



BAKERSFIELD
THE SOUND OF *Something Better*

City of Bakersfield, California

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020



CITY OF BAKERSFIELD
CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2020



Prepared by the Department of Finance
Randy McKeegan, Finance Director

On the Cover
Pedestrian Bridge
The Park at Riverwalk
Photo by Gilbert Vega

CITY OF BAKERSFIELD

Comprehensive Annual Financial Report
Year Ended June 30, 2020

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BAKERSFIELD

THE SOUND OF *Something Better*

January 25, 2021

Honorable Mayor, City Council, City Manager and Citizens of Bakersfield:

I am pleased to submit the City of Bakersfield's (the "City") Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2020 in accordance with the requirements of our Municipal Code which states that a complete financial statement and report be prepared at the end of each fiscal year (Section 2.08.020F). This report was prepared by the City's Finance Department, which assumes responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. Because the cost of internal control should not exceed anticipated benefits the objective is to provide reasonable, rather than absolute assurance that the financial statements are free of any material misstatements. To the best my knowledge and belief, the enclosed data is accurate in all material aspects and is reported in a manner that presents fairly the financial position and results of operations of the City.

The accompanying financial statements of the City have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

Brown Armstrong, a firm of licensed certified public accountants, performed the annual independent audit. The goal of the audit was to provide reasonable assurance that the basic financial statements of the City are free of material misstatement. The independent auditor concluded, based upon the audit, that the City's financial statements for the fiscal year ended June 30, 2020, are fairly stated in conformity with GAAP.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair representation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report and may be obtained from the City's website.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Bakersfield's MD&A can be found immediately following the report of the independent auditors, beginning on page 3 of the financial section.

GENERAL BACKGROUND

The City is located approximately one hundred miles north of Los Angeles in the southern San Joaquin Valley. The City is the County seat for the County of Kern and maintains an incorporated area of 151 square miles with an estimated population of 392,756 as of January 1, 2020. Bakersfield operates under the Council-Manager form of government. Policymaking and legislative authority are vested in the City Council, which consists of a Mayor and a seven-member Council. The City Council is responsible for passing the ordinances and operating resolutions, passing the annual budget, appointing commissions and committees, and hiring the City Manager, and City Attorney, as well as many other related duties.

The City of Bakersfield is a Charter City founded in 1898 that offers a full range of services including:

- Fire and Police Protection
- Streets and Infrastructure Maintenance
- Planning and Building Services
- Economic and Community Development Services
- Parks and Recreation Services
- River & Agricultural Water and Domestic Water Services
- Municipal Airpark - General Aviation
- Refuse Collection
- Wastewater Treatment

This report includes the financial activities of the City and the Bakersfield Successor Agency. A more detailed discussion of the reporting entity is provided in the notes to the financial statements.

MAJOR INITIATIVES

The Thomas Roads Improvement Program (TRIP) continues to progress through the various phases of environmental, design, land acquisition and construction. The TRIP program uses a combination of local funds, Transportation Impact Fees, and State and Federal road grants, which includes approximately \$570 million of Federal earmark funds approved by Congress in 2005. The City had three major TRIP projects under construction during the fiscal year including the Centennial Corridor Mainline Freeway (\$188 Million Budget), the Centennial Corridor Belle Terrace Bridge reconstruction (\$4.5 Million Budget), the Centennial Corridor Freeway Connector (\$4.8 Million Budget), the 24th Street Widening (\$4.4 Million Budget), and the Beltway Operational improvements to State Routes 58 & 99 (\$4.7 Million Budget). Supplemental grant awards at both the State and Federal level have resulted in the remaining projects planned to be constructed in the TRIP program to be fully funded, requiring no additional financing or borrowing.

The City recognized the negative impact of homelessness in the community and undertook a number of programs and projects designed to address the issues it creates. These endeavors included establishing rapid response teams in both the Development Services and Recreations and Parks departments to clean up homeless encampments and other negative impacts caused by that population. Also, funding private clean-up services in the Downtown and Old Town Kern areas of the City. The landmark homeless project undertaken this fiscal year was the purchase of a building that once renovated will become of the Brundage Lane Navigation Center. This facility will provide bridge housing to the homeless in the area and once completed could house up to 450 individuals. The total budget set aside for these homeless projects totaled over \$11.5 Million.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy and Local Budget Issues – At the start of the fiscal year, the local economy for the City of Bakersfield continued to show signs of growth and recovery in various industries, including oil & gas production and agriculture. The 2019-20 budget was established with this positive outlook in mind and

projections through the third quarter (ending in March 2020) were at or above revenue estimates. That positive outlook changed with the COVID-19 pandemic that has affected the global economy since the Spring of 2020. As of October 2020, the State unemployment rate is over 9% and the Kern County rate was at 12%. According to a recent report from the California Legislative Analyst's Office on the State's budgetary outlook (November 2020), "A host of unknowns cloud the state's economic outlook. Will virus cases worsen further over the fall and winter? How soon will effective treatments or vaccines be widely available? Can businesses continue to withstand diminished revenues in the face of rising debts? Will the federal government take additional actions to support the economy?...These unknowns create an unprecedented degree of uncertainty about the economic outlook." It goes on to emphasize there is little agreement among economists on where the economy will go in the future. We can examine the results of the fiscal year 2019-20 with that backdrop of the economic uncertainty going forward.

Property tax revenues grew by 2.5% in fiscal year 2019-20 and are estimated to increase by an additional 4.0% in fiscal year 2020-21. These revenues are not expected to be adversely affected by the COVID-19 pandemic in the near-term but a prolonged epidemic could reduce property taxes significantly beyond 2020-21. The City initiated a local sales tax measure to increase the City rate by 1 percent to provide additional revenue for a myriad of projects and needs that the City Council and management saw were not being addressed. The district add-on tax, called the *Public Safety and Vital Services (PSVS)* measure, was approved in November 2018 and went into effect April 1, 2019. This tax effectively doubled the sales tax revenue received by the City when compared to prior years. Fiscal year 2019-20 was the first full year for collections of this new tax. The PSVS funds are budgeted and accounted for separately within a sub-fund of the General Fund and have a special oversight committee made up of nine City residents. The funds are to be used to meet thirteen specific priorities (as identified in the ballot measure) to address top community priorities including enhancing public safety, reducing homelessness and bolstering economic development activities. The uncertainty in the State and National economy due to COVID-19 resulted in a budgeted reduction of 5.5% (approximately \$7.5 Million) in sales tax revenue going into 2020-21 but current quarterly figures show the decreases are not as significant as expected. It should be noted that the PSVS revenue stream is primarily earmarked for the fulfilling the thirteen established priorities mentioned previously but the City Council can use portions of that sales tax revenue to address economic instability.

To that end, The City Council adopted Resolution 91-19 on June 28, 2019 to create a more substantial reserve to help mitigate potential financial downturns as well as create potential avenues to address the increasing concern regarding the growing unfunded pension liabilities. This resolution created a five-year plan that would increase the General Fund reserve equal to two months of operational costs and begin to fund a Section 115 Pension Rate Stabilization Fund. This plan is subject to the availability of funds and does not lock the City into any contributions that would be detrimental to the operations necessary to serve the needs of the residents of Bakersfield. Based on the approved plan, the Council approved an increase to the City's cash basis reserve by \$8 million using the PSVS funds for a total reserve of \$34.3 million. Those reserves, along with a \$4.6 million facilities reserve fund, provide an added level of protection for the City. The Council continued to fund the City's Other Post-Employment Benefits (OPEB) costs for retiree medical benefits, maintaining the City of Bakersfield's position as one of the few entities in California that are making serious progress toward fully funding this long-term obligation.

Retirement costs will continue to escalate for all employee groups and over the next several years are expected to increase by 21% (\$14 million) by fiscal year 2025-26. This dramatic rise is a result of California Public Employees' Retirement System's (CalPERS) changes to its actuarial methodology and their lower than projected earnings in previous years. These methodology changes and resulting rate increases will have a significant impact on retirement costs for the City. Actual CalPERS earnings over the past five years have been 0.6%, 11.2%, 8.6%, 6.7%, and 4.7% respectively. The effects of annual investment increases or decreases are smoothed over a 30-year period so even more significant increases in costs are expected, but not necessarily in the near-term. CalPERS estimates the impact of the changes and returns will increase our annual retirement benefit costs by approximately \$3.0 million to \$5.0 million per year for the next five years.

Long-Term Financial Planning - The City of Bakersfield continues to look forward in meeting our long-term financial and operating needs. The increasing costs of retirement are of particular concern and continue to be closely examined by the City. As the City grows both in population and in geographic area, there will be a continued need to evaluate opportunities to become more efficient and effective in our efforts to serve our community. The City recently entered into consulting contract which will result in a financial model that will provide an integral tool for planning and budgeting going into the 2021-22 fiscal year and well beyond.

Accounting System and Internal Controls - The City's accounting system is organized and operated on a fund basis with each fund treated as a distinct self-balancing accounting entity. Various funds utilized by the City of Bakersfield are fully described in Note 1 of Notes to the Basic Financial Statements. The City's accounting records for general governmental operations are maintained on a modified accrual basis of accounting, whereby revenues are recognized when measurable and available and expenditures are recognized when materials and services are received. Accounting records for the enterprise and internal service funds are recorded on an accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred.

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (a) the cost of a control should not exceed the benefits likely to be derived and (b) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the framework described previously. The City Finance department believes that these internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. However, the City recognizes that even sound internal controls have inherent limitations. Internal controls must be reviewed to ensure that the City's operating policies and procedures are being adhered to and that the controls are adequate to assure accurate and reliable financial reporting and to safeguard the City's assets.

Budgetary Controls - The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Project length financial plans are adopted for the capital projects funds. The level of budgetary control is established at the fund level. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Unencumbered amounts lapse at year-end. However, encumbrances and certain capital projects are re-appropriated as part of the following year's budget. The 2019-20 City of Bakersfield appropriation limit established as required by state statute was \$429,959,287.

Cash Management - The City maintains a cash and investment pool that is available for use by all funds, except the Fire Pension Trust Fund. Each fund type's portion of this pool is displayed on the combined balance sheet as cash and short-term investments. The deposits and investments of the Fire Pension Trust Fund are held separately from other City funds.

The City Council has adopted an investment policy in accordance with California Government Code Sections 53607 and 53646, with a goal to minimize credit and market risks while maintaining a competitive yield on its portfolio. The City is also governed by State statutes authorizing the City to invest in bonds or other evidences of indebtedness of the U.S. Government or any of its agencies and instrumentalities, repurchase agreements and bankers' acceptances. The pension trust investments are administered separately under Municipal Code Section 2.92, which is within state guidelines.

OTHER INFORMATION

Independent Audit - The City Charter requires an annual audit by independent certified public accountants. The City Council also adopted a policy regarding auditor rotation that encourages competitive bidding on a five-year cycle. The accounting firm of Brown Armstrong Accountancy Corporation was selected by the City Council in 2017 to perform the annual audit for the 2016-17 fiscal year. This audit year (2019-20) is the fourth year of the five-year agreement with this firm.

Awards - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the City of Bakersfield for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019, marking the thirty-ninth consecutive year Bakersfield has received the GFOA certificate. The Certificate of Achievement is a national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement Program requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

Additionally, the City received the *Distinguished Budget Presentation Award* for the fiscal year beginning July 1, 2019 from the GFOA. The Distinguished Budget Presentation Award judges a government's budget document for compliance with the guidelines established by the National Advisory Council on State and Local Budgeting and best practices of the GFOA.

Acknowledgments - The preparation of this report in a timely manner could not be accomplished without excellent work performed by the entire staff of the Finance Department. I should like to express my gratitude to all members of the Department who assisted and contributed to its preparation. I should also thank the Mayor, City Council and the City Manager for their steadfast support in planning and conducting the financial operations of the City in a professional and progressive manner.

Respectfully,

A handwritten signature in black ink, appearing to read 'Randy McKeegan', with a stylized, flowing script.

Randy McKeegan
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Bakersfield
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

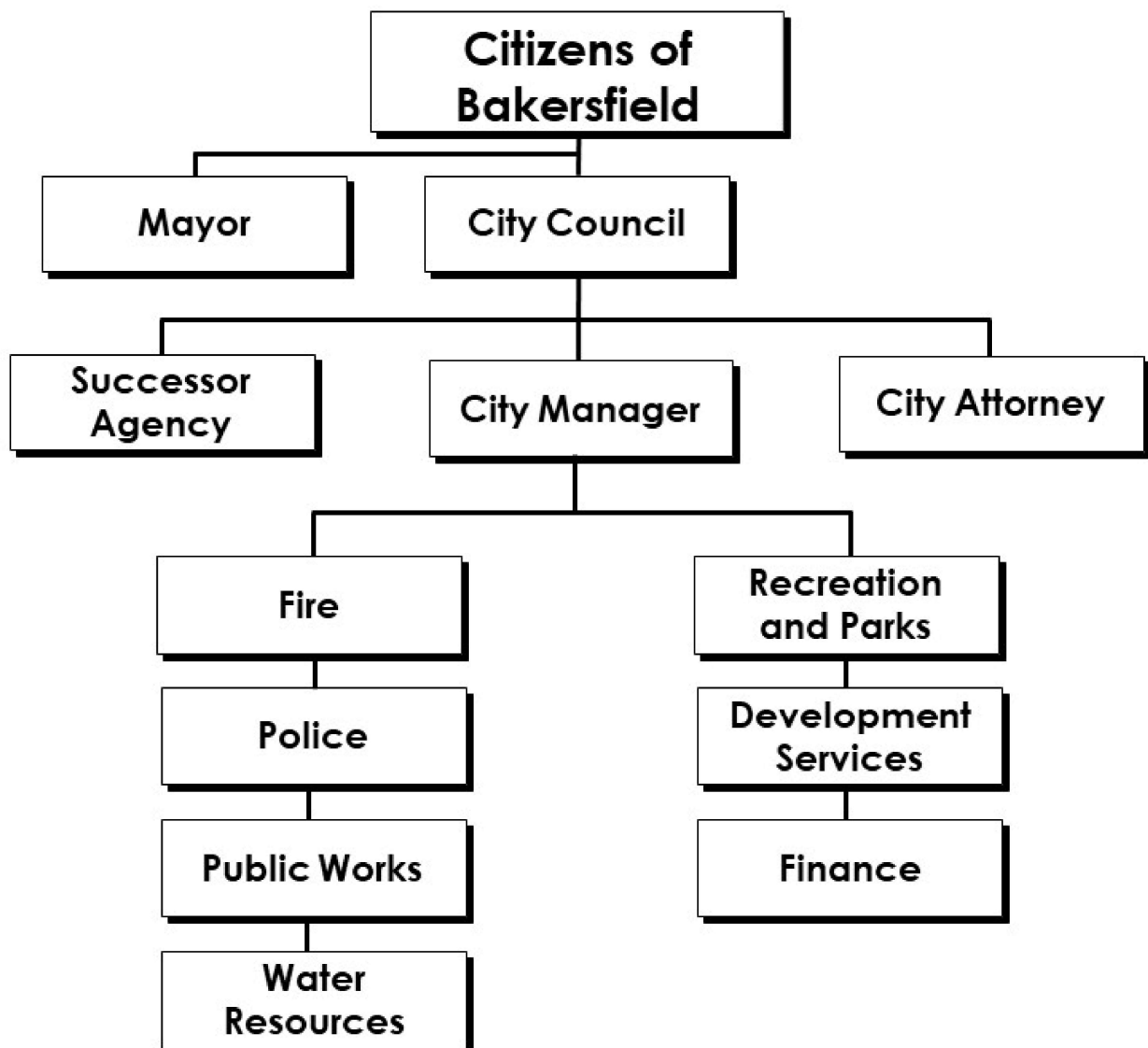
June 30, 2019

Christopher P. Morill

Executive Director/CEO

CITY OF BAKERSFIELD

Organizational Chart



CITY OF BAKERSFIELD

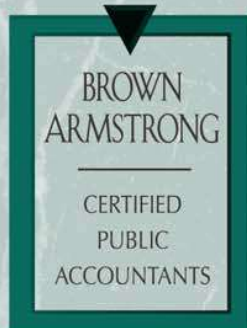
June 30, 2020

City Council

Karen K. Goh	Mayor
Willie Rivera	Member/Ward 1
Andrae Gonzales	Member/Ward 2
Ken Weir	Member/Ward 3
Bob Smith	Vice Mayor/Ward 4
Bruce Freeman	Member/Ward 5
Jacquie Sullivan	Member/Ward 6
Chris Parlier	Member/Ward 7

Administrative Personnel

Christian Clegg.....	City Manager
Virginia Gennaro	City Attorney
Christopher Boyle.....	Development Services Director
Randy McKeegan	Finance Director
Anthony Galagaza.....	Fire Chief
Greg Terry	Police Chief
Nick Fidler	Public Works Director
Dianne Hoover	Director Recreation & Parks
Art Chianello	Water Resources Manager



BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council of the
City of Bakersfield
Bakersfield, California

Report on the Financial Statements

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 Bakersfield, California, (the City) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, 2020, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 19 and 106 through 108, the City's Retirement Plans' Schedules of Changes in the Net Pension Liability and Related Ratios and the Schedules of Pension Contributions on pages 109 through 111, and the Other Postemployment Benefits (OPEB) Plan Schedule of Changes in the City's Net OPEB Liability and Related Ratios as well as its Schedule of OPEB Contributions on pages 112 and 113 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by GASB, 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.

Other 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 introductory section, combining and individual major and nonmajor fund financial statements and schedules, schedules of long-term debt recorded in private purpose trust fund on pages 118 through 149, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual major and nonmajor fund financial statements and schedules as well as schedules of long-term debt recorded in private purpose trust fund on pages 118 through 149 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 major and nonmajor fund financial statements and schedules as well as schedules of long-term debt recorded in private purpose trust fund on pages 118 through 149 are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
January 25, 2021

CITY OF BAKERSFIELD

Management's Discussion and Analysis

This discussion and analysis of the City of Bakersfield's (City) financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with the accompanying letter of transmittal, the basic financial statements, and the accompanying notes to those financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$2.0 billion (net position).
- The City's total net position increased by \$39.8 million over the prior fiscal year. This increase is broken down with changes to the following components of net position; a \$3.9 million decrease in restricted net position, a \$0.5 million increase in unrestricted net position, and a \$45.8 million increase in capital assets investment. Prior year information presented in this section does not take into account restatements made to fiscal year 2018-19 balances for prior period adjustments (see Note 23).
- As of the close of the current fiscal year, the City's Governmental Funds reported combined ending fund balances of \$213.6 million, an increase of \$27.1 million in comparison with the prior year. Amounts available for spending include restricted, committed, assigned and unassigned fund balances. Of this amount, \$15.1 million is restricted by law or externally imposed requirements, \$141.3 million is committed for specific purposes, \$56.2 million assigned. There was no unassigned and available balance at year end in part due to over \$7.5 million expended to address the COVID-19 pandemic. Those funds will be reimbursed in the subsequent fiscal year through Federal assistance.
- Available fund balance for the General Fund increased \$14.1 million to \$68.7 million, which equates to 30.1% of total General Fund expenditures for the year.
- The City's long-term debt showed a decrease of \$26.0 million during the current fiscal year.

Note: Further analysis of the changes and balances highlighted can be found in detail provided in this section.

CITY OF BAKERSFIELD

Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS

The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The statements present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business-type activities separately. Additionally, certain eliminations have occurred as prescribed by the Governmental Accounting Standards Board (GASB) statements in regards to interfund activity, payables and receivables.

The Statement of Net Position and the Statement of Activities provide information about the City as a whole and its activities through the fiscal year. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the City using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid.

These two statements report the City's net position and changes in it. Net position is the difference between assets deferred outflows of resources, liabilities, and deferred inflows of resources providing a measurement of the City's financial health. Over time, increases or decreases in the City's net position can be an indicator of whether its overall financial health is improving or deteriorating. Other factors to consider are changes in the City's property tax base and sales tax base. The government-wide financial statements do not include the fiduciary funds, which comprise the private purpose trust funds, pension trust funds, and agency funds. Resources in the fiduciary funds are generally not available to support the City's own programs.

In the Statement of Net Position and the Statement of Activities, we separate the City activities as follows:

Governmental activities - Most of the City's basic services are reported in this category, including the General Government, Police, Fire, Public Works, Recreation & Parks and Development Services. These activities are generally financed by property and sales taxes, user fees, interest income, franchise fees, and state and federal shared revenues and grants.

Business-Type activities - The City charges a fee to customers to cover all or most of the cost of certain services it provides. The City's Water, Wastewater, and Refuse Collection systems along with the Municipal Airport and Offstreet Parking activities are reported in this category.

CITY OF BAKERSFIELD

Management's Discussion and Analysis

FUND FINANCIAL STATEMENTS

A fund is a specific grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. Like other state and local government, the fund financial statements provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by State law and by bond covenants. Management establishes many other funds to help control and manage financial resources for particular purposes, or to show that the City is meeting legal responsibilities when using certain taxes, grants, and other revenue.

