	53,034	26,127	31,225
Debt service:					
Principal retirement	3,963	3,519	1,943	1,806	1,699
Cost of issuance	-	-	-	-	-
Interest and fiscal charges	10,312	9,807	7,397	4,617	5,229
Total expenditures	481,901	429,199	408,785	373,587	322,521
Excess (deficiency) of revenues over (under) expenditures	\$ 51,928	\$ 55,397	\$ 101,125	\$ 67,926	\$ 48,819

City of Stockton
Table 4
Changes in Fund Balance of Governmental Funds (Continued)
Last Ten Fiscal Years
(Dollar amounts in thousands)

	Fiscal Year				
	2024	2023	2022	2021	2020
Other financing sources (uses):					
Capital contributions	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers in	40,093	42,616	27,618	19,903	18,062
Transfers out	(38,802)	(57,610)	(27,480)	(41,452)	(36,445)
Transfers from successor Agency	-	-	-	-	-
Special item	-	-	-	-	-
Bond insurers proceeds	-	-	163	-	-
Operating transfers out to a component unit	-	-	-	-	-
Issuance of long-term debt	2,922	1,344	-	-	-
Proceeds of current refunding bonds	-	-	-	-	-
Sales of capital assets	4	44	17	2,419	393
Advances from other funds	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Total other financing sources (uses)	4,216	(13,606)	317	(19,131)	(17,990)
Special items	-	-	-	-	-
Net change in fund balance	56,144	41,791	101,442	48,796	30,830
Fund balance, beginning of year, original	610,957	607,069	505,627	456,831	273,895
Prior period restatement	-	(37,903)	-	-	-
Fund balance, beginning of year, restated	610,957	569,166	505,627	456,831	273,895
Fund balance, end of year	\$ 667,101	\$ 610,957	\$ 607,069	\$ 505,627	\$ 304,725
Debt service as a percentage of noncapital expenditures	3.6%	3.8%	2.7%	1.9%	2.4%

(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				
	2019	2018	2017	2016	2015
Revenues:					
Taxes:					
Property	\$ 35,342	\$ 33,068	\$ 32,411	\$ 30,646	\$ 29,573
In lieu of sales tax	-	44	-	8,775	9,816
Utility user	34,252	35,415	34,455	33,379	32,921
Sales (levied by City) (1)	57,911	52,788	42,506	39,070	37,208
Franchise fees	12,307	13,243	13,289	12,397	12,380
Business license	13,215	13,507	12,243	11,996	10,805
Hotel/motel room	3,377	3,193	2,997	2,711	2,378
Document transfer	1,071	1,126	801	856	587
Other	2,905	2,916	1,939	1,535	930
Licenses and permits	6,744	6,214	5,867	5,347	4,398
Federal grants and subsidies	16,517	13,235	12,859	10,470	21,796
Other shared revenue (sales and use tax levied by state) (1)	51,577	53,817	49,910	45,097	36,904
Other governmental	66,594	57,778	37,574	36,696	41,806
Charges for services	27,227	29,377	22,920	26,473	21,351
Fines and forfeitures	1,277	1,247	1,164	624	3,814
Use of money and property	12,460	9,528	8,197	8,172	9,318
Investment income:					
Interest income	11,758	1,063	1,762	3,088	916
Refunds and reimbursements	6,614	7,887	6,077	5,188	12,710
Miscellaneous	8649	8,596	6,745	11,246	16,674
Total revenues	369,795	344,044	293,716	293,766	306,285
Expenditures:					
Current:					
General government	30,537	26,761	29,235	27,229	34,652
Public safety	189,824	184,426	171,073	150,853	141,542
Public works	19,793	18,852	15,818	14,861	14,152
Library	13,789	12,416	10,619	10,107	9,880
Parks and recreation	26,006	22,462	20,493	19,295	19,094
Capital outlay	35,158	51,210	31,407	23,857	31,345
Debt service:					
Principal retirement	11,477	2,204	13,593	3,325	8,217
Cost of issuance	-	-	-	2,119	-
Interest and fiscal charges	5,627	5,767	2,872	-	3,229
Total expenditures	332,211	324,098	295,110	251,646	262,111
Excess (deficiency) of revenues over (under) expenditures	\$ 37,584	\$ 19,946	\$ (1,394)	\$ 42,120	\$ 44,174

