

FINANCIAL STATE OF STOCKTON



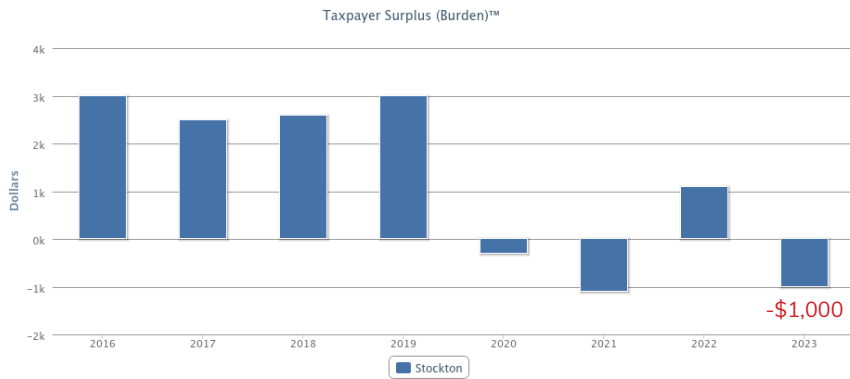


\$117 million
MONEY NEEDED TO PAY
BILLS



\$1,000
TAXPAYER BURDEN™

Stockton’s financial condition worsened in 2023, transitioning from a Sunshine City to a Sinkhole City. Based upon our analysis of its audited financial report for fiscal year 2023, the city needed \$117 million to cover its bills. This led to a Taxpayer Burden™ of \$1,000, earning the city a “C” grade from Truth in Accounting.



Stockton reported revenues exceeding expenses; however, its financial obligations grew due to a rise in its CalPERS unfunded pension liability. This increase stemmed from reported investment losses and a reduction in the discount rate used to estimate future pension costs, requiring the city to allocate more funds to cover long-term benefit obligations. Managing these growing liabilities will be crucial for Stockton’s fiscal stability.

Stockton’s unemployment rate rose from 5.7% in July 2022 to 7.2% in July 2023, signaling economic strain for residents and businesses. As the city faces rising financial and employment challenges, strategic planning will be crucial to support economic recovery, manage pension liabilities, and sustain essential public services for long-term fiscal stability.

FINANCIAL STATE OF STOCKTON



C
FINANCIAL GRADE



26 out of 75
RANKING

FINANCIAL FACTS

- Stockton had \$717.1 million available to pay \$834.1 million worth of bills.
- The outcome was a \$117 million shortfall, which breaks down to a burden of \$1,000 per taxpayer.
- Stockton’s reported revenues exceeded expenses, but rising pension liabilities and increasing unemployment pose challenges for long-term fiscal stability.

The City’s Bills Exceeded Its Assets

Total Assets	\$2,965,573,000
Minus: Capital Assets	-\$1,727,393,000
Restricted Assets	-\$521,062,000
Assets Available to Pay Bills	\$717,118,000
Minus: Total Bills*	-\$834,110,000
Money needed to pay bills	\$116,992,000
Each taxpayer’s share of this burden	\$1,000

*Breakdown of Total Bills

Bonds	\$314,393,000
Other Liabilities	\$356,599,000
Minus: Debt Related to Capital Assets	-\$436,739,000
Unfunded Pension Benefits	\$599,857,000
Unfunded Retiree Health Care Benefits	\$0
Total Bills	\$834,110,000

Grade:	Bottom line:
C	Stockton would need \$1,000 from each of its taxpayers to pay all of its outstanding bills and received a “C” grade for its finances. According to Truth in Accounting’s grading scale, any government with a Taxpayer Burden between \$0 and \$4,999 is given a “C” grade.