These financial statements include statements for each of three categories of activities – governmental, proprietary and fiduciary. The governmental activities are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The proprietary activities are prepared using the economic resources measurement focus and the accrual basis of accounting. The fiduciary activities are agency funds that also use the economic resources measurement focus but only report a balance sheet. Reconciliation of the Governmental Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences created by the integrated approach.

Governmental Funds - Most of the City's basic services are reported in governmental funds, which focus on the flow of resources into and out of those funds with the balances remaining at year-end available for appropriation. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The Governmental Fund financial statements focus on near-term inflow and outflow of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements. The differences of results in the Governmental Fund financial statements to those in the Government-Wide financial statements are explained in a reconciliation schedule following the Governmental Fund financial statement in order to facilitate comparison.

Proprietary Funds - Proprietary Funds are used to report services the City charges to all of its customers, which may include units within the City. Proprietary Funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The City's Enterprise Funds report the same functions as the business-type activities reported in the Government-Wide financial statements, but provide more detail and additional information, such as cash flows. The City uses Internal Service Funds (the second component of Proprietary Funds) to report activities that provide supplies and services for the City's other programs and activities. This includes the City's Self-Insurance and Equipment Management Funds. These services primarily benefit governmental rather than business-type functions so a majority of the related operation costs are included with the governmental activities in the Government-Wide financial statements.

Fiduciary Funds - The City is the trustee, or fiduciary, for certain funds held on behalf of various third parties. The City's fiduciary activities are reported in separate Statements of Fiduciary Net Position. These resources are not available to support the City's programs or operations activities and are thereby excluded from the City's other financial statements. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund financial statements. The notes can be found starting on page 48 of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain "Required Supplementary Information" concerning the City's progress in funding its obligation to provide pension benefits and other post-employment benefits (OPEB) to its employees and budgetary comparison schedules for the General Fund and Special Revenue Major Funds. This information can be found starting on page 105 of this report.

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GOVERNMENT-WIDE FINANCIAL ANALYSIS

As previously noted, net position may serve over time as a useful indicator of a government's financial position. In the current year, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$2.0 billion at the close of the reporting period, which is a \$42.3 million increase in comparison with the prior year (after restatements).

The largest portion of the City's net position relates to its net investment in capital assets of \$2.1 billion (e.g., land, buildings, machinery, infrastructure and equipment), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; as such, these assets are not available for future expenditures. The City's investment in capital assets is reported net of related debt, though it should be noted that the resources needed to repay this debt must be provided from other sources as the capital assets themselves cannot be used to service this debt.

A small portion of the City's net position, \$35.3 million (1.7% of the total), represents resources that are subject to external restrictions on how they may be used.

As in the prior year, the City is able to report positive balances in both categories of net position, whether for the City as a whole or for its separate Governmental and Business-type activities.

The following table presents the components of the government-wide Statement of Net Position at the end of the fiscal year for both 2019 and 2020. The governmental and business-type activities columns reflect amounts that have been restated in this financial report. Note 23 explains any prior period adjustments that changed net position.

City of Bakersfield - Net Position

(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2019	2020	2019	2020	2019	2020
Assets						
Current and other assets	\$ 326,209	\$ 355,991	\$ 189,182	\$ 188,795	\$ 515,391	\$ 544,786
Capital assets (net)	1,330,859	1,358,150	890,918	882,790	2,221,777	2,240,940
Total assets	1,657,068	1,714,141	1,080,100	1,071,585	2,737,168	2,785,726
Deferred Outflows of Resources	95,296	83,306	17,511	15,535	112,807	98,841
Liabilities						
Long-term liabilities						
outstanding	536,281	537,638	230,239	206,296	766,520	743,934
Other liabilities	49,003	54,993	15,683	16,345	64,686	71,338
Total liabilities	585,284	592,631	245,922	222,641	831,206	815,272
Deferred Inflows of Resources	25,794	33,019	3,032	3,991	28,826	37,010
Net Position						
Net investment in capital assets	1,316,113	1,347,391	720,818	735,284	2,036,931	2,082,675
Restricted	18,976	15,079	20,200	20,200	39,176	35,279
Unrestricted	(193,801)	(190,673)	107,639	105,004	(86,162)	(85,669)
Total Net Position	\$1,141,288	\$1,171,797	\$ 848,657	\$ 860,488	\$ 1,989,945	\$ 2,032,285

CITY OF BAKERSFIELD

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Governmental Activities – Total assets for governmental activities increased by \$57.1 million, with current and other assets in governmental activities increasing by \$29.8 million and a capital assets increase of \$27.3 million. Total liabilities increased by \$7.3 million, with other liabilities increasing by \$6.0 million and long-term liabilities increasing by \$1.4 million.

Of the \$30.5 million increase in governmental activities total net position, unrestricted net position increased by \$3.1 million, net investment in capital assets increased by \$31.3 million and restricted net position decreased by \$3.9 million. Net investment in capital assets increased due to continued development throughout the City increasing the value of overall infrastructure. The increase in unrestricted net position stems primarily from decreases in the other post-employment benefit liability offset in part by increases in pension liabilities.

Business-Type Activities – Total assets for business-type activities decreased by \$8.5 million, with current and other assets decreasing by \$0.4 million and a \$8.1 million decrease in capital assets. Total liabilities decreased by \$23.3 million, with other liabilities increasing by \$0.7 million and long-term liabilities also decreasing by \$23.9 million. Total net position for business-type activities increased by \$11.8 million. Of that amount, net investment in capital assets increased by \$14.5 million. Restricted net position remained constant and unrestricted net position decreased by only \$2.6 million. The overall increase in net position is the result of completed improvement projects in the Wastewater, Refuse and Agriculture Water funds. There was also a decrease in the net other post-employment benefit liability offset slightly by the continued increases in pension related liabilities that increased net position.

Change in Net Position of the City

The following table presents the government-wide changes in net position for both 2019 and 2020. The City's total revenues of \$595.4 million were more than expenses of \$555.6 million for an increase in net position before transfers & other items of \$39.8 million. The governmental and business-type activities columns reflect amounts that have been restated in this financial report. Note 23 explains any prior period adjustments that changed net position.

City of Bakersfield - Changes in Net Position

	(in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2019	2020	2019	2020	2019	2020
Revenues:						
Program revenues:						
Charges for services	\$ 57,472	\$ 55,071	\$ 125,940	\$ 127,476	\$ 183,412	\$ 182,547
Operating grants and contributions	11,411	17,271	8,407	7,588	19,818	24,859
Capital grants and contributions	78,709	109,448	11,978	10,120	90,687	119,568
Total program revenues	147,592	181,790	146,325	145,184	293,917	326,974
General revenues:						
Taxes:						
Property taxes	83,544	85,559	-	-	83,544	85,559
Sales taxes	94,622	148,259	-	-	94,622	148,259
Other taxes	1,525	1,342	-	-	1,525	1,342
Intergovernmental:						
Intergovt, unrestricted	186	308	-	-	186	308
Grants and contributions not restricted to specific programs	25,238	24,764	-	-	25,238	24,764
Investment earnings	2,709	1,707	5,046	3,672	7,755	5,379
Miscellaneous	1,475	2,671	-	-	1,475	2,671
Gain on sale of property	101	4	25	133	126	137
Total Revenues	356,992	446,404	151,396	148,989	508,388	595,393

CITY OF BAKERSFIELD

Management's Discussion and Analysis

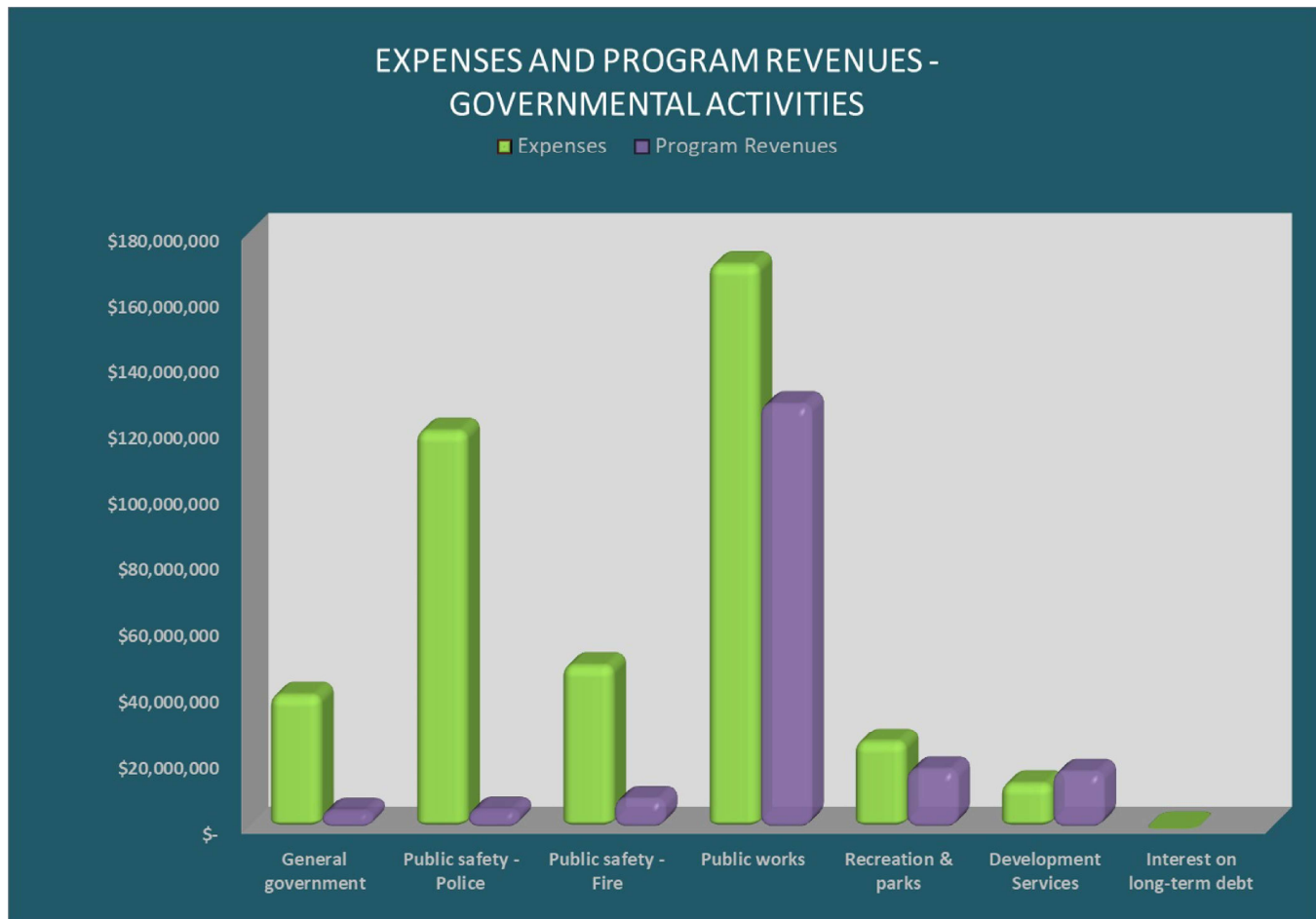
City of Bakersfield - Changes in Net Position

	(in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2019	2020	2019	2020	2019	2020
Expenses:						
Governmental:						
General government	31,112	40,385	-	-	31,112	40,385
Public safety - Police	106,341	120,286	-	-	106,341	120,286
Public safety - Fire	46,537	49,285	-	-	46,537	49,285
Public works	126,436	170,924	-	-	126,436	170,924
Recreation and parks	20,686	26,173	-	-	20,686	26,173
Development services	8,221	13,409	-	-	8,221	13,409
Interest on long-term debt	17	8	-	-	17	8
Subtotal - Governmental	339,350	420,470	-	-	339,350	420,470
Business-Type:						
Wastewater treatment	-	-	43,492	41,863	43,492	41,863
Refuse collection	-	-	52,077	56,297	52,077	56,297
Agricultural water	-	-	4,470	5,110	4,470	5,110
Domestic water	-	-	26,859	30,901	26,859	30,901
General aviation	-	-	480	633	480	633
Offstreet parking	-	-	291	289	291	289
Subtotal - Business-Type	-	-	127,669	135,093	127,669	135,093
Total expenses	339,350	420,470	127,669	135,093	467,019	555,563
Change in net position before transfers & other items	17,642	25,934	23,727	13,896	41,369	39,830
Transfers	4,058	2,064	(4,058)	(2,064)	-	-
Changes in net position	21,700	27,998	19,669	11,832	41,369	39,830
Net Position - Beginning of Year (as restated)	1,119,588	1,143,799	828,988	848,656	1,948,576	1,992,455
Net Position - End of Year	\$ 1,141,288	\$ 1,171,797	\$ 848,657	\$ 860,488	\$ 1,989,945	\$ 2,032,285

Governmental Activities – The results in governmental activities caused an increase in the City’s net position by \$28.0 million during the year. The following graph displays the difference between the program revenue and expenses by activity to illustrate the amount each respective activity is supported by program revenues. Public Safety and Recreation and Parks service delivery costs exceeded program revenues by \$155.5 million and \$8.6 million, respectively. Public Safety programs rely heavily on taxes to support their operations whereas Recreation and Parks relies on both taxes and charges for services to support their operations. This fiscal year Public Works service delivery costs exceeded program revenues by \$42.7 million because a significant portion of its services are also tax supported.

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Total expenses in Governmental Activities had a net increase of \$81.1 million from the previous fiscal year for an overall 23.9% increase. A review of all functions of governmental activities shows increases. The largest increases were in Public Works with an increase at \$44.5 million, Public Safety-Police which increased by \$13.9 million, and General Government with an increase of \$9.3 million. These increases are primarily connected to the increases initiated to meet the goals of the Public Safety and Vital Services (PSVS) district tax measure. The funds were to be directed toward increases in staffing and services for police and fire, addressing homelessness in the community, increases in City rainy-day reserves and increasing opportunities for economic development. A portion of these cost increases also related to increases to California Public Employees' Retirement System (CalPERS) rates in the current year.

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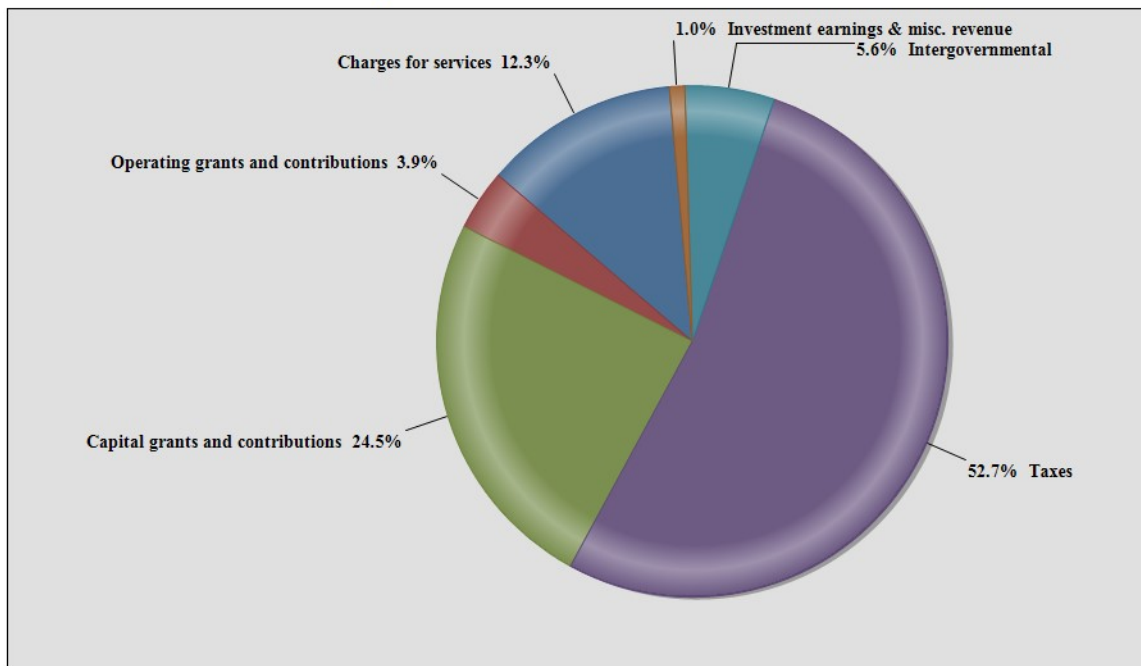
The taxes category is the largest revenue source for governmental activities, amounting to \$235.2 million or 52.7% of total revenues. Capital grants and contributions is also a significant revenue source for the City's governmental activities, amounting to \$109.4 million or 24.5% of total revenues. The third most significant sources of revenue is charges for services, amounting to \$55.1 million or 12.3% of total revenues.

Governmental Activities Revenues increased \$89.4 million which is a 25.0% increase compared to the previous fiscal year. This increase is due primarily to a 26.4%, or \$55.2 million, increase in General Revenues and a 23.2%, or \$34.2 million, increase in Program Revenues.

General Revenues - Sales tax revenues increased by 56.7%, or \$53.6 million, while property taxes increased by 2.4%, or \$2.0 million. The primary reason for this increase is from the PSVS district tax which is a new source of revenue that was approved by residents in November 2018. This was the first fiscal year in which the City received a full 12-months from this revenue with the 2018-19 amount covering just half a year. There has also been an overall increase in sales tax related to the Wayfair Supreme Court decision which resulted in higher collection from online sales.

Program Revenues - Capital Grants and Contributions increased by \$30.7 million due to a more special projects funded in Public Works compared to the prior year. The most significant reduction is related to the Thomas Roads Improvement Program (TRIP) projects which included increases in activity related to construction and property acquisition when compared to the previous year. Operating Grants and Contributions increased \$5.9 million with the majority of the increase due to more entitlement funds received from the Department of Housing and Urban Development in the current year and an increase in State grants received to address the homelessness issues within the City.

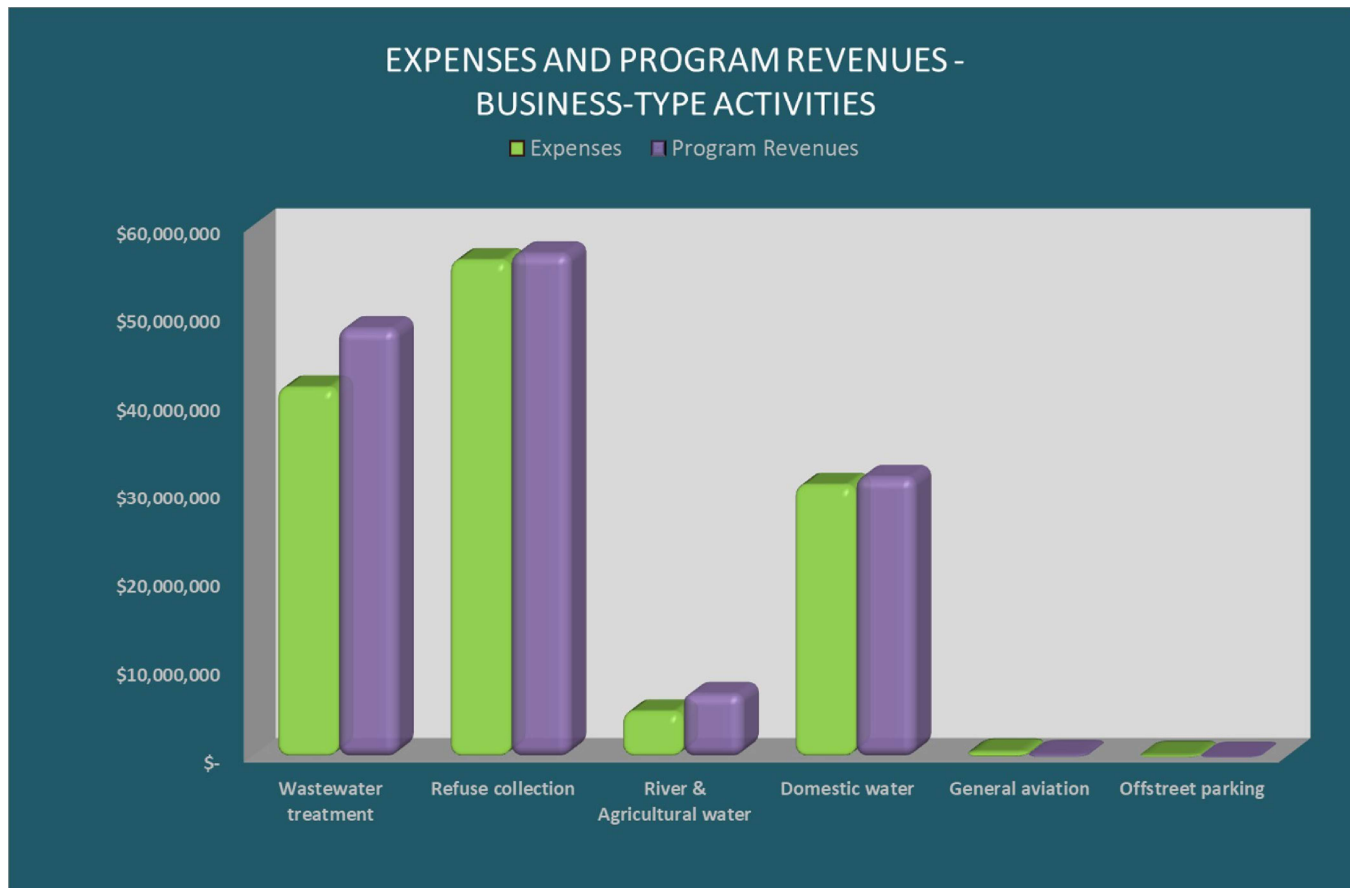
Revenues by Source - Governmental Activities



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Business-Type Activities – The City operates six Enterprise Funds that offer wastewater services, refuse collection, river & agricultural water, domestic water to City residents, downtown parking and a municipal airport.

