

# **Stockton, CA** Fell in Rankings to No. 36

# <u>The Truth</u>

Money Needed to Pay Bills **\$119.8 million** 

Taxpayer Burden™ **\$1,100** 

Financial Grade **C** 

Ranking 36 out of 75

### **Financial State of Stockton**

Unlike most cities, Stockton's numbers did not benefit from the unusual gains in pension assets that occurred in 2021, because the city reported its CALPERS plans' liability based on the prior year valuations (2020). Considering these outdated numbers and data from Stockton's 2021 audited financial report, the city needed \$119.8 million in money to pay its bills. This was an improvement over 2020 and resulted in a Taxpayer Burden<sup>™</sup> of \$1,100, earning the city a "C" grade from Truth in Accounting.

The city's elected officials have repeatedly made financial decisions that left the city with a debt burden of \$119.8 million. Stockton's financial problems stem mostly from unfunded retirement obligations that accumulated over the years. While its bankruptcy process eliminated its retiree health care obligations, the city had set aside only 72 cents for every dollar of promised pension benefits.

It is important for government entities to use timely data for all aspects of its financial reporting including for its pensions and other post-retirement benefits. Without current information, citizens and elected officials are left in the dark during the budgeting process.

The data included in this report is derived from Stockton's 2021 audited Annual Comprehensive Financial Report and retirement plans' reports. To compare prior years and other cities' financial, demographic, and economic information, go to Data-Z.org.

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#### **Daniels College of Business**

UNIVERSITY OF DENVER School of Accountancy

## **Stockton's Financial Breakdown**

#### Fast Facts

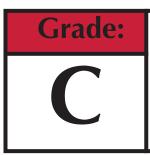
- Stockton needed \$119.8 million to pay its bills, which was \$92.3 million more than in 2020.
- This means each taxpayer would have to pay \$1,100 in future taxes for which they would receive no related services or benefits.
- Unlike most cities, Stockton's pension liability increased because of the city's use of outdated pension valuations which did not reflect the 2021 short-term gains in CALPERS pension investments.

## The City's Bills Exceeded Its Assets

Total Assets	\$2,713,407,000
Minus: Capital Assets	-\$1,559,811,000
Restricted Assets	-\$504,890,000
Assets Available to Pay Bills	\$648,706,000
Minus: Total Bills*	-\$768,516,000
Money Needed to Pay Bills	\$119,810,000
Each Taxpayer's Share of this Burden	\$1,100

#### \*Breakdown of Total Bills

Bonds	\$458,090,000
Other Liabilities	\$222,512,000
Minus: Debt Related to Capital Assets	-\$461,718,000
Unfunded Pension Benefits	\$549,632,000
Unfunded Retiree Health Care Benefits	\$0
Total Bills	\$768,516,000



Bottom line: Stockton would need \$1,100 from each of its taxpayers to pay all of its bills, so it has received a "C" for its finances. According to Truth in Accounting's grading scale, any government with a Taxpayer Burden between \$0 and \$4,999 receives a "C" grade.

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