City of Stockton
Table 4
Changes in Fund Balance of Governmental Funds (Continued)
Last Ten Fiscal Years
(Dollar amounts in thousands)

	Fiscal Year				
	2019	2018	2017	2016	2015
Other financing sources (uses):					
Capital contributions	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers in	31,310	19,077	23,347	15,916	16,860
Transfers out	(29,479)	(37,913)	(12,966)	(18,810)	(20,235)
Transfers from successor Agency	-	734	-	-	-
Special item	-	6,203	-	-	-
Bond insurers proceeds	-	-	-	-	29,178
Operating transfers out to a component unit	-	-	-	-	-
Issuance of long-term debt	-	-	-	-	-
Proceeds of current refunding bonds	-	-	-	-	-
Sales of capital assets	52	800	492	379	521
Advances from other funds	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	(6,080)
Total other financing sources (uses)	1,884	(11,099)	10,873	(2,515)	20,244
Special items	-	-	-	-	-
Net change in fund balance	39,468	8,847	9,479	39,605	64,417
Fund balance, beginning of year, original	234,427	225,581	216,100	176,495	112,078
Prior period restatement	-	-	-	-	-
Fund balance, beginning of year, restated	234,427	225,581	216,100	176,495	112,078
Fund balance, end of year	\$ 273,895	\$ 234,427	\$ 225,579	\$ 216,100	\$ 176,495
Debt service as a percentage of noncapital expenditures	6.1%	3.0%	6.7%	2.4%	5.2%

(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				
	2024	2023	2022	2021	2020
Property	\$ 45,400	\$ 42,578	\$ 41,066	\$ 38,523	\$ 36,692
In lieu of sales tax	-	-	-	-	-
Utility user	42,799	42,445	38,328	36,414	34,537
Sales (levied by city) (1)	84,567	90,305	82,951	68,639	57,077
Franchise fees	23,356	22,547	19,932	16,901	15,292
Business licenses	20,421	23,748	15,905	15,695	14,557
Hotel/motel room	3,520	3,433	3,620	2,860	2,834
Document transfer	992	1,028	1,626	1,222	912
Other	6,215	4,628	4,016	2,874	3,262
Totals	\$ 227,271	\$ 230,713	\$ 207,444	\$ 183,127	\$ 165,163

(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.

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 2015 to 2024
	2019	2018	2017	2016	2015	
Property	\$ 35,342	\$ 33,068	\$ 32,411	\$ 30,646	\$ 29,573	54%
In lieu of sales tax	-	44	-	8,775	9,816	-100%
Utility user	34,252	35,415	34,455	33,379	32,921	30%
Sales (levied by city) (1)	57,911	52,788	42,506	39,070	37,208	127%
Franchise fees	12,307	13,243	13,289	12,397	12,380	89%
Business licenses	13,215	13,507	12,243	11,995	10,805	89%
Hotel/motel room	3,377	3,193	2,997	2,711	2,378	48%
Document transfer	1,071	1,126	801	856	587	69%
Other	2,905	2,916	1,939	1,535	930	568%
Totals	\$ 160,379	\$ 155,301	\$ 140,642	\$ 141,364	\$ 136,598	66%

(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.