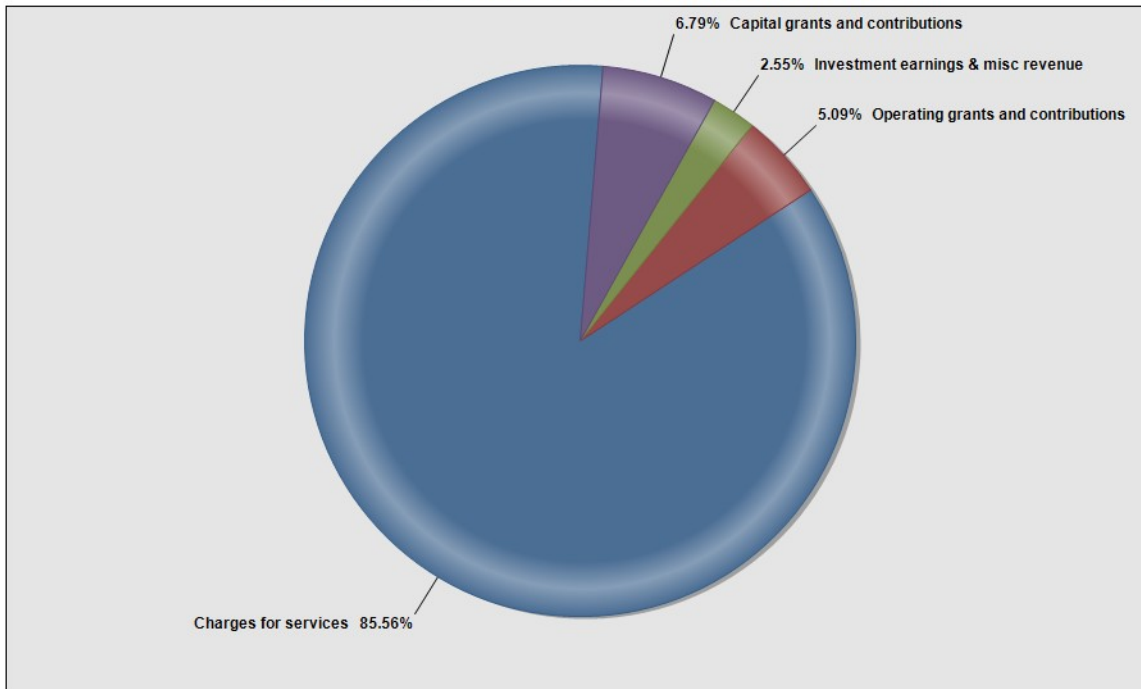


Business-type activities increased the City's net position by \$11.8 million during the current year. The chart above compares total program revenues and expenses.

Program revenues exceeded program expenses in Wastewater Treatment by \$6.6 million, Refuse Collection by \$0.8 million, River & Agricultural Water by \$2.1 million, and Domestic Water by \$0.9 million. These increases were offset slightly by program expenses exceeding program revenues in both the Airport and Offstreet Parking funds by close to \$318 thousand in total.

Total expenses increased by \$7.4 million (5.8%) over the prior year.

The following chart illustrates the distribution of business-type revenues by category. The City's business-type activities rely heavily on charges for services to fund their operations, making up 85.6% of total revenues. Capital grants and contributions is the second largest revenue source at 6.8% of total revenues.

Revenues by Source - Business-Type Activities

Business-Type activities program revenues decreased by \$1.1 million, (0.8)%, over the prior year. The decrease is attributable to reductions in contributions from developments infrastructure completed when compared to the previous year. There was a slight increase in Refuse Collection service revenue of \$1.5 million due to rate increases and additional residential service customers that offset a portion of the decrease in grant revenue. There were increases in revenue in Domestic Water of \$0.5 million, which was also connected to an increase in rates, and decreases of \$2.5 million in River & Agricultural Water revenue due to a large, one-time sale of water made in the prior year. An decrease in the Wastewater Treatment revenue was primarily connected to a drop in capital contributions of \$1.9 million from less development completed in the area and consequently decreases in related infrastructure added in the current year for that activity.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

A fund is created and segregated for the purpose of carrying out specific activities or attaining specific objectives in accordance with special regulations, restrictions, or limitations. Activity not required to be reported in a separate fund is included in the General Fund.

Governmental Funds - The focus of the City's Governmental Funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's available resources as it represents the portion of fund balance which is not limited to use for a particular purpose by an external party, City management or City Council.

As of the end of the current fiscal year, the City's Governmental Funds reported combined ending fund balances of \$213.6

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million, an increase of \$27.1 million in comparison with the prior year. The components of total fund balance are as follows (for more information see Note 14 – Fund Balances):

- **Nonspendable fund balance**, \$1.0 million, are amounts that are not spendable in form, or are legally or contractually required to be maintained intact, and are made up of prepaid expenses and deposits.
- **Restricted fund balance**, \$15.1 million, consists of amounts with constraints put on their use by external creditors, grantors, contributions, laws, regulations or enabling legislation. Examples of restrictions on funds are those for (1) \$8.7 million for the purpose of the fund (i.e., Gas Tax and Road projects), (2) \$2.5 million from the Redevelopment Successor Agency Housing Fund for projects and (3) \$3.0 million for traffic safety projects.
- **Committed fund balance**, \$141.3 million, are amounts for specific purposes determined by the Bakersfield City Council, such as funds collected from fees paid to mitigate the traffic impacts to the regional circulation system of \$53.3 million, funds set aside for future city facilities and infrastructure project \$23.2, funds set aside by City Council in the General Fund for cash basis/emergency reserves of \$26.6 million and \$22.4 million for appropriations for next year's budget.
- **Assigned fund balance**, \$56.2 million, for funds set aside by management for specific purposes. Amounts include \$34.9 million set aside for capital projects and \$2.5 million for the fund purposes related to transient occupancy fees, and \$22.4 million for PSVS fund balance. Those available funds are set aside for future projects that will meet the intended uses of those funds in accordance with the sales tax ballot measure.
- **Unassigned fund balance**, represents the residual classification for the City's General Fund. There is no balance in the current due to funds deferred for Coronavirus Aid, Relief, and Economic Security (CARES) Act reimbursements, not able to be recognized in the current fiscal year because of accounting guidelines. Over \$7 million in expenditures were incurred which will be recognized in the subsequent year and rebuild the unassigned balance.

General Fund: The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the General Fund's total fund balance increased by 25.8%, or \$14.1 million from \$54.6 million to \$68.7 million. The following detail of changes from the prior year explains this change in fund balance for the year:

- Total operating revenues increased by \$57.3 million (25.4%). Property Tax revenue increased by \$2 million due to continuation of higher assessed values within the City limits. Sales Tax revenue had the most significant increase with a full fiscal year of receipts from the new PSVS district tax and improvements in the base (Bradley-Burns) portion resulting in an increase of \$53.6 million. Both components of sales tax also saw an increase due to the previously mentioned Wayfair decision which added more sales tax revenue from online purchases. All other revenue sources within the General Fund remained fairly consistent compared to the previous fiscal year.
- Total expenditures increased by \$20.7 million (a 10% increase). This was due to increases in the Public Safety costs in both Police and Fire expenditures related primarily to PSVS funded hiring along with filling some vacancies (\$9.4 million and \$4.3 million, respectively). Overall personnel expenditures also increased throughout all General Fund departments due to hiring related to PSVS programs and increases in pension costs.

Other governmental funds: As compared with the prior year, the total fund balances of the remaining governmental funds increased by 9.8%, or \$13.0 million, to \$144.9 million with the following significant changes:

- The Gas Tax and Road Fund decreased by \$4.2 million from \$12.9 million to \$8.7 million. Amounts in this fund are restricted by state and federal statute. The decrease is due to multiyear projects continuing to wind down and others in various stages of completion.
- The Capital Outlay Fund increased by \$14.8 million from \$55.6 million to \$70.4 million. Of this amount, \$29.7 million is committed for contractual obligations and \$4.9 million is committed for facility replacement. The remaining amount of \$34.9 million is assigned and available for use at management's discretion. The resulting decrease shows that expenditures were in line with projected revenues.
- The Park Improvement Fund increased by \$0.8 million. Of this amount, \$5.6 million is committed for contractual

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obligations. The increase in fund balance is and accumulation of funds connected to future plans for expansion and improvement of area parks.

Proprietary Funds - The City's Proprietary Funds are shown in their entirety in the government-wide financial statements. All funds are being reported as major funds, so there is no need to report additional detail elsewhere in the document.

The Wastewater Treatment Fund has total net position of \$541.1 million at the end of the current year, an increase of \$8.5 million over the prior year. Total net position includes \$482.1 million net investment in capital assets and \$20.2 million of restricted assets which are not available to cover current expenses. The remaining net position of \$38.8 million is unrestricted and available to cover current operating and capital needs (including plant and equipment replacement) of the fund. The majority of the increase resulted from more development completed to infrastructure in the current year which was reflected in a \$7.7 million addition in Capital Contributions.

The Refuse Collection Fund has total deficit in net position of \$(1.8) million at the end of the current year, a decrease of \$1.2 million from the prior year. The decrease is due to less revenue collected from residential services/rates than is necessary to cover the operating costs of the division including overall increases to the City's recycling program which has had significant cost increases brought on by the lack of a market for those materials. The decrease is also connected to the pension and OPEB costs that are being reported in the fund. Further review of the rates charged to customers will occur to establish a rate sufficient to cover these costs in future years and to address the deficit in net position.

The River and Agricultural Water Fund has total net position of \$31.2 million at the end of the current year, an increase of \$2.2 million over the prior year. Total net position includes \$18.2 million net investment in capital assets, which is not available to cover current expenses. The remaining net position of \$13.0 million is unrestricted and available to cover current operating and capital needs of the fund. As in the prior year, revenues were more than sufficient to cover the fund costs resulting in this continued increase in net position.

The Domestic Water Fund has total net position of \$273.0 million at the end of the current year, an increase of \$1.9 million over the prior year. Total net position includes \$219.6 million net investment in capital assets, which is not available to cover current expenses. The remaining net position of \$53.4 million is unrestricted and available to cover current operating and capital needs of the fund.

The General Aviation Fund has total net position of \$11.3 million at the end of the current year, a decrease of \$191,750 compared to the prior year. Total net position includes \$10.5 million net investment in capital assets, which is not available to cover current expenses. The remaining net position is unrestricted and available to cover current operating and capital needs of the fund.

The Offstreet Parking Fund has total net position of \$1.0 million at the end of the current year, a decrease of \$77,903 compared to the prior year. Total net position includes \$0.9 million net investment in capital assets, which is not available to cover current expenses. The remaining net position is unrestricted and available to cover current operating and capital needs of the fund.

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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 of the current fiscal year amounts to \$2.2 billion (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, roads, highways, bridges and construction in progress. The total increase in the City's investment in capital assets for the current fiscal year was \$19.2 million. Of this amount, a \$27.3 million increase relates to Governmental Activities and a \$8.1 million decrease that relates to Business-Type Activities. Depreciation expense of \$96.8 million reduced capital assets by this amount.

These financial statements include infrastructure assets constructed or acquired through fiscal year 2019-20.

Major capital asset events during the current fiscal year included the following:

- A variety of street construction projects and rehabilitation of major arterial streets. Construction in progress for governmental activities as of the end of the current fiscal year is \$117.3 million. This figure includes over \$112.8 million towards major street construction, traffic signals, and resurfacing projects throughout the City.
- The City added over \$21.0 million in new streets and roads primarily due to new residential developments completed in the current year. These newly constructed right of ways are transferred over to the City by the various developers when the work is finalized.

City of Bakersfield - Capital Assets

	(in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2019	2020	2019	2020	2019	2020
Land and water storage rights	\$ 449,360	\$ 449,888	\$ 23,630	\$ 23,630	\$ 472,990	\$ 473,518
Depreciable buildings, property, equipment and infrastructure, net	775,947	790,970	779,191	815,687	1,555,138	1,606,657
Construction in progress	105,552	117,292	56,621	11,996	162,173	129,288
Non-amortizable intangible assets	-	-	31,477	31,477	31,477	31,477
Total Capital Assets	<u>\$1,330,859</u>	<u>\$1,358,150</u>	<u>\$ 890,919</u>	<u>\$ 882,790</u>	<u>\$ 2,221,778</u>	<u>\$ 2,240,940</u>

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City of Bakersfield - Outstanding Debt

	Balance June 30, 2019	Incurred or Issued	Satisfied or Matured	Balance June 30, 2020
Governmental Activities				
Notes Payable	\$ 6,111,476	\$ -	\$ (1,227,678)	\$ 4,883,798
Certificates of Participation*	8,635,000	-	(2,760,000)	5,875,000
Total governmental activities	<u>\$ 14,746,476</u>	<u>\$ -</u>	<u>\$ (3,987,678)</u>	<u>\$ 10,758,798</u>
Business-Type Activities				
Revenue Bonds Payable	\$ 160,129,574	\$ 10,525,000	\$ (31,828,241)	\$ 138,826,333
Notes Payable	1,504,252	-	(752,125)	752,127
Total business-type activities	<u>\$ 161,633,826</u>	<u>\$ 10,525,000</u>	<u>\$ (32,580,366)</u>	<u>\$ 139,578,460</u>
Total Debt	<u>\$ 176,380,302</u>	<u>\$ 10,525,000</u>	<u>\$ (36,568,044)</u>	<u>\$ 150,337,258</u>

* Certificates of Participation in governmental activities are debt of the former Redevelopment Agency that is now reported as City debt.

- **Long-Term Debt** - At the end of the current fiscal year, the City had a total debt outstanding of \$150.3 million. The City's total debt decreased by a net amount of \$26.0 million during the current fiscal year. This amount is the result of normal debt maturities along with the partial defeasance and refinance of a callable portion of the 2015 Wastewater Bond.

Certificates of Participation issued by the City via the former Redevelopment Agency in 2006 carry a Reserve Fund Surety from Ambac Assurance Company (Ambac). Moody's Investor's Service (Moody's) rating on Ambac is currently "Baa1". The current underlying rating on the Certificates of Participation has not been revised (currently "A1"). This rating on the Certificates of Participation reflects only the view of Moody's, and any desired explanation of the significance of such rating should be obtained from Moody's. There is no assurance that such rating will continue for any given period of time or that such rating will not be revised or withdrawn by Moody's if, in the judgment of Moody's, circumstances so warrant.

The 2015 Wastewater Revenue Bonds – Series A, issued by the City in 2015, which redeemed a majority of the 2007 Wastewater Revenue Bonds – Series A, has an "Aa2" rating from Moody's and an "AA" rating from Standard & Poors. There is no assurance that such ratings will continue for any given period of time or that such ratings will not be revised or withdrawn by the rating agencies if, in their judgment, circumstances so warrant.

More detailed information regarding capital asset and long-term debt activity can be found in the related notes to the financial statements. See Note 5 for capital assets and Note 11 for long-term debt.

CITY OF BAKERSFIELD

Management's Discussion and Analysis

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget reflect an increase in resources of \$8.5 million and an increase in appropriations of \$13.3 million. Significant budgetary amendments (changes) are summarized as follows:

- \$1.6 million increase in various resources and appropriations due to revenues associated with open purchase orders at the end of the previous fiscal year. Also, \$0.8 million increase in various resources due to revenues associated with prior year appropriations not spent and carried forward to this fiscal year.
- \$6.1 million was added to the budget for updated revenue estimates of PSVS district sales tax designated to address needs throughout Bakersfield including public safety, economic development and homelessness.
- \$1.7 million increase in resources and appropriations for local housing assistance funded by the State of California and awarded to the Development Services department.

The final amended revenue estimate budget figures in the General lower than actual revenue by \$3.6 million and appropriations were higher than actual expenditures by \$31.0 million. Significant differences between budget and actual amounts are as follows:

- \$3.8 million positive variance in tax revenue. This is the result of an increase in property tax revenue and sales and use tax revenue. Property tax revenue was initially estimated to increase while Sales tax revenue were not expected to increase at the level experienced. Projections for tax revenue were conservative in nature because of uncertainty throughout the year on the level and sustainability of economic recovery in the area.
- \$1.4 million less than budgeted in intergovernmental revenue which is due primarily to this source of funds being based on reimbursement of expenditures incurred. Some of the project activity for these awards had not moved forward resulting in less revenue being recognized.
- \$5.7 million variance of appropriations over actual expenditures in Public Safety-Police. The savings are due primarily to salary and benefit savings from unfilled positions or positions filled later in the year.
- \$7.9 million variance of appropriations over actual expenditures in Development Services. The savings are due primarily to salary and benefit savings from unfilled positions plus some grant funded projects that were budgeted but not started. This in part connects to the new Economic and Community Development division which was funded but many of the position and assistance programs established in the budget did not move forward until very late in the fiscal year.

CITY OF BAKERSFIELD

Management's Discussion and Analysis

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The key assumptions in the General Fund revenue forecast for fiscal year 2020-21 were:

1. Property tax revenue is projected to grow at 4% which is the same level as last year's estimate as projected by Kern County.
2. Sales and use tax revenue is projected to show an overall decrease in fiscal year 2020-21, which is in line with the reductions to the amended budget estimates in fiscal year 2019-20 due to the negative impacts from the COVID-19 pandemic. Sales and use tax revenues faced significant shortfalls brought about by the shut-down of many businesses in the community prompted by State orders. There is little information to suggest that the slowdown prompted by these closures will subside in the near-term. A conservative estimate of 2020-21 revenues was a reduction in total of 4% from the prior year. This reduction was tempered by the continued growth in dollars expected from the Wayfair decision.
3. California Public Employees' Retirement System (CalPERS) approved new policies last year which have raised rates approximately 7% to 10% depending on the employee plan for next fiscal year. Similar increases are projected for the next five fiscal years.

New items specifically addressed in the 2020-21 budget include the following:

COVID 19 Pandemic – In March 2020 COVID-19 pandemic began to negatively affect the community and local businesses. Federal, State and local governments have taken unprecedented action to temporarily reduce or eliminate all non-essential activities with the hopes of slowing down the spread of the virus. These actions included mandated quarantines, travel restrictions, restaurant and store closures and/or reduced service capacity. This in turn resulted in layoffs, income reductions and reduced business profitability. While thought to be necessary to respond to the public health emergency, the actions are projected to significantly impact activities that generate revenue for the City, including retail sales, hotel occupancy, general business to business activity, and potential for future development.

Other State actions have resulted in potential loss of revenue for local jurisdictions in an attempt to alleviate cash flow pressure on individuals and small businesses. In April 2020, Governor Newsom announced sales tax deferment measures to help small businesses with cash flow issues. The initial information shows that any deferments will be spread out against all tax rates and will include the City's base 1% Bradley-Burns tax and the PSVS measure. While these deferments will not be a permanent loss of revenue, it will negatively affect the City's cash flow and shift up to \$1.4 million. Unfortunately, without proper backfills in place, local governments are fundamentally bearing the fiscal brunt of many of these actions.

Due to these circumstances, the City is expected to face revenue shortfalls in key funding sources in fiscal year 2020-21. The funding sources anticipated to be most impacted are transient occupancy tax (hotel tax), sales tax, utility user fees and certain fees collected within the parks system for recreation programs, aquatic programs and park site reservations. These revenue adjustments required departments to retool their 2020-21 proposed budgets under a new set of projections.

Police Department – The Police Department's operating budget has increased from fiscal year 2019-20 by 7.8%, totaling \$8.5 million. This increase is primarily attributable to increased costs related to the PSVS plan to increase the number of officers and support staff in the department over the next three years. Fiscal year 2020-21 is the second year of this staffing ramp up but there are still expected staffing increases for the department after year three.

Fire Department – The Fire Department's operating budget had a 8.7% increase from fiscal year 2019-20 totaling \$3.8 million. This increase is primarily due to the implementation of the PSVS driven plan to increase staffing and service levels in the upcoming year. The increase was also due to the rise in CalPERS rates as well as an increase in salaries & benefit costs.

Public Works - The Public Works Department operating budget increased by \$0.9 million, or 3.0%, from fiscal year 2019-20. The increase was also due primarily to the CalPERS rate escalations as well as an increase in salaries & benefit costs.

Development Services – The Development Services Department's operating budget has decreased from fiscal year 2019-20 by 3%, totaling \$0.5 million. This reduction is primarily connected to changes in the Economic Development division program

CITY OF BAKERSFIELD

Management's Discussion and Analysis

and available funds for redevelopment (over \$3 million) compared to the prior year. Those funds were not included in the budget for 2020-21. The decrease was offset by increases in salaries & benefit costs, including the expected increase in CalPERS rates.

Recreation and Parks – The Recreation and Parks Department's operating budget has increased from fiscal year 2019-20 by 6%, totaling \$1.4 million. The increase was due primarily to the rise in CalPERS rates as well as an increases in salaries & benefit costs.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

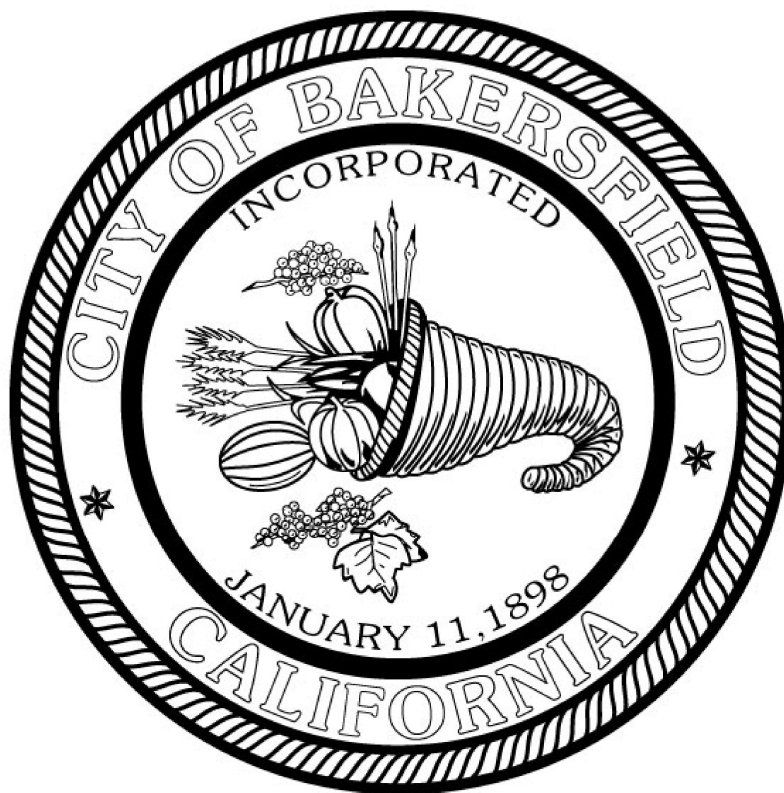
This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information can be sent via e-mail to: finance@bakersfieldcity.us. Formal written requests should be addressed to: City of Bakersfield, Attn: Finance Department, 1600 Truxtun Avenue, Bakersfield, CA 93301.

Government-Wide Financial Statements

Statement of Net Position
June 30, 2020

	Governmental Activities	Business-Type Activities	Total
Assets:			
Current assets:			
Cash and investments	\$ 241,371,915	\$ 176,163,278	\$ 417,535,193
Accounts receivable, net	30,092,950	5,500,452	35,593,402
Interest receivable	612,323	406,297	1,018,620
Due from other governmental agencies	59,435,798	1,785,910	61,221,708
Internal balances	(4,736,100)	4,736,100	-
Prepayments and inventories	2,138,243	-	2,138,243
Total current assets	<u>328,915,129</u>	<u>188,592,037</u>	<u>517,507,166</u>
Noncurrent assets:			
Capital assets:			
Land	449,887,935	23,630,085	473,518,020
Depreciable capital assets, net	790,969,843	815,687,009	1,606,656,852
Construction in progress	117,292,300	11,995,544	129,287,844
Non-amortizable intangible assets	-	31,476,906	31,476,906
Land held for resale	1,198,744	-	1,198,744
Notes/loans receivable	25,877,335	203,250	26,080,585
Total noncurrent assets	<u>1,385,226,157</u>	<u>882,992,794</u>	<u>2,268,218,951</u>
Total assets	<u>1,714,141,286</u>	<u>1,071,584,831</u>	<u>2,785,726,117</u>
Deferred Outflows of Resources:			
Deferred pensions (See Note 16)	74,982,831	5,035,821	80,018,652
Deferred OPEB (See Note 17)	8,323,078	1,426,191	9,749,269
Debt issuance	-	9,073,676	9,073,676
Total deferred outflows of resources	<u>83,305,909</u>	<u>15,535,688</u>	<u>98,841,597</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	22,775,434	10,783,668	33,559,102
Customers' deposits	-	5,272,783	5,272,783
Advances from grantors and third parties	32,217,249	288,351	32,505,600
Total current liabilities	<u>54,992,683</u>	<u>16,344,802</u>	<u>71,337,485</u>
Long-term liabilities:			
Due within one year:			
Long-term debt	4,083,959	9,603,905	13,687,864
Capital leases payable	-	695,722	695,722
Kern River Levee District/Buena Vista	-	355,737	355,737
Claims and judgments payable	12,724,191	-	12,724,191
Compensated absences payable	3,682,448	737,523	4,419,971
Due in more than one year:			
Long-term debt	6,674,839	129,974,556	136,649,395
Capital leases	-	16,304,875	16,304,875
Claims and judgments payable	43,770,000	-	43,770,000
Net other post-employment benefits liability	48,655,976	8,337,396	56,993,372
Compensated absences payable	14,852,613	1,595,273	16,447,886
Net pension liability	403,194,538	38,690,910	441,885,448
Total long-term liabilities	<u>537,638,564</u>	<u>206,295,897</u>	<u>743,934,461</u>
Total liabilities	<u>592,631,247</u>	<u>222,640,699</u>	<u>815,271,946</u>
Deferred Inflows of Resources:			
Deferred pensions (See Note 16)	15,364,701	966,050	16,330,751
Deferred OPEB (See Note 17)	17,654,627	3,025,191	20,679,818
Total deferred inflows of resources	<u>33,019,328</u>	<u>3,991,241</u>	<u>37,010,569</u>
Net Position:			
Net investment in capital assets	1,347,391,281	735,284,165	2,082,675,446
Restricted: Capital improvements	15,078,957	20,200,000	35,278,957
Unrestricted	(190,673,618)	105,004,414	(85,669,204)
Total net position	<u>\$ 1,171,796,620</u>	<u>\$ 860,488,579</u>	<u>\$ 2,032,285,199</u>

The accompanying notes are an integral part of these financial statements.



CITY OF BAKERSFIELD

Statement of Activities For the Fiscal Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental activities:					
General government	\$ 40,385,072	\$ 4,474,539	\$ 543,786	\$ -	\$ 5,018,325
Public safety - Police	120,286,345	3,152,452	2,256,739	-	5,409,191
Public safety - Fire	49,284,742	8,116,341	512,872	-	8,629,213
Public works	170,924,424	17,969,450	3,762,052	106,535,112	128,266,614
Recreation & parks	26,172,685	14,768,875	33,886	2,811,003	17,613,764
Development services	13,409,023	6,589,380	10,161,470	102,129	16,852,979
Interest on long-term debt	7,779	-	-	-	-
Total governmental activities	420,470,070	55,071,037	17,270,805	109,448,244	181,790,086
Business-type activities:					
Wastewater treatment	41,863,203	34,356,259	6,383,200	7,772,742	48,512,201
Refuse collection	56,297,122	56,834,796	241,765	-	57,076,561
River and agricultural water	5,110,204	7,203,989	-	10,893	7,214,882
Domestic water	30,900,781	28,624,932	952,778	2,229,517	31,807,227
General aviation	633,219	301,933	10,004	107,330	419,267
Offstreet parking	288,532	153,884	-	-	153,884
Total business-type activities	135,093,061	127,475,793	7,587,747	10,120,482	145,184,022
Total primary government	\$ 555,563,131	\$ 182,546,830	\$ 24,858,552	\$ 119,568,726	\$ 326,974,108

General Revenues:

Taxes:

Property taxes

Sales and use tax

Other taxes

Intergovernmental, unrestricted

Unrestricted grants and contributions

Investment earnings

Miscellaneous

Gain on sale of property

Transfers

Total general revenues and transfers

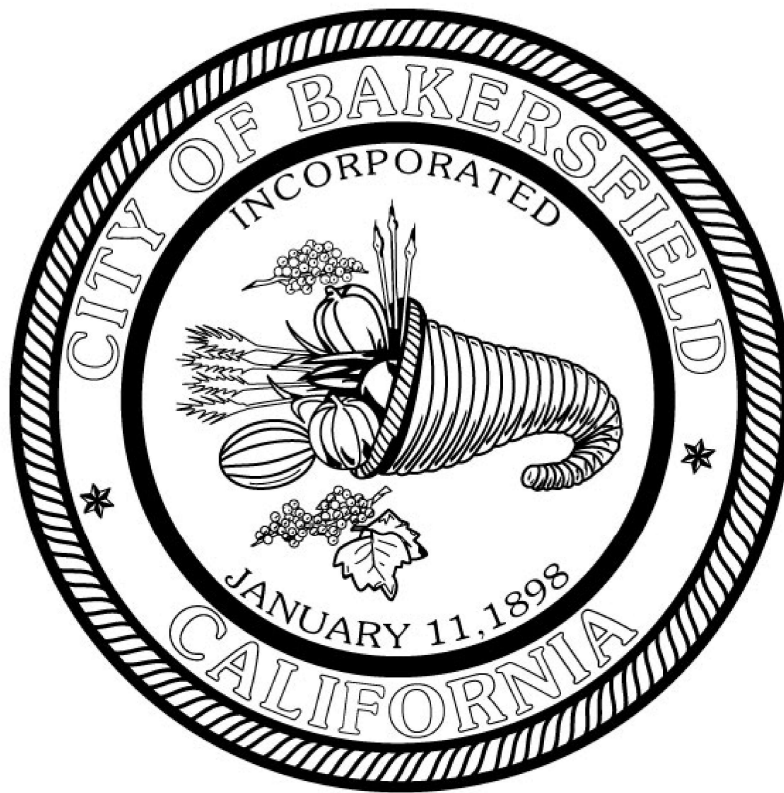
Change in net position

Net position - Beginning of Year, as restated

Net position - end of Year

The accompanying notes are an integral part of these financial statements.

Net (Expenses) Revenues and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (35,366,747)	\$ -	\$ (35,366,747)
(114,877,154)	-	(114,877,154)
(40,655,529)	-	(40,655,529)
(42,657,810)	-	(42,657,810)
(8,558,921)	-	(8,558,921)
3,443,956	-	3,443,956
(7,779)	-	(7,779)
<u>(238,679,984)</u>	<u>-</u>	<u>(238,679,984)</u>
-	6,648,998	6,648,998
-	779,439	779,439
-	2,104,678	2,104,678
-	906,446	906,446
-	(213,952)	(213,952)
-	(134,648)	(134,648)
<u>-</u>	<u>10,090,961</u>	<u>10,090,961</u>
\$ (238,679,984)	\$ 10,090,961	\$ (228,589,023)
\$ 85,558,776	\$ -	\$ 85,558,776
148,259,133	-	148,259,133
1,341,620	-	1,341,620
308,043	-	308,043
24,763,948	-	24,763,948
1,707,054	3,671,948	5,379,002
2,670,587	-	2,670,587
4,060	133,322	137,382
<u>2,064,005</u>	<u>(2,064,005)</u>	<u>-</u>
<u>266,677,226</u>	<u>1,741,265</u>	<u>268,418,491</u>
27,997,242	11,832,226	39,829,468
<u>1,143,799,378</u>	<u>848,656,353</u>	<u>1,992,455,731</u>
<u>\$ 1,171,796,620</u>	<u>\$ 860,488,579</u>	<u>\$ 2,032,285,199</u>



Governmental Fund Financial Statements

CITY OF BAKERSFIELD

Balance Sheet Governmental Funds June 30, 2020

	General Fund	Transient Occupancy Taxes	Community Development Block Grant	Gas Tax & Road Fund
Assets:				
Cash and investments	\$ 35,194,867	\$ 1,697,075	\$ 142,435	\$ -
Accounts receivable, net	8,302,273	906,245	14,766,787	22,031
Interest receivable	229,698	13,301	-	17,494
Due from other governmental agencies	31,497,968	-	3,084,511	24,699,067
Due from other funds	14,074,339	-	-	-
Notes/loans receivable	-	-	3,337,657	-
Prepaid items	5,590	-	-	-
Total assets	<u>\$ 89,304,735</u>	<u>\$ 2,616,621</u>	<u>\$ 21,331,390</u>	<u>\$ 24,738,592</u>
Liabilities, Deferred Inflows of Resources and Fund Balances:				
Liabilities:				
Accounts payable	\$ 7,810,058	\$ 34,812	\$ 116,179	\$ 4,239,103
Due to other governmental agencies	-	-	-	1,571
Due to other funds	-	-	2,262,401	11,811,938
Advances from grantors and third parties	9,559,945	-	-	-
Total liabilities	<u>17,370,003</u>	<u>34,812</u>	<u>2,378,580</u>	<u>16,052,612</u>
Deferred Inflows of Resources:				
Deferred revenue	<u>3,210,033</u>	<u>-</u>	<u>18,047,139</u>	<u>22,031</u>
Fund Balances:				
Nonspendable	44,314	-	-	-
Restricted	-	-	905,671	8,663,949
Committed	49,811,144	80,647	-	-
Assigned	18,869,241	2,501,162	-	-
Total fund balances	<u>68,724,699</u>	<u>2,581,809</u>	<u>905,671</u>	<u>8,663,949</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 89,304,735</u>	<u>\$ 2,616,621</u>	<u>\$ 21,331,390</u>	<u>\$ 24,738,592</u>

The accompanying notes are an integral part of these financial statements.

Capital Outlay	Park Improvement	Transportation Development	Redevelopment Successor Agency - Housing	Other Governmental Funds	Total Governmental Funds
\$ 72,180,483	\$ 8,844,771	\$ 52,664,070	\$ 2,517,145	\$ 3,172,320	\$ 176,413,166
85,920	-	-	218	5,848,867	29,932,341
51,932	20,236	120,536	5,758	10,035	468,990
107,455	-	-	-	46,796	59,435,797
-	-	-	-	-	14,074,339
-	-	-	22,539,677	-	25,877,334
924,365	-	-	-	-	929,955
<u>\$ 73,350,155</u>	<u>\$ 8,865,007</u>	<u>\$ 52,784,606</u>	<u>\$ 25,062,798</u>	<u>\$ 9,078,018</u>	<u>\$ 307,131,922</u>
\$ 2,911,053	\$ 3,273,387	\$ 1,552,502	\$ -	\$ 277,305	\$ 20,214,399
-	-	-	-	-	1,571
-	-	-	-	-	14,074,339
-	-	-	22,539,677	117,626	32,217,248
<u>2,911,053</u>	<u>3,273,387</u>	<u>1,552,502</u>	<u>22,539,677</u>	<u>394,931</u>	<u>66,507,557</u>
46,606	-	-	-	5,696,872	27,022,681
924,365	-	-	-	-	968,679
-	-	-	2,523,121	2,986,215	15,078,956
34,592,213	5,591,620	51,232,104	-	-	141,307,728
34,875,918	-	-	-	-	56,246,321
<u>70,392,496</u>	<u>5,591,620</u>	<u>51,232,104</u>	<u>2,523,121</u>	<u>2,986,215</u>	<u>213,601,684</u>
<u>\$ 73,350,155</u>	<u>\$ 8,865,007</u>	<u>\$ 52,784,606</u>	<u>\$ 25,062,798</u>	<u>\$ 9,078,018</u>	<u>\$ 307,131,922</u>

CITY OF BAKERSFIELD

**Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2020**

Total Fund Balances - Total Governmental Funds \$ 213,601,684

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet. Capital assets allocated from Internal Service Funds are included in the Internal Service Funds adjustment below.

Capital Assets	2,526,318,377	
Ending accumulated depreciation	<u>(1,215,623,888)</u>	1,310,694,489

Land held for resale is not a current financial resource and is not reported in the Governmental Funds	1,198,744
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Deferred outflows of resources related to pensions are not a current financial resource and are not reported in the Governmental Funds	73,548,825
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Deferred outflows of resources related to other post-employment benefits are not a current financial resource and are not reported in the Governmental Funds	7,977,918
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Deferred inflows of resources related to pensions are not a current financial resource and are not reported in the Governmental Funds	(15,043,254)
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Deferred inflows of resources related to other post-employment benefits are not a current financial resource and are not reported in the Governmental Funds	(16,922,486)
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Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the Governmental Funds Balance Sheet.	(79,301)
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Unavailable revenue and other resources not available to liquidate liabilities of the current period are not recognized in the Governmental Funds.	27,022,680
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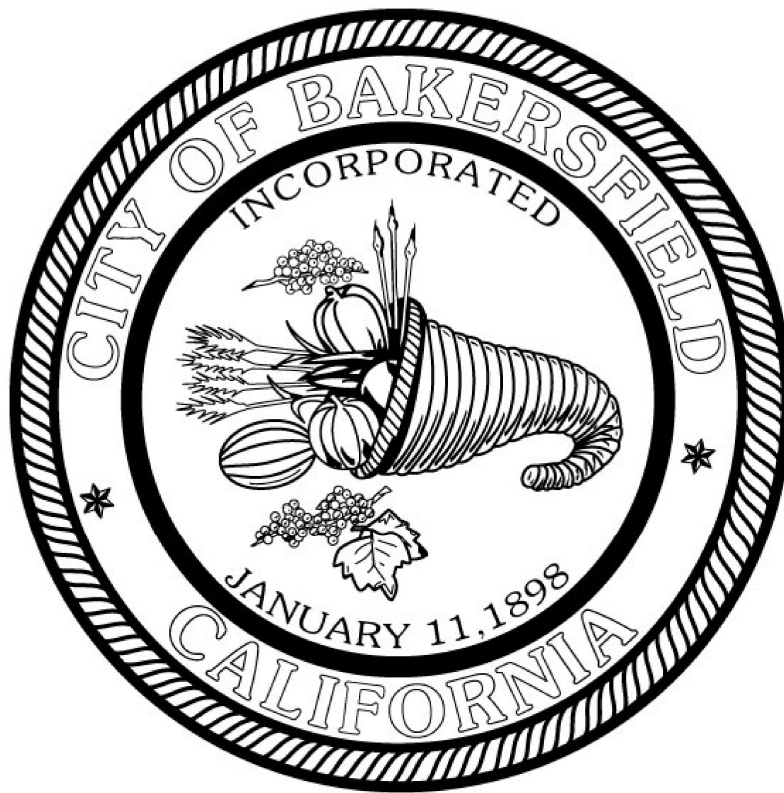
Internal Service Funds are used by management to share the costs of certain activities, such as insurance and fleet management, to individual funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the Government-Wide Statement of Net Position.	37,944,430
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Long-term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Funds Balance Sheet. Noncurrent liabilities allocated from Internal Service Funds are included in the Internal Service Funds adjustment above.

Notes/Contracts/Loans payable	(10,758,798)	
Compensated Absences Payable	(17,844,887)	
Unfunded post-employment benefits	(46,638,204)	
Unfunded pension benefits	<u>(392,905,220)</u>	<u>(468,147,109)</u>

Net Position of Governmental Activities \$ 1,171,796,620

The accompanying notes are an integral part of these financial statements.



CITY OF BAKERSFIELD

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2020**

	General Fund	Transient Occupancy Taxes	Community Development Block Grant	Gas Tax & Road Fund
Revenues:				
Taxes	\$ 245,011,776	\$ 8,913,147	\$ -	\$ -
Licenses and permits	3,138,985	-	-	-
Intergovernmental	6,784,347	-	6,890,815	109,112,347
Charges for services	23,486,070	7,149,064	5,934	73,584
Fines, forfeitures and assessments	823,556	-	-	43,671
Interest income	1,151,675	100,521	1,556	146,626
Loan payments	-	-	241,524	-
Contributions and donations	511,590	1,200,000	-	-
Other income	2,200,864	555,609	8,832	-
Total revenues	283,108,863	17,918,341	7,148,661	109,376,228
Expenditures:				
Current:				
General government	14,546,339	9,070,045	-	-
Public safety - Police	105,126,720	-	-	-
Public safety - Fire	43,301,126	-	-	-
Public works	23,836,283	-	-	3,494,733
Recreation and parks	22,198,374	-	-	-
Development services	11,054,347	-	4,755,680	-
Non-departmental	8,290,544	3,134,525	-	-
Capital outlay	-	-	1,963,300	110,120,303
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	228,353,733	12,204,570	6,718,980	113,615,036
Excess (deficiency) of revenues over (under) expenditures	54,755,130	5,713,771	429,681	(4,238,808)
Other financing sources (uses):				
Transfers in	1,200,000	10,000	371,871	-
Transfers out	(41,863,365)	(4,144,791)	(512,790)	-
Total other financing sources (uses)	(40,663,365)	(4,134,791)	(140,919)	-
Net change in fund balances	14,091,765	1,578,980	288,762	(4,238,808)
Fund balances - beginning	54,632,934	1,002,829	616,909	12,902,757
Fund balances - ending	\$ 68,724,699	\$ 2,581,809	\$ 905,671	\$ 8,663,949

The accompanying notes are an integral part of these financial statements.