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				
	2024	2023	2022	2021	2020
Secured roll	\$ 29,987,515	\$ 28,140,015	\$ 26,379,229	\$ 24,952,342	\$ 23,628,432
Utility roll	6,337	6,402	6,496	6,507	5,827
Unsecured roll	2,203,973	1,824,858	1,563,966	1,507,064	1,439,016
Gross assessed value	32,197,825	29,971,275	27,949,691	26,465,914	25,073,275
Less exemptions (1)	2,130,009	2,062,260	2,020,034	1,980,526	1,948,125
Net assessed value	30,067,817	27,909,014	25,929,657	24,485,388	23,125,150
Land	8,087,931	7,695,368	7,164,141	6,823,616	6,506,827
Improvements	22,620,400	21,012,393	19,716,382	18,716,229	17,635,057
Personal property	1,489,494	1,263,513	1,069,169	926,070	931,391
Gross assessed value	32,197,825	29,971,275	27,949,691	26,465,914	25,073,275
Less exemptions (1)	2,130,009	2,062,260	2,020,034	1,980,526	1,948,125
Net assessed value	\$ 30,067,817	\$ 27,909,014	\$ 25,929,657	\$ 24,485,388	\$ 23,125,150
Total Direct Tax Rate	1.00%	1.00%	1.00%	1.00%	1.00%

(1) For FY 2024, all exemptions (secured, utility, and unsecured rolls) are: homeowners - \$213,171 and other - \$1,916,837 = \$2,130,008.

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				
	2019	2018	2017	2016	2015
Secured roll	\$ 22,488,506	\$ 21,378,475	\$ 20,299,172	\$ 19,473,994	\$ 18,496,369
Utility roll	5,816	5,863	5,833	6,199	6,209
Unsecured roll	1,610,921	1,629,758	1,596,101	1,651,844	1,638,161
Gross assessed value	24,105,243	23,014,096	21,901,106	21,132,037	20,140,739
Less exemptions (1)	1,917,101	1,532,852	1,786,986	1,729,742	1,717,223
Net assessed value	22,188,142	21,481,244	20,114,120	19,402,295	18,423,516
Land	6,280,943	6,081,944	5,713,082	5,420,167	4,978,511
Improvements	16,582,837	15,666,837	15,004,037	14,501,054	13,928,278
Personal property	1,241,463	1,265,315	1,183,987	1,210,816	1,233,950
Gross assessed value	24,105,243	23,014,096	21,901,106	21,132,037	20,140,739
Less exemptions (1)	1,917,101	1,532,852	1,786,986	1,729,742	1,717,223
Net assessed value	\$ 22,188,142	\$ 21,481,244	\$ 20,114,120	\$ 19,402,295	\$ 18,423,516
Total Direct Tax Rate	1.00%	1.00%	1.00%	1.00%	1.00%

(1) For FY 2024, all exemptions (secured, utility, and unsecured rolls) are: homeowners - \$213,171 and other - \$1,916,837 = \$2,130,008.

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
2024	1.0000	-	1.0000	0.2026	0.0135	1.2161
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

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					
	2024			2015		
	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value
PW Fund A/B	\$ 273,291	1	0.980 %			- %
Prologis	240,731	2	0.863 %			- %
Patmon Company Inc	167,487	3	0.601 %			-
IDI Stockton Logistics III LLC	143,101	4	0.513 %	\$ 63,286	10	0.504 %
Excel Stockton LLC	128,371	5	0.460 %	120,377	2	0.958 %
EGMR Norcal Logistics Center LLC	112,903	6	0.405 %			-
Wilshire 3923 B Street	107,100	7	0.384			
Central Valley Indust core holdings LLC	106,729	8	0.383 %			- %
Wilshire Newcastle road owner LLC	99,878	9	0.358 %			-
Simpson Manufacturing Co Inc	96,405	10	0.346 %	85,948	4	0.684 %
Amazon Com Services Inc						-
DTE Stockton LLC				124,015	1	0.987 %
Buzz Oates LLC				92,920	3	0.740 %
Pacific Ethanol Stockton LLC				77,564	5	0.617 %
Diamond Walnut Growers Inc				70,579	6	0.562 %
A G Spanos Professional Office Center LLC				70,268	7	0.559 %
Corn Products International Inc				69,938	8	0.557 %
Wal Mart Real Estate Bus Trust/Sam's				67,026	9	0.534 %
Principal Secured Property Valuation	1,475,997		5.293 %	841,921		6.702 %
Other Secured Taxpayers	28,517,856		102.272	12,436,354		98.994
Total Secured Property Valuation Before Exemptions	29,993,853		107.566 %	13,278,275		105.696 %
Less Exemptions relative to secured tax roll (1)	2,109,659		7.566	715,515		5.696
Total Secured Property Valuation	\$ 27,884,194		100.000 %	\$ 12,562,760		100.000 %