Capital Outlay	Park Improvement	Transportation Development	Redevelopment Successor Agency - Housing	Other Governmental Funds	Total Governmental Funds
\$ 5,713,815	\$ -	\$ -	\$ -	\$ -	\$ 259,638,738
-	-	-	-	315,086	3,454,071
102,129	-	-	-	1,594,496	124,484,134
115,979	-	146,805	102,907	1,470,666	32,551,009
-	2,811,003	15,790,394	-	1,359,480	20,828,104
286,709	98,607	939,790	43,540	73,798	2,842,822
-	-	-	-	-	241,524
-	-	-	-	-	1,711,590
17,624	-	3,523	214,840	-	3,001,292
<u>6,236,256</u>	<u>2,909,610</u>	<u>16,880,512</u>	<u>361,287</u>	<u>4,813,526</u>	<u>448,753,284</u>
-	-	147,115	-	-	23,763,499
-	-	-	-	1,338,894	106,465,614
-	-	-	-	1,492,000	44,793,126
-	-	1,215,213	-	447,752	28,993,981
-	-	-	-	16,209	22,214,583
-	-	-	-	-	15,810,027
75,007	-	-	-	-	11,500,076
36,125,098	2,123,684	15,837,993	6,735	248,097	166,425,210
-	-	-	-	1,227,678	1,227,678
-	-	-	-	41,790	41,790
<u>36,200,105</u>	<u>2,123,684</u>	<u>17,200,321</u>	<u>6,735</u>	<u>4,812,420</u>	<u>421,235,584</u>
<u>(29,963,849)</u>	<u>785,926</u>	<u>(319,809)</u>	<u>354,552</u>	<u>1,106</u>	<u>27,517,700</u>
44,796,774	-	-	-	1,269,468	47,648,113
-	-	-	-	(1,571,871)	(48,092,817)
<u>44,796,774</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(302,403)</u>	<u>(444,704)</u>
14,832,925	785,926	(319,809)	354,552	(301,297)	27,072,996
<u>55,559,571</u>	<u>4,805,694</u>	<u>51,551,913</u>	<u>2,168,569</u>	<u>3,287,512</u>	<u>186,528,688</u>
<u>\$ 70,392,496</u>	<u>\$ 5,591,620</u>	<u>\$ 51,232,104</u>	<u>\$ 2,523,121</u>	<u>\$ 2,986,215</u>	<u>\$ 213,601,684</u>

CITY OF BAKERSFIELD

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities For the Fiscal Year Ended June 30, 2020

Net Change in Fund Balances - Total Governmental Funds **\$ 27,072,996**

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

Governmental Funds report capital outlay as expenditures. However, in the Government-Wide Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlay eliminated	\$ 20,533,627	
Depreciation expense is deducted from fund balance (net of Internal Service Fund depreciation of \$7,860,535 which has already been allocated to serviced funds).	(61,779,174)	
Contributions of infrastructure and improvements by developers are capitalized in the Statement of Activities, but are not recorded in the Governmental Fund Financial Statements because no cash changed hands.	<u>60,567,661</u>	19,322,114

Certain expenses are reported in the Government-Wide Statement of Activities, but they do not require the use of current financial resources. Therefore, these expenses are not reported as expenditures in Governmental Funds.

Net compensated absences expense	(2,954,093)	
Interest expense on long-term debt	34,011	
Net pension expense	(17,330,803)	
Net other postemployment benefit expense	<u>4,143,998</u>	(16,106,887)

Bond and loan proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Government-Wide Statement of Net Position. Repayment of bond principal is an expenditure in Governmental Funds, but the repayment reduces long-term liabilities in the Government-Wide Statement of Net Position. 3,987,678

Unearned revenue and other resources not available to liquidate liabilities of the current period are not recognized in the Governmental Funds. Revenue in the Statement of Activities is not limited by availability, so certain revenues need to be reduced by the amounts that were unavailable at the end of the year. This adjustment records a net decrease in revenues - unavailable revenues at the beginning of the year exceed ending unavailable revenues by this amount. (887,565)

Internal Service Funds are used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net revenue of the Internal Service Funds is reported with Governmental Activities. (5,391,094)

Change in Net Position of Governmental Activities **\$ 27,997,242**

The accompanying notes are an integral part of these financial statements.

Proprietary Fund Financial Statements

These funds account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of net income is appropriate for accountability purposes.

Wastewater Treatment Fund is used to account for the provision of sewer service to the residents of the City and some residents of Kern County. This fund also accounts for the activities related to the debt issuance which provided for the Wastewater Treatment Facilities.

Refuse Collection Fund is used to account for the collection and disposal of refuse within the City. All activities necessary to provide such services are accounted for in this fund.

River & Agricultural Water Fund is used to account for the provision of water service restricted primarily for agricultural purposes to users within the City and some users within Kern County (some Kern River water is exchanged for State Aqueduct water for domestic water purposes). All activities necessary to provide such services are accounted for in this fund.

Domestic Water Fund is used to account for the provision of water service to some residents of the City and Kern County. All activities necessary to provide such service are accounted for in this fund.

General Aviation Fund is used to account for the acquisition and operation of the Bakersfield Airpark. The majority of acquisition and improvement financing for the airport facility was provided by a grant from the Federal Aviation Administration.

Offstreet Parking Fund is used to account for the operations of the parking garage at 18th and Eye Streets and various offstreet surface parking lots within the City. The parking garage was financed by the former Redevelopment Agency and the related debt was retired in August 1994. Subsequently, the title was transferred to the City.

Internal Service Funds are used to provide goods and services by one department or agency to other departments or agencies of the City on a cost reimbursement basis.

CITY OF BAKERSFIELD

Statement of Net Position Proprietary Funds June 30, 2020

	Wastewater Treatment	Refuse Collection	River & Agricultural Water
Current assets:			
Cash and investments	\$ 79,007,723	\$ 21,251,694	\$ 16,996,139
Accounts receivable, net	1,213,627	1,243,583	475,870
Interest receivable	180,635	51,261	39,308
Due from other governmental agencies	130,822	1,654,741	347
Prepayments and inventories	-	-	-
Total current assets	<u>80,532,807</u>	<u>24,201,279</u>	<u>17,511,664</u>
Noncurrent assets:			
Capital assets:			
Land	10,238,095	2,785,456	2,175,944
Depreciable buildings, property, equipment and infrastructure, net	593,458,526	949,808	7,335,472
Construction in progress	8,891,756	294,395	645,744
Non-amortizable intangible assets	-	-	8,032,678
Other long-term receivable	161,184	-	30,105
Total noncurrent assets	<u>612,749,561</u>	<u>4,029,659</u>	<u>18,219,943</u>
Total assets	<u>693,282,368</u>	<u>28,230,938</u>	<u>35,731,607</u>
Deferred outflows of resources:			
Deferred pensions	1,376,167	2,803,503	406,261
Deferred other post-employment benefits	423,274	859,685	110,673
Debt issuance	9,073,676	-	-
Total deferred outflows of resources	<u>10,873,117</u>	<u>3,663,188</u>	<u>516,934</u>
Current liabilities:			
Accounts payable and accrued liabilities	4,289,802	3,624,873	318,706
Claims payable	-	-	-
Workers' compensation claims	-	-	-
Compensated absences payable	183,430	340,106	57,610
Long-term debt - due within one year	9,603,905	-	-
Capital leases payable - due within one year	-	-	-
Advances from grantors and third parties	161,184	127,167	-
Total current liabilities	<u>14,238,321</u>	<u>4,092,146</u>	<u>376,316</u>
Noncurrent liabilities:			
Long-term debt - due in more than one year	129,974,556	-	-
Capital leases payable - due in more than one year	-	-	-
Kern River Levee District/Buena Vista	-	-	355,737
Customers' deposits	2,908,573	455,674	-
Workers' compensation claims	-	-	-
Compensated absences payable	560,383	750,685	144,962
Net pension liability	11,771,160	20,971,427	3,246,477
Net other post-employment benefits liability	2,474,421	5,025,646	646,989
Total noncurrent liabilities	<u>147,689,093</u>	<u>27,203,432</u>	<u>4,394,165</u>
Total liabilities	<u>161,927,414</u>	<u>31,295,578</u>	<u>4,770,481</u>
Deferred inflows of resources:			
Deferred pensions	224,128	562,913	90,666
Deferred other post-employment benefits	897,834	1,823,536	234,758
Total deferred inflows of resources	<u>1,121,962</u>	<u>2,386,449</u>	<u>325,424</u>
Net position:			
Net investment in capital assets	482,083,592	4,029,659	18,189,839
Restricted for:			
Capital improvements	20,200,000	-	-
Unrestricted	38,822,517	(5,817,560)	12,962,797
Total net position	<u>\$ 541,106,109</u>	<u>\$ (1,787,901)</u>	<u>\$ 31,152,636</u>
Adjustments to reflect the consolidation of internal service fund activities related to proprietary funds			
Net position of business-type activities			

The accompanying notes are an integral part of these financial statements.

Domestic Water	General Aviation	Offstreet Parking	Totals	Governmental Activities Internal Service Funds
\$ 57,803,642	\$ 971,948	\$ 132,132	\$ 176,163,278	\$ 64,958,749
2,573,834	(11,687)	5,225	5,500,452	160,609
132,670	2,224	199	406,297	143,333
-	-	-	1,785,910	-
-	-	-	-	1,208,288
<u>60,510,146</u>	<u>962,485</u>	<u>137,556</u>	<u>183,855,937</u>	<u>66,470,979</u>
556,336	7,464,254	410,000	23,630,085	-
210,693,579	2,792,159	457,465	815,687,009	47,455,589
1,931,303	232,346	-	11,995,544	-
23,444,228	-	-	31,476,906	-
-	-	11,961	203,250	-
<u>236,625,446</u>	<u>10,488,759</u>	<u>879,426</u>	<u>882,992,794</u>	<u>47,455,589</u>
<u>297,135,592</u>	<u>11,451,244</u>	<u>1,016,982</u>	<u>1,066,848,731</u>	<u>113,926,568</u>
420,407	29,483	-	5,035,821	1,434,006
32,559	-	-	1,426,191	345,160
-	-	-	9,073,676	-
<u>452,966</u>	<u>29,483</u>	<u>-</u>	<u>15,535,688</u>	<u>1,779,166</u>
2,516,532	17,922	15,833	10,783,668	2,480,162
-	-	-	-	4,710,191
-	-	-	-	8,014,000
152,846	3,531	-	737,523	310,383
-	-	-	9,603,905	-
695,722	-	-	695,722	-
-	-	-	288,351	-
<u>3,365,100</u>	<u>21,453</u>	<u>15,833</u>	<u>22,109,169</u>	<u>15,514,736</u>
-	-	-	129,974,556	-
16,304,875	-	-	16,304,875	-
-	-	-	355,737	-
1,908,535	-	-	5,272,782	-
-	-	-	-	43,770,000
120,873	18,370	-	1,595,273	379,791
2,556,323	145,523	-	38,690,910	10,289,318
190,340	-	-	8,337,396	2,017,772
<u>21,080,946</u>	<u>163,893</u>	<u>-</u>	<u>200,531,529</u>	<u>56,456,881</u>
<u>24,446,046</u>	<u>185,346</u>	<u>15,833</u>	<u>222,640,698</u>	<u>71,971,617</u>
86,501	1,842	-	966,050	321,447
69,064	-	-	3,025,192	732,140
<u>155,565</u>	<u>1,842</u>	<u>-</u>	<u>3,991,242</u>	<u>1,053,587</u>
219,624,850	10,488,760	867,465	735,284,165	47,455,589
-	-	-	20,200,000	-
53,362,097	804,779	133,684	100,268,314	(4,775,059)
<u>\$ 272,986,947</u>	<u>\$ 11,293,539</u>	<u>\$ 1,001,149</u>	<u>855,752,479</u>	<u>\$ 42,680,530</u>
			4,736,100	
			<u>\$ 860,488,579</u>	

CITY OF BAKERSFIELD

Statement of Revenues, Expenses and Changes in Fund Net Position Proprietary Funds For the Fiscal Year Ended June 30, 2020

	Wastewater Treatment	Refuse Collection	River & Agricultural Water
Operating revenues:			
Intergovernmental	\$ -	\$ 241,765	\$ -
Charges for services	33,915,792	50,432,434	5,619,611
Cost recoveries	22,075	6,083,673	578,710
Rental income	398,277	-	161,644
Other sales or services	240	86,247	844,024
Miscellaneous	19,875	232,442	-
Total operating revenues	<u>34,356,259</u>	<u>57,076,561</u>	<u>7,203,989</u>
Operating expenses:			
General and administrative	17,830,526	56,459,404	4,259,725
Transmission and distribution	970,434	577,135	422,648
Workers' compensation payments	-	-	-
Claims paid	-	-	-
Depreciation and amortization	19,801,307	65,417	392,477
Compensated absences	-	137,833	34,850
Total operating expenses	<u>38,602,267</u>	<u>57,239,789</u>	<u>5,109,700</u>
Operating income (loss)	<u>(4,246,008)</u>	<u>(163,228)</u>	<u>2,094,289</u>
Nonoperating revenues (expenses):			
Interest income	1,792,428	518,657	296,192
Connection fees	6,383,200	-	-
Interest expense	(3,000,165)	-	-
Gain on sale of capital assets	-	11,844	-
Total nonoperating revenues (expenses)	<u>5,175,463</u>	<u>530,501</u>	<u>296,192</u>
Income (loss) before transfers and capital contributions	929,455	367,273	2,390,481
Capital contributions	7,772,742	-	10,893
Transfers in	-	-	-
Transfers out	<u>(207,908)</u>	<u>(1,531,821)</u>	<u>(184,638)</u>
Change in net position	<u>8,494,289</u>	<u>(1,164,548)</u>	<u>2,216,736</u>
Total Net Position - Beginning of Year	<u>532,611,820</u>	<u>(623,353)</u>	<u>28,935,900</u>
Total Net Position-End of Year	<u>\$ 541,106,109</u>	<u>\$ (1,787,901)</u>	<u>\$ 31,152,636</u>

Adjustment to reflect the consolidation of internal
service activity related to proprietary funds

Change in net position of business-type activities

The accompanying notes are an integral part of these financial statements.

Domestic Water	General Aviation	Offstreet Parking	Totals	Governmental Activities Internal Service Funds
\$ -	\$ 10,004	\$ -	\$ 251,769	\$ 180,000
26,150,880	300,386	153,884	116,572,987	42,795,846
29,610	1,547	-	6,715,615	735,676
-	-	-	559,921	-
2,438,631	-	-	3,369,142	-
11,107	-	-	263,424	89,952
<u>28,630,228</u>	<u>311,937</u>	<u>153,884</u>	<u>127,732,858</u>	<u>43,801,474</u>
23,042,284	303,206	189,084	102,084,229	40,464,034
503,353	84,974	-	2,558,544	-
-	-	-	-	4,177,990
-	-	-	-	553,618
6,640,146	240,245	90,628	27,230,220	7,860,535
38,500	-	-	211,183	59,289
<u>30,224,283</u>	<u>628,425</u>	<u>279,712</u>	<u>132,084,176</u>	<u>53,115,466</u>
<u>(1,594,055)</u>	<u>(316,488)</u>	<u>(125,828)</u>	<u>(4,351,318)</u>	<u>(9,313,992)</u>
1,044,337	17,408	2,925	3,671,947	1,135,769
947,482	-	-	7,330,682	-
(679,306)	-	-	(3,679,471)	-
121,478	-	-	133,322	326,645
<u>1,433,991</u>	<u>17,408</u>	<u>2,925</u>	<u>7,456,480</u>	<u>1,462,414</u>
(160,064)	(299,080)	(122,903)	3,105,162	(7,851,578)
2,229,517	107,330	-	10,120,482	622,363
-	-	45,000	45,000	2,692,306
<u>(184,638)</u>	<u>-</u>	<u>-</u>	<u>(2,109,005)</u>	<u>(183,597)</u>
<u>1,884,815</u>	<u>(191,750)</u>	<u>(77,903)</u>	<u>11,161,639</u>	<u>(4,720,506)</u>
271,102,132	11,485,289	1,079,052		47,401,036
<u>\$ 272,986,947</u>	<u>\$ 11,293,539</u>	<u>\$ 1,001,149</u>		<u>\$ 42,680,530</u>
			<u>670,587</u>	
			<u>\$ 11,832,226</u>	

CITY OF BAKERSFIELD

Statement of Cash Flows

Proprietary Funds

For the Fiscal Year Ended June 30, 2020

	Wastewater Treatment	Refuse Collection
Cash flows from operating activities:		
Cash received from:		
Customers, including cash deposits	\$ 34,907,221	\$ 57,063,732
Prior year reimbursements and cost recoveries	1,137	-
Cash paid to:		
Suppliers	(10,381,226)	(42,683,901)
Employees	(6,753,923)	(12,444,326)
Cash deposits returned to customers	-	-
Net cash provided (used) by operating activities	<u>17,773,209</u>	<u>1,935,505</u>
Cash flows from noncapital financing activities:		
Cash transferred from other funds	-	-
Cash transferred to other funds	(207,908)	(1,531,821)
County/developer project share	-	-
Connection fees	<u>6,383,200</u>	<u>-</u>
Net cash provided (used) by noncapital financing activities	<u>6,175,292</u>	<u>(1,531,821)</u>
Cash flows from capital and related financing activities:		
Principal payments:		
Notes/Loans/Bonds	(18,700,879)	-
Capital lease payments	-	-
Capital contributions	-	-
Interest paid	(6,679,486)	-
Purchase of capital assets	-	-
Proceeds from sale of capital assets	-	11,844
Construction in progress	<u>(5,888,658)</u>	<u>(180,934)</u>
Net cash provided (used) by capital and related financing activities	<u>(31,269,023)</u>	<u>(169,090)</u>
Cash flows from investing activities:		
Interest received	1,919,329	538,898
Net increase (decrease) in the fair value of investments	<u>97,067</u>	<u>26,710</u>
Net cash provided by investing activities	<u>2,016,396</u>	<u>565,608</u>
Net increase (decrease) in cash and investments	(5,304,126)	800,202
Cash and investments - Beginning of year	<u>84,311,849</u>	<u>20,451,492</u>
Cash and investments - End of year	<u>\$ 79,007,723</u>	<u>\$ 21,251,694</u>

The accompanying notes are an integral part of these financial statements.

River & Agriculture Water	Domestic Water	General Aviation	Offstreet Parking	Totals	Governmental Activities Internal Service Funds
\$ 12,710,984	\$ 28,772,621	\$ 362,616	\$ 151,959	\$ 133,969,133	\$ 43,341,286
-	-	1,547	-	2,684	735,676
(3,347,316)	(23,140,283)	(391,199)	(185,411)	(80,129,336)	(26,327,429)
(1,447,860)	(1,611,540)	-	-	(22,257,649)	(10,013,690)
-	(241,467)	-	-	(241,467)	-
7,915,808	3,779,331	(27,036)	(33,452)	31,343,365	7,735,843
-	-	-	45,000	45,000	2,692,306
(184,638)	(184,638)	-	-	(2,109,005)	(183,597)
10,893	-	-	-	10,893	-
-	1,541,354	-	-	7,924,554	-
(173,745)	1,356,716	-	45,000	5,871,442	2,508,709
-	-	-	-	(18,700,879)	-
-	(670,701)	-	-	(670,701)	-
-	-	107,330	-	107,330	-
-	(679,306)	-	-	(7,358,792)	-
-	-	(35,505)	-	(35,505)	(12,872,816)
-	121,478	-	12,501	145,823	505,234
(568,839)	(2,580,819)	-	-	(9,219,250)	-
(568,839)	(3,809,348)	71,825	12,501	(35,731,974)	(12,367,582)
283,509	1,107,582	18,375	3,119	3,870,812	1,230,119
19,093	64,132	1,164	110	208,276	76,546
302,602	1,171,714	19,539	3,229	4,079,088	1,306,665
7,475,826	2,498,413	64,328	27,278	5,561,921	(816,365)
9,520,313	55,305,229	907,620	104,854	170,601,357	65,775,114
\$ 16,996,139	\$ 57,803,642	\$ 971,948	\$ 132,132	\$ 176,163,278	\$ 64,958,749

CITY OF BAKERSFIELD

Statement of Cash Flows (concluded) Proprietary Funds For the Fiscal Year Ended June 30, 2020

	Wastewater Treatment	Refuse Collection
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ (4,246,008)	\$ (163,228)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	19,801,307	65,417
(Increase) decrease in accounts receivable	65,856	(4,600)
(Increase) decrease in inventories	-	-
(Increase) decrease in prepaid items	-	-
Increase (decrease) in accounts payable	1,064,391	1,088,659
Increase in workers' compensation claims	-	-
Increase (decrease) in unearned revenue	-	(1,764)
Increase (decrease) in customers' deposits	486,243	(6,465)
Increase (decrease) in compensated absences	127,468	149,721
Increase (decrease) in net pension liability	457,033	782,067
Increase (decrease) in deferred outflows/inflows of resources for pensions	310,717	520,807
Increase (decrease) in net other post-employment benefits liability	(839,429)	(1,601,081)
Increase (decrease) in deferred outflows/inflows of resources for OPEB	545,631	1,105,972
Net cash provided (used) by operating activities	<u>\$ 17,773,209</u>	<u>\$ 1,935,505</u>
Noncash investing capital and financing activities:		
Contribution of equipment from other departments	\$ -	\$ -
Contributions of infrastructure and improvements by developers	\$ 7,772,742	\$ -

The accompanying notes are an integral part of these financial statements.

River & Agriculture Water	Domestic Water	General Aviation	Offstreet Parking	Totals	Governmental Activities Internal Service Funds
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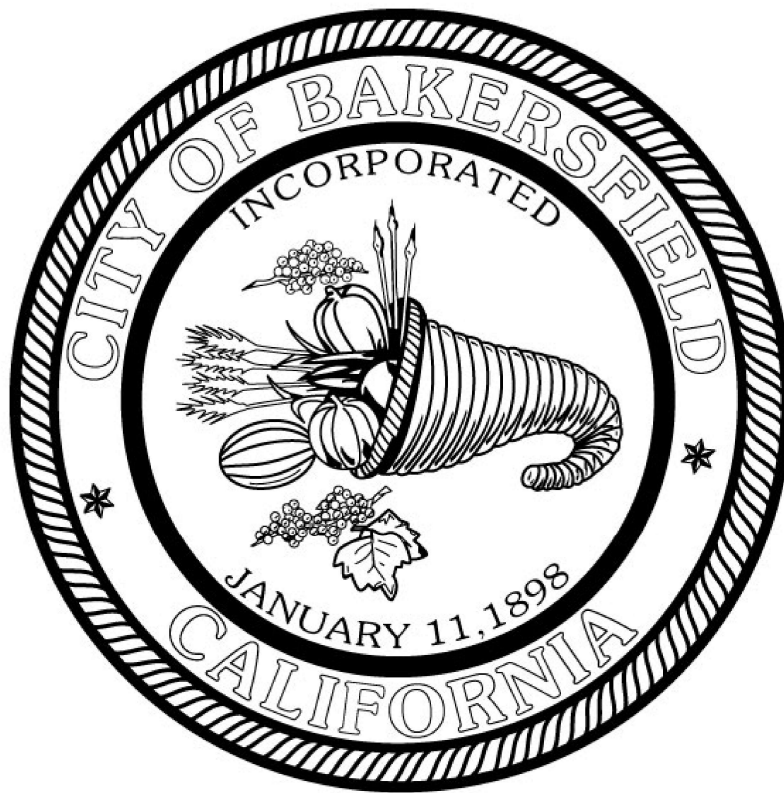
\$ 2,094,289 \$ (1,594,055) \$ (316,488) \$ (125,828) \$ (4,351,318) \$ (9,313,992)

392,477	6,640,146	240,245	90,628	27,230,220	7,860,535
5,465,473	(136,508)	52,226	(1,925)	5,440,522	275,488
-	-	-	-	-	(6,775)
-	-	-	-	-	(91,438)
134,356	(1,351,991)	(21,908)	3,673	917,180	592,099
-	-	-	-	-	7,966,890
-	-	-	-	(1,764)	-
41,522	37,434	-	-	558,734	-
34,850	38,500	7,313	-	357,852	59,289
110,406	106,006	9,268	-	1,464,780	338,872
68,125	56,870	2,308	-	958,827	194,075
(576,003)	(59,042)	-	-	(3,075,555)	(581,937)
150,313	41,971	-	-	1,843,887	442,737

\$ 7,915,808 \$ 3,779,331 \$ (27,036) \$ (33,452) \$ 31,343,365 \$ 7,735,843

\$ - \$ 2,229,517 \$ - \$ - \$ 2,229,517 \$ 622,363

\$ - \$ - \$ - \$ - \$ 7,772,742 \$ -



Fiduciary Fund Financial Statements

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent for individual private organizations, other governmental units and/or other funds. Detailed combining statements for Fiduciary Funds are located in the Supplementary Information section. Below are descriptions of the generic fund types within this category and specific funds within each fund type.

Private Purpose Trust Funds

Redevelopment Successor Agency - The Bakersfield Redevelopment Agency ceased activities in February 2012. All non-housing related assets, liabilities and activities have been transferred to the City and are accounted for in a trust fund.

Planning Habitat Trust Fund - This fund is used to account for monies collected from developers to be used to purchase suitable land to provide habitat for endangered species. After the land is purchased, it is transferred to the State Fish and Game Department for maintenance.

Pension and Other Employee Benefit Trust Funds

Fire Relief and Pension Trust Fund - This fund is used to account for the accumulation of resources to be used for retirement annuity payments at appropriate amounts and times in the future for Fire Department personnel who retired prior to June 2, 1972.

Other Post-Employment Benefits (OPEB) Irrevocable Trust Fund - This fund is used to account for the City's post-retirement medical benefit plan. The City provides medical insurance coverage through contributions to eligible retirees' insurance premiums.

Agency Funds

Special Deposits Fund - This fund is used to account for the collection by the City as agent for organizations operated under the auspices of the Recreation Division, security deposits for utility franchises, temporary deposits for construction permits and bid deposits. This fund is also used for the collection of police seized property, local Law Enforcement Block Grants, and other revenues held in trust pending disposition of contingencies.

Improvement Districts Fund - This fund is used to account for the collection of liens for improvements benefiting private properties and payments to the holders of bonds issued pursuant to the Improvement Act of 1913 and the Improvement Bond Act of 1915. The City is in no way liable for the payment of bonded indebtedness, but the City serves as agent to collect the principal and interest installments from the owners of the benefited properties. A trustee administers the periodic payment to the bondholders. In addition, Community Service Districts created for the West Ming and Old River Ranch developments are accounted for in this section. These funds are collected to be used to pay for public safety costs in the applicable communities.

CITY OF BAKERSFIELD

Statement of Fiduciary Net Position Fiduciary Funds June 30, 2020

	Private Purpose Trust Funds	Pension and Other Employee Benefit Trust Funds	Agency Funds
Assets:			
Cash	\$ 18,047,627	\$ 3,041,443	\$ 33,335,865
Accounts receivable	-	-	304,390
Interest receivable	40,461	2,185	16,522
Due from other governmental agencies	-	-	32,390
Investments			
Domestic equities	-	22,924,307	-
Fixed income	-	54,211,151	-
Total investments	-	77,135,458	-
Land held for resale	60,895	-	-
Total assets	18,148,983	80,179,086	33,689,167
Liabilities:			
Payables:			
Advances from grantors and third parties	3,072,703	-	-
Deposits	-	-	29,468,454
Accrued bond interest	-	-	530,713
Bonds	2,245,000	-	3,690,000
Notes	12,815,002	-	-
Total liabilities	18,132,705	-	33,689,167
Net Position:			
Restricted for:			
Individuals, organizations and other governments	16,278	-	-
Pensions	-	588,272	-
Other post-employment benefits	-	79,590,814	-
	\$ 16,278	\$ 80,179,086	\$ -

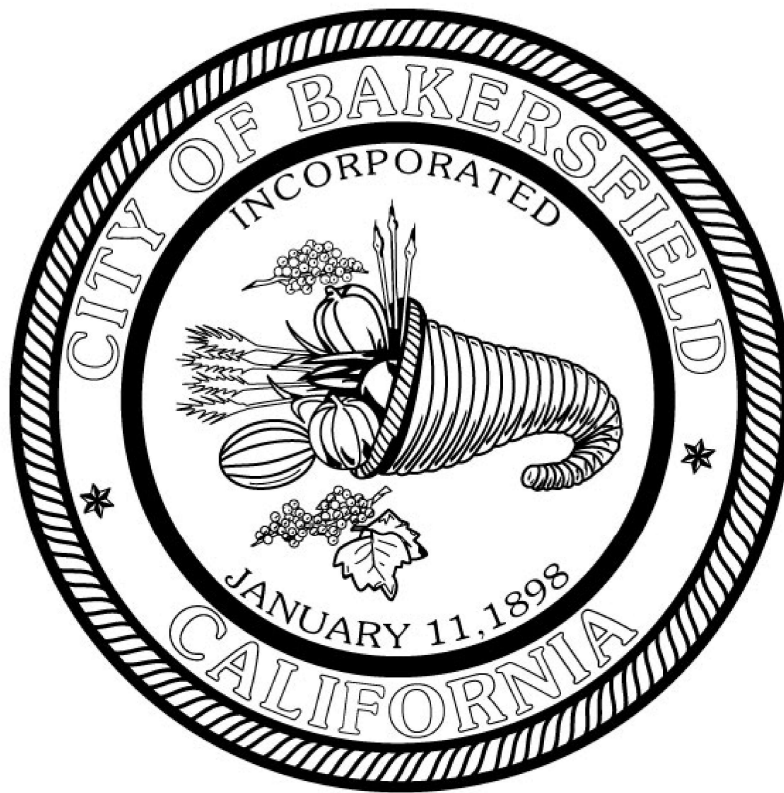
The accompanying notes are an integral part of these financial statements.

CITY OF BAKERSFIELD

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2020

	Private Purpose Trust Funds	Pension and Other Employee Benefit Trust Funds
Additions		
Contributions to pooled investments	\$ -	\$ 6,826,986
Developer fees	608,674	-
Successor agency property tax deposits	3,136,153	-
Charges for services	3,134,525	-
Other income	11,793	-
Interest income	244,171	4,557,101
Administrative expenses	-	(211,914)
	<u>7,135,316</u>	<u>11,172,173</u>
Total additions		
	<u>7,135,316</u>	<u>11,172,173</u>
Deductions:		
Benefits	-	4,130,114
Purchase of uninhabited land	280,431	-
Obligation retirement	3,758,847	-
	<u>4,039,278</u>	<u>4,130,114</u>
Total deductions		
	<u>4,039,278</u>	<u>4,130,114</u>
Change in net position		
	<u>3,096,038</u>	<u>7,042,059</u>
Net position - beginning of year		
	<u>(3,079,760)</u>	<u>73,137,027</u>
Net position - end of year		
	<u>\$ 16,278</u>	<u>\$ 80,179,086</u>

The accompanying notes are an integral part of these financial statements.



CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the City of Bakersfield (the "City") have been prepared in conformity with generally accepted accounting principles in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The following summary of the City's significant accounting policies is presented to assist the reader in interpreting the basic financial statements and other data in this report. These policies should be viewed as an integral part of the accompanying basic financial statements.

A. Description of Reporting Entity

The City of Bakersfield, California, is a California Charter City, incorporated on January 11, 1898, and serves as the county seat of the County of Kern, California (the "County"). The City is a full-service city and operates under a Council - Manager form of government, providing the following services as authorized by its Charter: General government; public safety; public works; and development and conservation.

As required by GAAP, these basic financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government.

B. Basis of Presentation

Government-Wide Financial Statements

The Government-Wide financial statements (the statement of net position and the statement of activities) report information of all of the non-fiduciary activities of the primary government and its component units. For the most part, eliminations have been made to minimize the double counting on internal activities. Internal activities for services provided and used that are not eliminated include water, solid waste and sewer services provided to various other functions of the government. These statements distinguish between the *governmental* and *business-type activities* of the City. 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 charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Some functions include expenses that are, in essence, indirect expenses of other functions resulting from charges among funds or programs for centralized services. Program revenues include: 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

Net position is restricted when constraints placed on it are either externally imposed or are imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net position. When both restricted and unrestricted resources are available for use, generally it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (continued)

Fund Financial Statements

The fund financial statements provide information about the City's funds, including fiduciary funds and the blended component unit. Separate statements for each fund category - *governmental, proprietary and fiduciary* - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as non-major funds.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. *Operating* expenses for enterprise funds and internal service funds include cost of sales and services, administrative expenses, and depreciation of capital assets. As used in this section, the term depreciation can include amortization of intangible assets. All expenses not meeting this definition are reported as *nonoperating* expenses.

The City reports the following major governmental funds:

General Fund - The General Fund is the principal operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. For the City, the General Fund includes basic governmental activities, such as general government, public safety, public works, and community services.

Transient Occupancy Taxes Fund - The Transient Occupancy Taxes Fund is used to account for transient occupancy tax revenues (hotel tax) and expenditures funded by this revenue source. The Rabobank Arena and Convention Center and the Bakersfield Ice Sports Center operating revenues and expenditures are recorded in this fund. This fund is also used to account for the operations of the Visit Bakersfield division of the City.

Community Development Block Grant Fund - The Community Development Block Grant Fund is used to account for resources provided by the Federal Housing and Community Development Act of 1974 for the elimination of slums and blight, housing conservation and improvements of community services.

Gas Tax & Road Fund - The Gas Tax & Road Fund is used to account for the City's share, based upon population, of state gasoline taxes. State law requires these gasoline taxes to be used to maintain streets or for major street construction. This fund also accounts for other State and Federal grant revenues related to street maintenance or construction, including the Federal earmark Thomas Roads funds.

Capital Outlay Fund - The Capital Outlay Fund is used to account for the cost of capital projects financed by local revenues and various grant/loan proceeds for capital expenditures. This fund also accounts for the special Utility Franchise/Surcharge Fund created by the City Council to account for the specified local road project costs funded by the selected electricity and gas franchise surcharge fees. In addition, funds contributed by the County to be used to cover a portion of the costs of the local match needed for the Thomas Roads projects are accounted for in this fund.

Park Improvement Fund - The Park Improvement Fund is used to account for funds collected for residential park development (Ordinance No. 3646). Fees are collected based on the development's share of the cost to develop, improve, construct, or enhance a neighborhood park (Ordinance No. 3327).

Transportation Development Fund - The Transportation Development Fund is used to account for funds collected from fees paid to mitigate the traffic impacts to the regional circulation system caused by a development project. The fees are paid when a building permit for the development project is obtained, and are based upon the amount of traffic the development will generate. The fee schedule was adopted with Ordinance No. 3513 and will be periodically evaluated by the City Council and revised to reflect updated costs and growth projections.

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (continued)

Redevelopment Successor Agency - Housing Fund - The Redevelopment Successor Agency - Housing Fund was created on February 1, 2012, pursuant to the provisions of the Redevelopment Restructuring Act. The City has chosen to assume the housing functions and take over the housing assets of the former Redevelopment Agency.

The City reports the following major proprietary (enterprise) funds:

Wastewater Treatment Fund - The Wastewater Treatment Fund is used to account for the provision of sewer service to the residents of the City and some residents of the County. This fund also accounts for the activities related to the debt issuance, which provided for the Wastewater Treatment Facilities.

Refuse Collection Fund - The Refuse Collection Fund is used to account for the collection and disposal of refuse within the City. All activities necessary to provide such services are accounted for in this fund.

River & Agricultural Water Fund - The River & Agricultural Water Fund is used to account for the provision of water service restricted primarily for agricultural purposes to users within the City and some users within the County (some Kern River water is exchanged for State Aqueduct water for domestic water purposes). All activities necessary to provide such services are accounted for in this fund.

Domestic Water Fund - The Domestic Water Fund is used to account for the provision of water service to residents of the City and County connected to the City's system. All activities necessary to provide such services are accounted for in this fund.

General Aviation Fund - The General Aviation Fund is used to account for the acquisition and operation of the Bakersfield Municipal Airport located on Union Avenue. The majority of acquisition and improvement financing for the airport facility was provided by a grant from the Federal Aviation Administration.

Offstreet Parking Fund - The Offstreet Parking Fund is used to account for the operations of the parking garage at 18th and Eye Streets and various offstreet surface parking lots within the City. The parking garage was financed by the former Redevelopment Agency and the related debt was retired in August 1994, and subsequently, the title was transferred to the City.

Internal Service Funds - The Internal Service Funds are used to account for the cost of goods or services provided by one department or agency to other departments or agencies of the governmental unit on a reimbursement basis. The City accounts for its self-insurance and equipment management activities as internal service funds.

The City reports the following additional fund types:

Private Purpose Trust Fund - The Planning Habitat Trust Fund is used to account for monies collected from developers to be used to purchase suitable land to provide habitat for endangered species. After the land is purchased, it is transferred to the State Fish and Game Department for maintenance. The City also records the assets, liabilities, and activities of the Redevelopment Successor Agency in a separate trust fund.

Pension and Other Employee Benefit Trust Funds - The Fire Relief and Pension Trust Fund is used to account for the annuity payments at appropriate amounts and times in the future for Fire Department personnel who retired prior to June 26, 1972. The Other Post-Employment Benefits (OPEB) Irrevocable Trust Fund is used to account for the City's postretirement medical benefit plan in which the City provides medical insurance coverage through contributions to eligible retirees' insurance premiums.

Agency Funds - The Agency Funds account for assets held by the City as an agent for various local governments or other entities. *The Special Deposits Fund* is used to account for the collection by the City as agent for organizations operated under the auspices of the Recreation Division, security deposits for utility franchises, temporary deposits for construction permits and bid deposits. This fund is also used for the collection of police seized property, local Law Enforcement Block Grants and other revenues held in trust pending disposition of contingencies. *The Improvement Districts Fund* is used to account for the

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (continued)

collection of liens for improvements benefiting private properties and payments to the holders of bonds issued pursuant to the Improvement Bond Act of 1913 and the Improvement Bond Act of 1915. The City is in no way liable for the payment of bonded indebtedness, but the City serves as agent to collect the principal and interest installments from the owners of the benefited properties. A trustee provides the periodic payment to the bondholders. This fund also accounts for the special assessments and taxes collected within the boundaries of Community Service Districts within the City.

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary, private purpose trust, and pension and other employee benefit trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements, and donations. On an accrual basis of accounting, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligible requirements have been satisfied. The agency funds utilize the accrual basis of accounting to report assets and liabilities but technically have no measurement focus.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property and sales taxes, interest, certain State and Federal grants and charges for services are accrued when their receipt occurs within sixty days after the end of the accounting period so as to be both measurable and available. Expenditures are generally recorded when a liability is incurred, as under the accrual basis of accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' principal ongoing operations. Revenues and expenses not meeting this definition are reported as nonoperating.

D. Assets, Liabilities, Net Position or Fund Balances, and Other Financial Statement Items

Cash and Investments

Cash balances of each of the City's funds, except for certain Trust and Agency Funds, are pooled and invested by the City. Income earned from pooled investments is allocated to each of the funds based on average pooled cash balances during the year. Deficit cash balances are classified as due to other funds and funded by the General Fund or related operating fund.

The City applies GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. This statement adheres to GASB reporting guidelines which generally requires that investments be reported at their fair value and that all changes in fair value be reflected as income of the period in which they occur.

Statutes authorize the City to invest in obligations of the United States Treasury, agencies and instrumentalities, commercial paper, bankers' acceptances, repurchase agreements, money market funds, and the State Treasurer's investment pool. The City's Pension Trust Fund is also authorized to invest in corporate bonds rated A or better by a national rating system generally recognized and used by banks and investment brokers in the United States.

Investments are comprised of obligations of the United States Treasury, agencies and instrumentalities, cash, time certificates of deposit, mutual funds, bankers' acceptances, money market accounts, deposits in the State of California Local Agency

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, Net Position or Fund Balances, and Other Financial Statement Items (continued)

Investment Fund (LAIF), and California Asset Management Program (CAMP). Investments are stated at fair value.

Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statement as “internal balances.” Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

Receivables

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. Trade accounts receivable in excess of 180 days comprise the trade accounts receivable allowance for uncollectible accounts.

Inventory and Prepaid Items

Inventory is valued at average cost applied on a first-in, first-out (FIFO) basis. The reserve for prepaid expenses relates to certain payments to vendors for costs applicable to future accounting periods. The cost of both inventories and prepaid items are recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital outlays are recorded as expenditures of the General, Special Revenue, and Capital Projects Funds and as assets in the government-wide financial statements to the extent the City’s capitalization thresholds are met.