(1) Exemptions relative to secured tax roll:

FY 2024 - homeowners - \$213,108 and other - \$1,896,551 = \$2,109,659

FY 2015 - homeowners - \$171,272 and other - \$1,418,747 = \$1,590,019

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	Collected Within the Fiscal Year of the Levy				Total Collections to Date			
	Secured Taxes Levied for the Fiscal Year	Amount	Percent of Levy (1)	Collections in Subsequent Years	Amount	Percent of Levy		
2024	\$ 41,329	\$ 41,329	100 %	-	\$ 41,329	100 %		
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 %		

(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				
	2024	2023	2022	2021	2020
<u>Type of Customer</u>					
Residential	7,676,088 cf	7,516,755 cf	8,204,224 cf	10,610,177 cf	7,997,883 cf
Institutional	828,397	782,656	858,661	1,105,150	827,124
Commercial/Industrial	1,774,960	1,567,709	1,707,532	2,018,500	1,588,605
Irrigation	1,437,768	1,291,195	1,603,842	2,025,832	1,457,258
Total	<u>11,717,213 cf</u>	<u>11,158,315 cf</u>	<u>12,374,259</u>	<u>15,759,659 cf</u>	<u>11,870,870 cf</u>

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
2024	\$ 36.54	\$ 2.58	\$ 3.08	\$ 55.68
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

*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
2024	\$ -	\$ -	\$ 11,089	\$ 52,647	\$ 63,737
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

*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 2023 and population for fiscal year 2024.

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	Notes Payable / Equip. Leases /Subscription	Total Business-type Activities	Total	Percent of Personal Income (1)	Amount Per Capita (1)
2024	\$ 237,224	\$ 156,282	\$ 393,506	\$ 457,242	0.96 %	\$ 1,441
2023	261,508	121,398	382,906	447,414	1.25 %	1,399
2022	274,233	121,564	395,797	453,581	1.26 %	1,407
2021	261,845	129,381	391,226	450,795	1.25 %	1,405
2020	144,710	129,380	274,090	335,664	0.93 %	1,054
2019	279,039	10,870	289,909	353,377	1.11 %	1,117
2018	312,700	10,870	323,570	402,395	1.86 %	1,277
2017	326,165	10,870	337,035	418,669	1.49 %	1,306
2016	336,218	10,954	347,172	440,961	2.04 %	1,397
2015	343,926	11,040	354,966	450,316	2.09 %	1,467

*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 2023 and population for fiscal year 2024.

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)

Fiscal Year	General Bonded Debt Outstanding*					Percent of Assessed Property Value	Amount Per Capita
	Lease Revenue Bonds	Certificates of Participation (2)	Pension Obligation Bonds (1)	Redevelopment Agency Bonds*	Total		
2024	\$ -	\$ -	\$ 52,647	\$ -	\$ 52,647	0.002 %	\$ 0.17
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