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and intangible water rights are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an estimated useful life in excess of one year and an initial individual cost of more than \$50,000 for infrastructure and \$5,000 for all other capital assets. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation in the majority of instances. When assets are donated in relation to a service concession arrangement, they are reported at acquisition cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, Net Position or Fund Balances, and Other Financial Statement Items (continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Infrastructure	10 to 70 years
Buildings, structures and improvements	5 to 40 years
Transmission and distribution equipment	5 to 50 years
Rolling equipment	2 to 30 years
Office equipment	3 to 10 years

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Debt principal payments of both governmental and business-type activities are reported as decreases in the balance of the liability on the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid. Governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows and Inflows of Resources

As required by GASB Statements No. 63 and No. 65, the City recognized applicable deferred outflows and inflows of resources in the government-wide, governmental, and proprietary fund type financial statements.

The Statements of Net Position and Balance Sheets will sometimes report a separate section for deferred outflows of resources, defined as a consumption of net position or fund balance by the City that is applicable to a future funding period, or deferred inflows of resources, defined as an acquisition of net position or fund balance by the City that is applicable to a future funding period. The City has items that qualify for reporting in these categories and are detailed in a separate note disclosure.

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, Net Position or Fund Balances, and Other Financial Statement Items (continued)

Net Position/Fund Balance

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- *Net Investment in Capital Assets* - This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Position* - This category presents external restrictions imposed by creditors, grantors, contributors, laws, or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* - This category represents net position of the City, not restricted for any project or other purpose.

As of June 30, 2020, net position is as follows:

	Governmental Activities	Business-Type Activities	Total
Net investment in capital assets	\$ 1,347,391,281	\$ 735,284,165	\$ 2,082,675,446
Restricted	15,078,957	20,200,000	35,278,957
Unrestricted	(190,673,618)	105,004,414	(85,669,204)
Total net position	<u>\$ 1,171,796,620</u>	<u>\$ 860,488,579</u>	<u>\$ 2,032,285,199</u>

Fund balances of the governmental funds are report using a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported. Fund balances for governmental funds are segregated as follows:

- *Nonspendable Fund Balance* – includes net resources that cannot be spent because of their form or because of legal or contractual limitations, and therefore must remain intact.
- *Restricted Fund Balance* – includes net resources that have externally enforceable limitations on their use. These limitations can be established by creditors, grantors, or by laws and regulations.
- *Committed Fund Balance* – includes amounts with self-imposed limitations and are set in place prior to the end of the fiscal year. Commitments are set forth by the formal action of the City’s highest level of decision-making authority, the City Council, and the limitations require that same level of authority to be removed.
- *Assigned Fund Balance* – includes amounts for which the intended use results in limitations but do not meet the requirements for either the “Restricted” or “Committed” classifications. Intended use can be established by the City Council, a governing committee or board, or by a City official designated as having that authority.
- *Unassigned Fund Balance* – is the residual balance of the General Fund not included in the other classifications.

The City Council establishes, modifies or rescinds fund balance commitments though approval of contracts for services and

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, Net Position or Fund Balances, and Other Financial Statement Items (continued)

supplies that require City Council authorization through resolution. Fund balance assignments are made by agreements entered into by department heads, and their designees, for specific purposes. The City Council also establishes fund balance assignments through the adoption of the budget and subsequent budget amendments. Assignments are generally temporary and as such, additional action is not usually needed for assignments to be removed. The City Council approved, through resolution, a Fund Balance policy that established these rules for fund balance commitments and assignments in the General Fund. It was not deemed necessary to include a policy to achieve and maintain a specific level of unrestricted fund balance in the General Fund.

Fund Balance Flow Assumptions

The City will sometimes fund outlays for a specific purpose from restricted and unrestricted resources (committed, assigned, and unassigned fund balance). A flow assumption must be made about the order of how these resources will be applied to properly calculate the amounts reported as restricted, committed, assigned, and unassigned. It is the City's policy to consider restricted fund balance to be used completely before any components of unrestricted fund balance. When the components of unrestricted fund balance are used for the same purpose, the amount classified as committed is used first, followed by assigned, and unassigned is applied last.

Property Taxes

In 1978, a state constitutional amendment (Proposition 13) provided that the property tax rate is limited to 1% of market value. This property tax rate limitation may only be increased through voter approval. The County is the sole agency responsible for levying and collecting the property taxes and distributing them to taxing jurisdictions. Taxes are allocated and distributed based upon each taxing jurisdiction's assessed valuations and upon any voter-approved debt override on the tax rate.

The property tax calendar for the City is as follows:

Valuation date	January 1
Lien date	March 1
Levy dates	July 1 through June 30
Due dates	November 1; February 1
Collection dates	December 10; April 10

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, Net Position or Fund Balances, and Other Financial Statement Items (continued)

Pension Plan

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employee's Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB Plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, are reported at cost.

Cash Flow Statements

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, deposits, short-term investments and cash and investments with fiscal agents. Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash, and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of three months or less meet this definition.

Use of Estimates

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

E. Stewardship, Compliance, and Accountability

Budgets and Budgetary Accounting

The procedures established by the City Council in adopting the budgetary data reflected in the financial statements are as follows:

1. Prior to June 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The City Council legally enacts the budget by resolution before July 1.

The City Manager is authorized to transfer budgeted amounts between departments within any fund and approve reductions of budgeted amounts. Since expenditures may not exceed budgeted appropriations at the fund level, any revisions that alter the total appropriations of any fund are to be approved by the City Council. Projects budgeted within the current fiscal year but not yet completed can be re-appropriated the following fiscal year with City Manager approval. All other unencumbered appropriations lapse at year-end. Encumbered amounts are re-appropriated in the ensuing fiscal year budget.

Budgets are adopted for all governmental fund types and are prepared on a basis consistent with GAAP. Budgeted amounts are

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Stewardship, Compliance, and Accountability (continued)

as originally adopted, or as amended by the City Council. During the fiscal year ended June 30, 2020, the City Council approved \$46,537,904 of increases to the originally adopted budget, excluding carryovers of prior year encumbered balances and selected capital appropriations.

Deficit Net Position

The Self-Insurance Internal Service Fund reported a deficit in net position of \$30,989,013 at the close of the fiscal year. The continued deficit is the result of a significant increase in the workers' compensation liability calculated in the City's most recent actuarial study. Workers' compensation charges can fluctuate significantly from year to year and staff will continue to adjust departmental rates accordingly to maintain sufficient funding levels.

The Refuse Fund reported a deficit in net position of \$1,787,901 at the close of the fiscal year. The deficit was caused by the unfunded liability amounts in that fund.

The Redevelopment Successor Agency Trust Fund reported a deficit in net position of \$14,618,718 at the close of the fiscal year. The deficit is caused by the notes payable in the fund that have deferred repayment schedules.

Reclassification and Eliminations

Interfund balances must generally be eliminated in the government-wide financial statements, except for net residual amounts due between governmental activities. Amounts involving fiduciary funds should be reported as external transactions. Any allocations must reduce the expenses of the function from which the expenses are being allocated, so that expenses are reported only once, in the function in which they are allocated.

F. New Accounting Pronouncements

During the fiscal year ending June 30, 2020 the City implemented the following standards:

GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Guidance*. This statement addresses the postponement of the effective dates for certain provisions in Statements and Implementation Guides to provide temporary relief to governments and stakeholders in light of the COVID-19 pandemic.

Recently released standards by GASB affecting future years are as follows:

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The City has elected not to early implement GASB Statement No. 84 and has not determined its effects on the City's financial statements.

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. The City has elected not to early implement GASB Statement No. 87 and has not determined its effects on the City's financial statements.

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. The City has elected not to early implement GASB Statement No. 89 and has not determined its effects on the City's financial statements.

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. New Accounting Pronouncements (continued)

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests-an amendment of GASB Standards No. 14 and No. 61*. The objectives of this statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The City has elected not to early implement GASB Statement No. 90 and has not determined its effects on the City's financial statements.

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related to note disclosures. The City has elected not to early implement GASB Statement No. 91 and has not determined its effects on the City's financial statements.

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this statement are to enhance comparability in accounting and financial reporting to improve consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements. The City has elected not to early implement GASB Statement No. 90 and has not determined its effects on the City's financial statements.

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this statement is to address those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). The City has elected not to early implement GASB Statement No. 93 and has not determined its effects on the City's financial statements.

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The City has elected not to early implement GASB Statement No. 90 and has not determined its effects on the City's financial statements.

In May 2020, GASB issued Statement No. 96, *Subscription-based Information Technology Arrangements*. The objective of this statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. The City has elected not to early implement GASB Statement No. 90 and has not determined its effects on the City's financial statements.

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The objectives of this statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for the Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The City has elected not to early implement GASB Statement No. 97 and has not determined its effects on the City's financial statements.

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 2 - CASH AND INVESTMENTS

Cash and investments as of June 30, 2020, are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$ 417,535,193
Fiduciary funds:	
Cash and investments	<u>131,560,393</u>
	<u>\$ 549,095,586</u>

Cash and investments as of June 30, 2020, consist of the following:

Cash on hand	\$ 11,711,993
Deposits with financial institutions	72,326,984
Investments	464,598,857
GASB Stmt. No. 31 Fair Value Adjustment	<u>457,752</u>
	<u>\$ 549,095,586</u>

Investment Authorized by the California Government Code and the City's Investment Policy

The table below identifies the investment types that are authorized for the City by the California Government Code, or the City's investment policy, where more restrictive. The table also identifies the more restrictive provision of the California Government Code or the City's investment policy that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investment of any debt proceeds held by bond trustee's that are governed by the provisions of the City's debt agreements, rather than the general provisions of either the California Government Code or the City's investment policy.

Authorized Investment Types	Maximum Percentage of Portfolio	Maximum Maturity
U.S. Treasury Bills, Notes and Bonds	0 to 100%	5 Years
U.S. Government Agency Obligations	20% per agency	5 Years
Bankers' Acceptances	40%	180 Days
Commercial Paper	25%	270 Days
Repurchase Agreements	30%	90 Days
Local Agency Investment Fund	40%	N/A
Time Certificates of Deposit	40%	5 Years
Public Agency Demand Accounts	30%	N/A
Mutual Funds	20%	N/A

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 2 - CASH AND INVESTMENTS (continued)

Investment Authorized by Debt Agreements

The City and its component units have \$380,296 in investments held by bond trustees pledged to the payment or security of certain debt issues. These investments are held in direct obligations of, or obligations that are fully guaranteed as to principal and interest by, the United States Government or an agency thereof. The California Government Code provides that monies held by a bond trustee pledged to the payment or security of debt issues, in absence of specific statutory provisions governing the issuance of the debt, may be invested in accordance with the ordinances, resolutions, or indentures specifying the types of investments the respective bond issue's trustee may make. The obligations described above are authorized per the investment agreements with the bond trustees and include, but are not limited to, Federal Land Bank Bonds, Federal Home Loan Bank notes and bonds, Export-Import Bank notes and guaranteed participation certificates, obligations of or fully guaranteed by the Government National Mortgage Association, Federal National Mortgage Association notes, debentures and guaranteed certificates of participation, obligations of the International Bank of Reconstruction and Development and Federal Home Loan Mortgage Corporation notes.

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As part of the City's investment policy, one of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturing evenly over time as necessary to provide the cash flow and liquidity needed for operations.

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

Investment Type	Fair Value	Cost	Remaining Maturity (In Months)			
			12 Months Or Less	13 - 24 Months	25-60 Months	More Than 60 Months
U.S. Government Agency Obligations:						
Federal Farm Credit Bank	\$ 16,620,156	\$ 16,370,806	\$ 5,000,000	\$ -	\$ 11,370,806	\$ -
Federal Home Loan Bank	3,358,757	3,337,637	-	-	3,337,637	-
Federal Home Loan Mortgage Corp.	22,033,930	22,000,000	-	-	22,000,000	-
Federal National Mortgage Assn.	14,127,802	13,974,450	9,974,450	-	4,000,000	-
PEFCO	355,903	355,903	355,903	-	-	-
Commercial Paper	-	-	-	-	-	-
Bankers' Acceptances	-	-	-	-	-	-
U.S. Treasury Bills, Notes, and Bonds	-	-	-	-	-	-
Local Agency Investment Fund	150,585,896	150,585,896	150,585,896	-	-	-
CAMP	159,893,311	159,893,311	159,893,311	-	-	-
Mutual Funds (1)	97,700,558	97,700,558	97,700,558	-	-	-
Investment Contracts	380,295	380,296	-	-	-	380,296
Total	<u>\$465,056,608</u>	<u>\$464,598,857</u>	<u>\$423,510,118</u>	<u>\$ -</u>	<u>\$ 40,708,443</u>	<u>\$ 380,296</u>

(1) See Note 17 for Other Post-Employment Benefits

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 2 - CASH AND INVESTMENTS (continued)

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

Except as inherent by their nature as disclosed above, the City's investments (including those held by a bond trustee) are not highly sensitive to interest rate fluctuations.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of year end for each investment type. On August 5, 2011, the rating agency of Standard & Poors (S&P) assigned a negative outlook to the credit rating of the United States government. On August 8, 2011, S&P then downgraded that credit rating to AA+ from AAA.

Investment Type	Minimum Legal Rating	Remaining as of the Year-End		
		AAA	AA+	Not Rated
U.S. Government Agency Obligations:				
Federal Farm Credit Bank	\$ 16,370,806	\$ -	\$ 16,370,806	\$ -
Federal Home Loan Bank	3,337,637	-	3,337,637	-
Federal Home Loan Mortgage Corp.	22,000,000	-	22,000,000	-
Federal National Mortgage Assn.	13,974,450	-	13,974,450	-
PEFCO	355,903	-	355,903	-
Commercial Paper	-	-	-	-
Bankers' Acceptances	-	-	-	-
U.S. Treasury Bills, Notes, and Bonds	-	-	-	-
Local Agency Investment Fund	150,585,896	-	-	150,585,896
CAMP	159,893,311	-	-	159,893,311
Mutual Funds (1)	97,700,558	97,700,558	-	-
Investment Contracts	380,296	-	-	380,296
Total	<u>\$464,598,857</u>	<u>\$ 97,700,558</u>	<u>\$ 56,038,796</u>	<u>\$310,859,503</u>

(1) See Note 17 for Other Post-Employment Benefits

Concentration of Credit Risk

The City's investment policy does not limit the amount that can be invested in any one issuer beyond the limitations stipulated by the California Government Code. Investments in any one issuer (other than United States Treasury securities, mutual funds and external investment pools) that represent 5% or more of the City's total investments are as follows.

Issuer	Investment Type	Reported Amount	Percentage
Federal Home Loan Mortgage Corp.	Federal Agency Securities	\$ 22,000,000	5%

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 2 - CASH AND INVESTMENTS (continued)

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that the City will not be able to recover its deposits or will not be able to recover collateral securities in the possession of an outside party if a depository institution fails. The custodial credit risk for *investments* is the risk that the City will not be able to recover the value of its investment or collateral securities held by another party if the counterparty (e.g., broker-dealer) to a transaction fails. The California Government Code and City's investment policy do not contain legal or policy requirements that would limit exposure to custodial credit risk for deposits or investments, other than the following provision applicable to *deposits*: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2020, all of the City's deposits with financial institutions in excess of federal depository insurance limits were held in fully collateralized accounts, as permitted by the California Government Code. As of June 30, 2020, all of the City's investments were held by the City itself or by a broker-dealer (counterparty) other than the broker-dealer used by the City to purchase the securities in the City's name.

Investment in State Investment Pools

Investments are stated at fair value. Fair value is established quarterly based on quoted market prices received from the securities custodian. Fair value of investments held fluctuates with interest rates. The fair value of participants' position in the pool is the same as the value of the pool shares. The value of participants' equity withdrawn is based on the book value of the participants' percentage participation at the date of such withdrawal.

The California State Treasurer's Office operates the Local Agency Investment Fund (LAIF). The LAIF is available for investment of funds administered by California local governments and special districts and is not registered with the Securities and Exchange Commission (SEC) as an investment company. The enabling legislation for the LAIF is Section 16429.1 et seq. of the California Government Code. California Asset Management Program (CAMP) is a California Joint Powers Authority 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).

The LAIF and CAMP operate and report to participants on an amortized cost basis. For both the LAIF and CAMP, the income, gains, and losses, net of administration fees, are allocated based upon the participant's average daily balance. Deposits in the LAIF and CAMP are not insured or otherwise guaranteed by the State of California, and participants share proportionally in any realized gains or losses on investments. The fair value of the LAIF and CAMP investment pools are approximately equal to the value of the pool shares.

Fair Value Measurement

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy used to measure the fair value of the asset is based on the following:

Level 1 - unadjusted price quotations in active markets/exchanges for identical assets or liabilities, that each fund has the ability to access.

Level 2 - other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market-corroborated inputs).

Level 3 - unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each fund's own assumptions used in determining the fair value of investments).

The City has a reported fair value of investments of \$465,056,608, of which \$56,496,548 are valued using Level 1 inputs.

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 2 - CASH AND INVESTMENTS (continued)

These include all of the U.S Government Agency Obligations and Time Certificates of Deposit. The remaining investments are valued using Level 2 inputs.

NOTE 3 - COMPOSITION OF ACCOUNTS RECEIVABLE AND PAYABLE BALANCES

Accounts receivable at June 30, 2020 of the City's major individual funds and non-major and internal service funds in the aggregate, including the applicable allowance for uncollectible accounts, are as follows:

Accounts Receivable - Governmental Funds:	General Fund	Transient Occupancy Taxes Fund	Community Development Block Grant Fund	Gas Tax & Road Fund	Capital Outlay	Redevelopment Successor Agency - Housing	Non-Major Governmental Funds	Internal Service Funds	Total Governmental Activities
Taxes	\$ -	\$ 906,245	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 906,245
Accounts	3,302,273	-	14,766,787	22,031	85,920	218	5,848,867	314,157	29,340,253
Gross Receivables	3,302,273	906,245	14,766,787	22,031	85,920	218	5,848,867	314,157	30,246,498
Less: Allowance for Uncollectible	-	-	-	-	-	-	-	(153,548)	(153,548)
Total Accounts Receivable - Net	<u>\$3,302,273</u>	<u>\$ 906,245</u>	<u>\$ 14,766,787</u>	<u>\$ 22,031</u>	<u>\$ 85,920</u>	<u>\$ 218</u>	<u>\$ 5,848,867</u>	<u>\$ 160,609</u>	<u>\$ 30,092,950</u>

Accounts Receivable - Proprietary Funds:	Wastewater Treatment Fund	Refuse Collection Fund	Agricultural Water Fund	Domestic Water Fund	General Aviation Fund	Offstreet Parking Fund	Total Business-Type Activities
Accounts	\$ 1,213,627	\$ 1,243,583	\$ 475,870	\$ 2,573,834	\$ (11,687)	\$ 5,225	\$ 5,500,452
Gross Receivables	1,213,627	1,243,583	475,870	2,573,834	(11,687)	5,225	5,500,452
Less: Allowances for Uncollectible	-	-	-	-	-	-	-
Total Accounts Receivable - Net	<u>\$ 1,213,627</u>	<u>\$ 1,243,583</u>	<u>\$ 475,870</u>	<u>\$ 2,573,834</u>	<u>\$ (11,687)</u>	<u>\$ 5,225</u>	<u>\$ 5,500,452</u>

Accounts payable and accrued liabilities at June 30, 2020, are composed of the following:

Accounts Payable and Accrued Liabilities Governmental Activities:	General Fund	Transient Occupancy Taxes Fund	Community Development Block Grant Fund	Gas Tax & Road Fund	Capital Outlay Fund	Park Improvement Fund	Transportation Development Fund
Accounts payable	\$ 7,810,058	\$ 34,812	\$ 116,179	\$ 4,239,103	\$ 2,911,053	\$ 3,273,387	\$ 1,552,502
Due to other governments	-	-	-	1,571	-	-	-
Total Accounts Payable and Accrued Liabilities	<u>\$ 7,810,058</u>	<u>\$ 34,812</u>	<u>\$ 116,179</u>	<u>\$ 4,240,674</u>	<u>\$ 2,911,053</u>	<u>\$ 3,273,387</u>	<u>\$ 1,552,502</u>

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 3 - COMPOSITION OF ACCOUNTS RECEIVABLE AND PAYABLE BALANCES (continued)

Accounts Payable and Accrued Liabilities Governmental Activities:	Non-Major Governmental Funds	Internal Service Funds	Total Governmental Activities
Accounts payable	\$ 277,305	\$ 2,480,162	\$ 22,694,561
Due to other governments	-	-	1,571
Total Accounts Payable and Accrued Liabilities	<u>\$ 277,305</u>	<u>\$ 2,480,162</u>	<u>\$ 22,696,132</u>