* 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 6/30/2024	Percentage Applicable (1)	City's share of Debt 6/30/2024
OVERLAPPING TAX AND ASSESSMENT DEBT:			
San Joaquin Delta Community College District	\$ 162,660,000	25.819 %	\$ 41,997,185
Stockton Unified School District	485,176,334	84.262	408,819,283
Lodi Unified School District	269,035,000	34.303	92,287,076
Lodi Unified School District School Facilities Improvement District No. 1	37,075,000	86.180	31,951,235
Lincoln Unified School District	55,833,224	86.383	48,230,414
Lincoln Unified School District Community Facilities District No. 1	11,571,567	79.832	9,237,813
Manteca Unified School District	262,234,978	11.847	31,066,978
Manteca Unified School District Community Facilities District No. 1989-1	9,877,012	100.000	9,877,012
Tracy Joint Unified School District and School Facilities Improvement Dist. No.3	121,062,900	0.004 & 0.006	6,743
City of Stockton Community Facilities District No. 99-02	22,150,000	100.000	22,150,000
City of Stockton Community Facilities District No. 2001-1 (Spanos Park West)	8,574,118	100.000	8,574,118
City of Stockton Community Facilities District No. 2003-1	1,343,772	100.000	1,343,772
City of Stockton Community Facilities District No. 2005-1	8,550,000	100.000	8,550,000
City of Stockton Community Facilities District No. 2006-1	2,045,902	100.000	2,045,902
City of Stockton Community Facilities District No. 2006-2	2,715,000	100.000	2,715,000
City of Stockton Community Facilities District No. 2006-3	4,152,646	100.000	4,152,646
City of Stockton Community Facilities District No. 2018-1	3,170,000	100.000	3,170,000
City of Stockton Community Facilities District No. 2018-2, I.A. 1 & 2	37,110,000	100.000	37,110,000
City of Stockton Community Facilities District No. 2019-1	9,915,000	100.000	9,915,000
City of Stockton 1915 Act Bonds	13,882,139	100.000	13,882,139
Reclamation District No. 2042 Community Facilities District No. 2001-1	3,297,101	18.211	600,435
San Joaquin Area Flood Control District Smith Assessment District	8,945,000	57.451	5,138,992
San Joaquin Area Flood Control District Levee Construction Assessment District	27,730,000	93.754	25,997,984
San Joaquin County Reclamation District No. 17 Assessment District	19,926,427	27.618	5,503,281
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			824,323,008
OVERLAPPING GENERAL FUND DEBT:			
San Joaquin County Certificates of Participation	49,210,000	27.920 %	13,739,432
Lincoln Unified School District Certificates of Participation	6,900,000	86.383	5,960,427
Lodi Unified School District Certificates of Participation	7,060,000	34.303	2,421,792
Manteca Unified School District General Fund Obligations	11,982,000	11.847	1,419,508
Stockton Unified School District Certificates of Participation	22,750,000	84.262	19,169,605
Lathrop-Manteca Rural Fire Protection District certificates of Participation	3,330,000	0.018	599
City of Stockton Bond Insurer Settlement Agreement Liability	52,647,254	100.000	52,647,254
TOTAL OVERLAPPING GENERAL FUND DEBT			95,358,617
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	3,415,000	100.000	3,415,000
TOTAL OVERLAPPING TAX INCREMENT DEBT			76,725,000
TOTAL DIRECT DEBT			52,647,254
TOTAL OVERLAPPING DEBT			943,759,371
GROSS COMBINED TOTAL DEBT (2)			996,406,625
2023-24 Assessed Valuation (3):	\$ 30,067,817		
(after deducting \$1,916,837 Other Exemptions Valuation)			
2023-24 Population			
Debt Ratios			
Total Gross Debt (2)	\$ 996,406,625	Per Capita \$ 3,141	Ratio to 3313.86 %
Ratios to 2023-24 Assessed Valuation: Total Overlapping Tax and Assessment Debt	824,323,008	2,599	2741.55
Ratios to Adjusted Assessed Valuation: Combined Direct Debt	52,647,254	166	175.10

(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 obligations.

(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				
	2024	2023	2022	2021	2020
Assessed valuation (1)	\$ 30,067,817	\$ 28,121,702	\$ 26,144,691	\$ 24,701,296	\$ 23,343,395
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	7,516,954	7,030,426	6,536,173	6,175,324	5,835,849
Debt limit percentage	15%	15%	15%	15%	15%
Debt Limit	1,127,543	1,054,564	980,426	926,299	875,377
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	\$ 1,127,543	\$ 1,054,564	\$ 980,426	\$ 926,299	\$ 875,377
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				
	2019	2018	2017	2016	2015
Assessed valuation (1)	\$ 22,407,298	\$ 21,362,446	\$ 20,337,129	\$ 19,628,594	\$ 18,653,199
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	5,601,825	5,340,612	5,084,282	4,907,149	4,663,300
Debt limit percentage	15%	15%	15%	15%	15%
Debt Limit	840,274	801,092	762,642	736,072	699,495
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	\$ 840,274	\$ 801,092	\$ 762,642	\$ 736,072	\$ 699,495
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								
2024	\$ 78,510	\$ 37,800	\$ 40,711	\$ 17,355	\$ 8,096	\$ 25,451	1.60	
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)

(1) Including operating, nonoperating revenues and capital contribution.

(2) Total operating expenses exclusive of depreciation and amortization.

* 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							
2024	\$ 98,535	\$ 57,984	\$ 40,551	\$ 4,635	\$ 3,374	\$ 8,009	5.06
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.

(Continued)

(1) Including operating, nonoperating revenues and capital contribution.

(2) 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											
2024	\$	7,499	\$	3,673	\$	545	\$	1,162	\$	1,707	2.24
2023		5,766		419		360		1,162		1,522	1.04
2022		5,902		3,651		245		1,174		1,419	1.59
2021		4,628		3,007		1,621		-		1,194	1.36

(Concluded)

(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
2024	317,204	\$ 17,187	\$ 54,183	7.7%	137,500	104,325	3.10	\$ 71,612	98,713
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

(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	2024			2015		
	Employees	Rank	Percent of Total City Employment	Employees	Rank	Percent of Total City Employment
Amazon	6,040	1	4.39%			0.00%
Stockton Unified School District	5,615	2	4.08%	3,366	3	1.08%
St. Joseph's Medical Center	3,200	3	2.33%	4,600	2	1.48%
City of Stockton	2,258	4	1.64%	1,862	4	0.60%
San Joaquin County Office of Education	1,964	5	1.43%			0.00%
Pacific Gas and Electric	1,550	6	1.13%	600	6	0.19%
University of the Pacific	1,518	7	1.10%	900	9	0.29%
Lincoln Unified School District	1,190	8	0.87%	631	10	0.20%
Kaiser Permanente	1,065	9	0.77%	1,065	7	0.34%
San Joaquin Delta College	909	10	0.66%	1,000	8	0.32%
San Joaquin County				6,000	1	1.93%
Dameron Hospital				1,200	5	0.39%
O'Reilly Auto Parts						0.00%
Diamond Walnut						
Total	25,309		18.41%	21,224		6.81%

Note: Principal employers are based on best available information.

Sources: San Joaquin Partnership Survey, August 2023
City of Stockton ACFR, 2015

City of Stockton
Table 19
Full-Time Equivalent City Government Employees
By Function/Program/Department
Last Five Fiscal Years

Function/Program/Department:	Fiscal Year				
	2024	2023	2022	2021	2020
Admin Services	76	77	73	78	74
City Attorney	9	11	9	10	12
City Clerk	7	8	7	7	7
City Council/Mayor	4	4	4	3	4
City Manager	40	29	32	30	26
Community Development	46	46	42	40	42
Community Services	109	105	102	101	101
Human Resources	29	29	30	22	32
Information Technology	42	32	37	39	41
Police:					
Sworn	362	352	405	433	432
Non-sworn	173	173	175	189	216
Animal control	9	9	6	11	12
Total Police	544	534	586	633	660
Fire:					
Firefighters-sworn	189	196	165	171	160
Firefighters-auxiliary	8	10	41	0	21
Non-sworn personnel	45	46	34	34	32
Total Fire	242	252	240	205	213
Public Works	144	142	140	135	135
Economic Development	26	23	20	20	18
Water Utility	68	41	47	48	47
Wastewater Utility	141	150	147	147	142
Stormwater Utility	16	4	3	5	4
Total	1543	1487	1519	1523	1558

*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				
	2024	2023	2022	2021	2020
General government:					
Building permits issued	7,657	9,022	7,714	8,815	7,378
Business tax certificates:					
Retail sales and service	5,391	5,345	5,109	6,434	7,805
Rental Properties - Commercial and Residential	2,401	2,495	2,495	4,267	4,491
Wholesale	287	2,116	319	443	393
Manufacturers and processors	131	165	121	152	149
Professions	1,327	1,391	1,289	1,760	1,561
Miscellaneous contractors, peddlers, delivery vehicles, etc.	4,987	4,810	5,219	5,640	4,900
Improvement district and hotel/motel room tax					
Utility billing/customer service:					
Utility bills issued	1,152,118	1,032,007	1,040,607	1,186,454	1,000,452
Utility accounts opened and closed	8,704	7,918	19,933	46,905	17,582
New service locations (water) added	470	427	411	378	283
Delinquency Notices Sent - Active Accounts	-	-	-	-	75,687
Water Service Terminated for Non-Payment	-	-	-	-	3,055
Utility customer service calls received	28,136	35,090	59,951	49,999	45,231
Utility customers using automated voice response	523,693	611,396	678,091	802,378	709,134
Utility Customers Using Online Pmt/Account Access	34,807	32,850	32,850	44,467	32,852
Miscellaneous accounts receivable bills issued	10,069	15,751	10,005	14,770	14,024
Public safety:					
Police:					
Major reported crimes	13,028	13,420	12,250	12,548	15,654
Total arrests	8,796	12,115	12,915	8,272	11,152
Dispatched calls for service	156,896	185,790	204,270	207,355	176,311
Fire:					
Interior structure fire calls	245	283	332	293	398
Non-structural fire calls	3,259	3,365	2,616	3,895	5,719
Hazardous materials calls	359	368	252	301	593
Emergency medical calls	17,510	17,692	19,557	18,485	34,287
Total emergency calls	42,785	42,613	46,756	51,515	57,396
Total number of units dispatched	52,281	52,302	57,198	54,470	60,162
Public works:					
Miles of streets resurfaced	25	15	26	22	28
Fleet job orders completed	3,519	4,786	5,725	6,617	7,764

City of Stockton
Table 20
Operating Indicators by Function/Program/Department (Continued)
Last Five Fiscal Years

	Fiscal Year				
	2024	2023	2022	2021	2020
Library:					
Registered borrowers	160,963	143,604	145,990	155,999	152,726
Circulation of library materials	1,237,320	1,175,080	1,021,233	576,605	943,196
Reference, research and informational questions answered	96,151	95,438	61,020	43,122	70,583
Annual attendance at libraries	661,182	615,282	425,695	120,679	578,193
Number of programs offered	4,397	4,037	1,719	246	3,110
Annual attendance at programs	97,228	84,869	38,640	5,831	60,066
Parks and Recreation:					
Boat launches					
Golf rounds:					
Swenson Park golf course	53,519	55,898	59,076	79,968	65,489
Van Buskirk golf course	-	-	-	-	1,904
Trees planted	950	348	106	20	3
Heritage tree removal-permits issued	16	-	-	-	9
After school program registration (number of participants)	18,490	17,285	11,558	471	16,153
Day camp participants	3,821	2,626	2,703	444	2,753
Mobile recreation programs (number of participants)					
Instructional classes	1,886	1,791	2,036	-	1,781
Softball/baseball diamonds bookings	2,500	204	169	41	142
Showmobile (Mobile Stage) bookings	-	-	15	1	15
Community center bookings	503	515	423	-	636
Picnic facility bookings	223	240	305	7	172
Adult sports (number of teams):					
Softball	318	148	153	45	57
Basketball	187	73	63	-	16
Volleyball	-	9	9	-	-
Youth sports (basketball, track, soccer, baseball, volleyball, flag football) (number of participants)	5,715	1,773	1,397	375	1,351

City of Stockton
Table 20
Operating Indicators by Function/Program/Department (Continued)
Last Five Fiscal Years

	Fiscal Year				
	2024	2023	2022	2021	2020
Parks and Recreation (cont.):					
Admissions to:					
Pixie Woods	16,379	58,694	14,235	973	8,995
Oak Park Tennis					
Senior Center memberships	1,231	877	1,131	-	1,075
Civic Auditorium bookings	56	143	120	66	116
Parks and Recreation sponsored events	27	82	5	1	15
Philomathean Club bookings					
Weber Point Events Center bookings	20	23	16	1	15
Economic Development: (1)					
Rental Housing Units (3)	-	-	105	-	127
Owner Housing (Emergency Repair or Rehabilitation)	3	3	1	2	2
Down Payment Assistance	-	-	-	-	-
Special Needs (Homes Repaired or Rehabilitated)	-	-	-	-	-
Public Facilities (Rehabilitated or Constructed) (3)	-	-	1	-	5
Façade Program (Commercial Façade Repair/Rehabilitated)	4	4	1	2	2
Public Services Provided	307,916	100,341	712	83,553	47,605
Homeless Services Provided	502	10,182	7,040	4,806	5,413
Meals Provided to Homeless (3)	-	4,708	249,455	126,408	41,882
Jobs Created and/or Retained (3)	-	-	-	1	2
Business Assisted (Entrepreneur Program) (3)	-	157	175	157	229
Water utility:					
New connections (DUE's) (2)	479	338	473	589	105
Water main breaks	20.196	27	26	18	15
Wastewater utility:					
Average daily influent (million gallons per day)	27mgd	27mgd	25mgd	25mgd	27 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.

(3) Public Services Provided includes, rental housing unit, public facilities, meals provided to homeless, jobs created /retained and business assisted services.

Source: City of Stockton Departments

City of Stockton
Table 21
Capital Asset Statistics by Function/Program/Department
Last Five Fiscal Years

	Fiscal Year				
	2024	2023	2022	2021	2020
General government:					
Land use-square miles:					
Residential	22	22	22	24	25
Mixed use	4	4	4	4	4
Commercial	5	5	5	4	4
Industrial	13	13	13	14	13
Institutional	6	6	6	4	4
All other uses	4	4	4	3	3
Total square miles	54	54	54	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	183	189	153	181	212
Motorcycles and scooters	27	31	27	27	27
Animal control vehicles	11	12	12	11	9
VIPS vehicles	4	7	6	5	6
Other automobiles	221	226	158	198	213
Other mobile units (all others)	16	17	24	24	15
Public area security cameras	386	416	372	356	356
Fire:					
Fire stations	13	12	12	12	12
Training facilities	1	1	1	1	1
Fire hydrants	9354	9335	9302	9220	9,177
Public works:					
Miles of streets	781	781	781	781	769
Traffic signals	319	311	317	316	316
Street light fixtures	19,805	19,325	19,296	19,279	19,279
Rectangular Rapid flashing Beacons	65	65	-	-	-

City of Stockton
Table 21
Capital Asset Statistics by Function/Program/Department (Continued)
Last Five Fiscal Years

	Fiscal Year				
	2024	2023	2022	2021	2020
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	1	2	2	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	63	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
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				
	2024	2023	2022	2021	2020
Library:					
City branches	8	8	8	8	8
Library mobile units	2	1	2	2	2
San Joaquin County branches	8	7	8	8	8
Total items in collection	396,659	547,525	655,305	704,864	875,434
Cargo delivery van	-	1	2	2	2
Cargo van	4	4	1	1	1
Undeveloped land for branch library	1		2	2	2
Integrated library system	1	1	1	1	1
Microform readers	5	5	-	-	7
Microform readers/printers	4	6	6	6	7
Self check out machines	13	13	21	21	22
Water utility:					
Water main lines (miles)	619	612	702	702	702
Storage capacity (thousand gallons)	26,200	26,200	26,200	26,200	26,200
Water wells (active)	9	12	19	20	20
Water reservoirs	7	8	8	8	8
Wastewater utility:					
Wastewater main lines (miles)	929	922	921	919	887
Treatment capacity (million gals/day)	55	55	55	55	55
Wastewater pump stations	28	28	28	28	27
Stormwater utility:					
Stormwater main drain lines (miles)	627	612	628	627	627
Stormwater pump stations	76	76	75	73	73
Parking Authority:					
Parking spaces	5,179	5,179	5,179	5,440	5,440
Parking lots & garages	21	21	21	21	21

Source: City of Stockton Departments



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