Accounts Payable and Accrued Liabilities - Business-Type Activities:	Wastewater Treatment Fund	Refuse Collection Fund	Agricultural Water Fund	Domestic Water Fund	General Aviation Fund	Offstreet Parking Fund	Total Business-Type Activities
Accounts payable	\$ 2,652,399	\$ 3,624,873	\$ 318,706	\$ 2,516,532	\$ 17,922	\$ 15,833	\$ 9,146,265
Accrued interest	1,637,403	-	-	-	-	-	1,637,403
Total Accounts Payable and Accrued Liabilities	<u>\$ 4,289,802</u>	<u>\$ 3,624,873</u>	<u>\$ 318,706</u>	<u>\$ 2,516,532</u>	<u>\$ 17,922</u>	<u>\$ 15,833</u>	<u>\$ 10,783,668</u>

NOTE 4 - DUE FROM OTHER GOVERNMENTS

Amounts due from other governments at June 30, 2020 are comprised of the following:

	Federal Government	State of California	County/City Agencies	Total Governmental Activities	Business-Type Activities	Total Reporting Entity
Senate Bill (SB) 90 Claims	\$ -	\$ 3,040,418	\$ -	\$ 3,040,418	\$ -	\$ 3,040,418
Sales Tax	-	28,101,494	-	28,101,494	-	28,101,494
Property Tax	-	-	354,152	354,152	237,157	591,309
Caltrans	-	3	-	3	78,254	78,257
SB 1 - Road Maint & Rehab	-	1,029,400	-	1,029,400	-	1,029,400
Department of Fish & Game	-	107,455	-	107,455	-	107,455
Department of Transportation	23,669,667	-	-	23,669,667	-	23,669,667
Economic & Community Development	3,084,511	-	-	3,084,511	-	3,084,511
City of Shafter	-	-	1,905	1,905	-	1,905
Kern Council of Governments	-	-	46,793	46,793	-	46,793
Kern County Waste Management	-	-	-	-	1,470,499	1,470,499
Totals	<u>\$ 26,754,178</u>	<u>\$ 32,278,770</u>	<u>\$ 402,850</u>	<u>\$ 59,435,798</u>	<u>\$ 1,785,910</u>	<u>\$ 61,221,708</u>

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 5 - CAPITAL ASSETS

Capital asset activities for the year ended June 30, 2020, were as follows:

	Balance June 30, 2019	Adjustments	Additions	Retirements	Balance June 30, 2020
Governmental Activities					
Capital assets, not being depreciated					
Land	\$ 449,359,733	\$ -	\$ 528,202	\$ -	\$ 449,887,935
Construction in progress	105,552,305	-	30,486,253	18,746,258	117,292,300
Total capital assets, not being depreciated	554,912,038	-	31,014,455	18,746,258	567,180,235
Capital assets, being depreciated					
Buildings, structures and improvements	149,940,319	2,037,353	8,898,014	-	160,875,686
Infrastructure	1,722,921,200	-	60,463,656	-	1,783,384,856
Rolling equipment	98,791,666	-	13,178,074	5,447,374	106,522,366
Furniture and other equipment	23,555,101	(2,832,612)	752,657	1,223,836	20,251,310
Total capital assets, being depreciated	1,995,208,286	(795,259)	83,292,401	6,671,210	2,071,034,218
Less accumulated depreciation for					
Buildings, structures and improvements	(79,705,227)	(42,445)	(4,045,079)	-	(83,792,751)
Infrastructure	(1,064,539,385)	-	(57,036,459)	-	(1,121,575,844)
Rolling equipment	(58,647,147)	-	(7,580,457)	(5,268,786)	(60,958,818)
Furniture and other equipment	(16,369,159)	2,818,781	(935,269)	(748,685)	(13,736,962)
Total accumulated depreciation	(1,219,260,918)	2,776,336	(69,597,264)	(6,017,471)	(1,280,064,375)
Total capital assets, being depreciated, net	775,947,368	1,981,077	13,695,137	653,739	790,969,843
Governmental activities capital assets, net	\$ 1,330,859,406	\$ 1,981,077	\$ 44,709,592	\$ 19,399,997	\$ 1,358,150,078
Business-Type Activities					
Capital assets, not being depreciated					
Land	\$ 23,630,085	\$ -	\$ -	\$ -	\$ 23,630,085
Water rights	31,476,906	-	-	-	31,476,906
Construction in progress	56,620,687	-	6,295,672	50,920,815	11,995,544
Total capital assets, not being depreciated	111,727,678	-	6,295,672	50,920,815	67,102,535
Capital assets, being depreciated					
Buildings, structures and improvements	327,748,197	-	3,505,211	-	331,253,408
Infrastructure	833,396,700	-	59,497,809	-	892,894,509
Equipment	78,729,875	-	723,505	-	79,453,380
Total capital assets being depreciated	1,239,874,772	-	63,726,525	-	1,303,601,297
Less accumulated depreciation for					
Buildings, structures and improvements	(130,225,829)	-	(8,136,862)	-	(138,362,691)
Infrastructure	(289,954,352)	-	(14,913,060)	-	(304,867,412)
Equipment	(40,503,887)	-	(4,180,298)	-	(44,684,185)
Total accumulated depreciation	(460,684,068)	-	(27,230,220)	-	(487,914,288)
Total capital assets, being depreciated, net	779,190,704	-	36,496,305	-	815,687,009
Business-type activities capital assets, net	\$ 890,918,382	\$ -	\$ 42,791,977	\$ 50,920,815	\$ 882,789,544

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 5 - CAPITAL ASSETS (continued)

Depreciation and amortization expense was charged in the following functions in the Statement of Activities:

Governmental functions:	<u>Depreciation</u>
General government	\$ 1,238,094
Public safety - Police	262,588
Public safety - Fire	753,873
Public works	63,934,735
Recreation and parks	3,008,938
Development services	<u>399,036</u>
 Total	 <u>\$ 69,597,264</u>
 Business-type functions:	
Wastewater treatment	\$ 19,801,307
Refuse collection	65,417
River & agricultural water	392,476
Domestic water	6,640,147
General aviation	240,245
Offstreet parking	<u>90,628</u>
 Total	 <u>\$ 27,230,220</u>

NOTE 6 - LAND HELD FOR RESALE

The City, as the Redevelopment Successor Agency, has been transferred real property to be held for a limited period that will be used for future development. The inventory for land held for resale is presented at the lower of cost or net realizable value though it is initially recorded at historical costs. Subsequently, the land could be adjusted to net realizable value if and when the City enters into agreements for development or sale of the property for less than its historical cost, when a property is impaired or when property value decreases due to market conditions.

Redevelopment Successor Agency - Housing	<u>Balance at June 30, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2020</u>
Land Held for Resale	\$ 1,198,744	\$ -	\$ -	\$ 1,198,744
	<u>\$ 1,198,744</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,198,744</u>

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 7 - OTHER LONG-TERM RECEIVABLES

Other long-term receivables consist of the following:

Governmental Activities

Deferred loans receivable associated with the low and moderate income housing project. These loans bear 0-3% interest and are not due until ten years after the loan agreement date (also see deferred revenue at Note 9).	\$ 3,337,657
Mercy Housing, Madison Place Apartments, 55 year term, with 1/55 to be forgiven each year of compliance to agreement.	258,913
Amcal Santa Fe Apartments, 55 year term, repayment begins from residual receipts following the date that the housing project is put in service.	134,691
Down payment assistance loans.	1,832,325
19th Street Senior Plaza, LLC, a 55 year loan term upon recordation of Certificate of Completion.	1,688,375
Park 20th Apartments, a 55 year loan term beginning upon recordation of the Certificate of Completion with an interest rate of 3.0%.	2,720,055
Chelsea Investment Corp. - Mill Creek Village. 19th Street Senior Housing and Parking Structure. A 55 year loan term beginning upon recordation of the Certificate of Completion with an interest rate of 3.0%.	6,506,184
Chelsea Investment Corp. - Mill Creek Village. 19th Street Senior Housing and Parking Structure. A 55 year loan term beginning upon recordation of the Certificate of Completion with an interest rate of 2.0%.	4,487,149
CalHOME Downpayment Assistance for a grant from the State which provided downpayment and closing cost assistance to seventeen (17) families within the Metropolitan Bakersfield area. The assistance was provided to those families whose incomes were at or below 120% of area median income. The loans of up to \$40,000 are forgiven at 1/15th per year.	284,630
Golden Empire Housing, Park Place Apartments, 55 year loan term beginning July 12, 1999, ending on July 12, 2054, with the interest payment being deferred for first ten years, until year 2010, with an interest rate of 1.5%.	807,356
Capital Vision Equities, City Center Senior Housing, 35 year loan term beginning on March 28, 2001, ending March 28, 2036, with an interest rate of 5.85%.	990,000
Canyon Hills Assembly of God, Senior Housing Project 30 year loan term beginning July 30, 2001 ending July 30, 2031, with an interest rate of 0%.	310,000
Mill Creek Courtyard CIC - SEPA - Senior Housing Project. A 55 year loan term beginning from the date of execution by the developer.	2,520,000
Face value of loans	<u>\$ 25,877,335</u>

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 7 - OTHER LONG-TERM RECEIVABLES (continued)

Current portion	\$ -
Long-term portion	<u>25,877,335</u>

Business-Type Activities

Notes receivable in the River & Agricultural Water Fund are for the amounts due from various customers/vendors.

These loans are non-interest bearing. \$ 30,105

Long-term receivable under agreement 87-153(5) between the City and Dreyer's Grand Ice Cream Inc. for additional flow and and treatment capacity in Wastewater Treatment Plant #3.

161,184

Long-term receivable under Agreement 14-042 between the City and a local citizen to purchase surplus land adjacent to their business. Property was held in the Offstreet Parking Fund.

11,961

Total business-type noncurrent receivables	<u>\$ 203,250</u>
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CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 8 - INTERFUND TRANSACTIONS

Interfund transactions are comprised of loans, services provided, reimbursements, or transfers. Loans are reported as amounts “due to/due from” other funds or as “advances,” as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental activities and business-type activities are netted as part of the consolidation required to produce the government-wide financial statements.

Interfund receivable and payable balances at June 30, 2020 were:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Governmental Funds:		
Major Funds:		
General Fund	\$ 14,074,339	\$ -
Community Development Block Grant Fund	-	2,262,401
Gas Tax & Road Fund	-	11,811,938
	<u>\$ 14,074,339</u>	<u>\$ 14,074,339</u>

These balances are a result of expenditures incurred prior to the receipt of the related special revenue source.

Interfund transfers at June 30, 2020 consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental Funds:</u>		
Major Funds:		
General Fund	\$ 1,200,000	\$ 41,863,365
Transient Occupancy Taxes Fund	10,000	4,144,791
Community Development Block Grant Fund	371,871	512,790
Capital Outlay Fund	44,796,774	-
Non-Major Funds:		
Neighborhood Stabilization	-	371,871
State Traffic Safety Fund	-	1,200,000
General Obligation Debt Fund	1,269,468	-
<u>Proprietary Funds:</u>		
Major Funds:		
Wastewater Treatment Fund	-	207,908
Refuse Collection Fund	-	1,531,821
River & Agricultural Water Fund	-	184,638
Domestic Water Fund	-	184,638
Offstreet Parking Fund	45,000	-
Internal Service Funds:		
Self-Insurance Fund	-	183,597
Equipment Management Fund	2,692,306	-
	<u>\$ 50,385,419</u>	<u>\$ 50,385,419</u>

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 8 - INTERFUND TRANSACTIONS (continued)

Additional details regarding transfers in and out of various funds are provided below:

- The \$1,200,000 transfer in to the General Fund includes \$1,200,000 from the Traffic Safety Fund that subsidized the cost of the traffic division of the police department for parking fine violations.
- The \$41,863,365 transfer from the General Fund includes a transfer to the Capital Outlay Fund of \$40,695,332 for various capital improvement projects, \$728,617 to the General Obligation Debt Fund for the repayment of loans from PG&E for energy efficient retro fit projects, \$45,000 to the Offstreet Parking Fund for security, \$10,000 to the Transient Occupancy Fund tourism programs as well as \$384,416 to the Equipment Fund for operating activity.
- The \$4,144,791 transfers from the Transient Occupancy Taxes Fund include: \$3,101,442 transferred to the Capital Outlay Fund to fund a number of capital projects, \$28,061 to the General Obligation Debt Fund for the repayment of a loan from PG&E for an energy efficiency retrofit at Rabobank Arena, \$1,000,000 to the General Fund to replenish Facility reserves and \$15,288 to the Equipment Fund for additional funding to replace equipment.
- The \$512,790 transfer from the Community Development Block Grant (CDBG) Fund to the General Obligation Debt Fund is for the repayment of a Section 108 loan.
- There were additional transfers to the Equipment Management Fund to purchase additional equipment for operations which include: the General Fund (\$384,416), the Transient Occupancy Tax Fund (\$15,288), the Sewer Fund (\$207,908), the Refuse Fund (\$1,531,821), the River & Agricultural Water Fund (\$184,638), the Domestic Water Fund (\$184,638) and the Self-Insurance Fund (\$183,597).

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 9 - ADVANCES FROM GRANTORS AND THIRD PARTIES

The government-wide Statement of Net Position as well as governmental and enterprise funds defer revenue recognition in connection with resources that have been received as of year-end but not yet earned because under both the accrual and modified accrual basis of accounting revenue may be recognized only when earned. Assets recognized in connection with a transaction before the earnings process is complete are offset by a corresponding liability for advances from grantors and third parties.

The following table summarizes Advances from Grantors and third parties for the City at June 30, 2020:

	<u>Balance at June 30, 2020</u>
Governmental Activities:	
General Fund	
Dog License	\$ 75,154
Business License	1,792,752
Federal Agencies CARES	<u>7,692,039</u>
General Fund Total	9,559,945
Redevelopment Successor Agency - Housing	22,539,677
 Non-Major Funds:	
State Transportation - Grants Advanced	<u>117,626</u>
Total Governmental Activities	<u><u>\$ 32,217,248</u></u>
 Business-Type Activities:	
Wastewater Treatment	\$ 161,184
Refuse Collection	<u>127,167</u>
Total Business-Type Activities	<u><u>\$ 288,351</u></u>

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 10 - CAPITAL LEASE

The City entered into a long-term lease agreement in September 2005 for the acquisition of water rights with the Kern County Water Agency (KCWA). The agreement entitles the City to receive 6,500 acre feet of water per year in exchange for annual payments tied to KCWA's Water Revenue certificates of participation from 2006 and 2008, which were used for the expansion of its water treatment facility. On March 1, 2016, KCWA issued Water Revenue Refunding Bonds. These new bonds refunded the previous debt that the City's lease payments were based upon. The City's lease payments coincide with the amortization schedule for the related KCWA debt with the value of the related water rights at \$17,000,597. The total lease obligation for the term of this agreement is as follows:

Year ending	Business-Type Activities		
	Lease	Interest	Total
2021	\$ 695,722	\$ 653,095	\$ 1,348,817
2022	678,991	668,624	1,347,615
2023	712,201	636,691	1,348,892
2024	747,648	602,990	1,350,638
2025	782,515	566,907	1,349,422
2026-2030	4,523,218	2,223,265	6,746,483
2031-2035	5,550,838	1,196,923	6,747,761
2036-2040	3,309,464	239,993	3,549,457
Totals	<u>\$ 17,000,597</u>	<u>\$ 6,788,488</u>	<u>\$ 23,789,085</u>

	Balance at June 30, 2019	Additions	Principal Retirement	Balance at June 30, 2020
Business-Type Activities				
Capital Leases:				
Water rights	<u>\$ 17,671,298</u>	<u>\$ -</u>	<u>\$ 670,701</u>	<u>\$ 17,000,597</u>
	<u>\$ 17,671,298</u>	<u>\$ -</u>	<u>\$ 670,701</u>	<u>\$ 17,000,597</u>

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 11 - LONG-TERM DEBT

Long-term debt transactions for the fiscal year ending June 30, 2020 are summarized below:

	Governmental Activities	Business-Type Activities			Total Government
		General Obligations	Revenue Obligations	Total	
Payable at June 30, 2019:					
Bonds	\$ -	\$ -	\$ 160,129,574	\$ 160,129,574	\$ 160,129,574
Certificates of Participation	8,635,000	-	-	-	8,635,000
Notes	6,111,476	1,504,252	-	1,504,252	7,615,728
Contracts/Loans	-	314,215	-	314,215	314,215
Claims and Judgments Payable	48,527,301	-	-	-	48,527,301
Compensated Absences	15,521,678	1,974,945	-	1,974,945	17,496,623
Subtotal	78,795,455	3,793,412	160,129,574	163,922,986	242,718,441
New debt incurred:					
Bonds	-	-	10,525,000	10,525,000	10,525,000
Contracts/Loans	-	41,522	-	41,522	41,522
Claims and Judgments Payable	7,966,890	-	-	-	7,966,890
Compensated Absences	11,570,837	1,434,881	-	1,434,881	13,005,718
Subtotal	19,537,727	1,476,403	10,525,000	12,001,403	31,539,130
Principal reductions:					
Bonds	-	-	31,828,241	31,828,241	31,828,241
Certificates of Participation	2,760,000	-	-	-	2,760,000
Notes	1,227,678	752,125	-	752,125	1,979,803
Compensated Absences	8,557,454	1,077,029	-	1,077,029	9,634,483
Subtotal	12,545,132	1,829,154	31,828,241	33,657,395	46,202,527
Payable at June 30, 2020:					
Bonds	-	-	138,826,333	138,826,333	138,826,333
Certificates of Participation	5,875,000	-	-	-	5,875,000
Notes	4,883,798	752,127	-	752,127	5,635,925
Contracts/Loans	-	355,737	-	355,737	355,737
Claims and Judgments Payable	56,494,191	-	-	-	56,494,191
Compensated Absences	18,535,061	2,332,797	-	2,332,797	20,867,858
Total Payables	\$ 85,788,050	\$ 3,440,661	\$ 138,826,333	\$ 142,266,994	\$ 228,055,044

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 11 - LONG-TERM DEBT (continued)

	Governmental Activities	Business-Type Activities			Total Government
		General Obligations	Revenue Obligations	Total	
Due Within One Year:					
Bonds	\$ -	\$ -	\$ 8,851,778	\$ 8,851,778	\$ 8,851,778
Certificates of Participation	2,875,000	-	-	-	2,875,000
Notes	1,208,959	752,127	-	752,127	1,961,086
Total Long-term Debt	4,083,959	752,127	8,851,778	9,603,905	13,687,864
Contracts/Loans	-	355,737	-	355,737	355,737
Claims and Judgments Payable	12,724,191	-	-	-	12,724,191
Compensated Absences	3,682,448	737,523	-	737,523	4,419,971
Total Due Within One Year	<u>\$ 20,490,598</u>	<u>\$ 1,845,387</u>	<u>\$ 8,851,778</u>	<u>\$ 10,697,165</u>	<u>\$ 31,187,763</u>
Due in More Than One Year:					
Bonds	\$ -	\$ -	\$ 129,974,556	\$ 129,974,556	\$ 129,974,556
Certificates of Participation	3,000,000	-	-	-	3,000,000
Notes	3,674,839	-	-	-	3,674,839
Total Long-term Debt	6,674,839	-	129,974,556	129,974,556	136,649,395
Claims and Judgments Payable	43,770,000	-	-	-	43,770,000
Compensated Absences	14,852,613	1,595,273	-	1,595,273	16,447,886
Total Due in More Than One Year	<u>\$ 65,297,452</u>	<u>\$ 1,595,273</u>	<u>\$ 129,974,556</u>	<u>\$ 131,569,829</u>	<u>\$ 196,867,281</u>

The liability for pension-related debt, OPEB debt, and compensated absences for governmental activities is primarily liquidated by the General Fund with smaller portions charged to other funds in an amount proportional to the personnel costs incurred. The pension related debt and compensated absences for business-type activities will be paid by the respective proprietary funds.

Long-term debt payable at June 30, 2020, was comprised of the following individual issues:

Bonds

General obligation bonds serviced by business-type activities:

\$10,525,000 Wastewater Revenue Bonds 2020 Series A bonds - The proceeds from the sale of the Series 2020A Bonds, along with certain available moneys of the Enterprise, were to be used to redeem and decrease a portion of the outstanding 2015A Refunded Bonds. The original series from 2007 was refunded with these 2015 bonds, a portion of which remains outstanding. The financing was used to fund the costs of certain capital improvements at the City's wastewater and sewer collection, treatment and disposal system (specifically Treatment Plant #3) (This issue is serviced by the Wastewater Treatment Fund).

\$ 10,525,000

\$145,500,000 Wastewater Revenue Bonds 2015 Series A - The 2007 Series A bonds were refunded in 2015 with a partial call of the outstanding principal amount of \$156,750,000 as well as payment of the issuance costs. The proceeds of the original Series 2007A refunded bonds were used to finance a portion of certain capital improvements at the City's wastewater and sewage collection treatment and disposal system; interest rate of 5.00%. (This issue is serviced by the Wastewater Treatment Fund.)

\$ 109,020,000

Unamortized Bond Premium on Wastewater Revenue Bonds
Total Bonds

19,281,333
\$ 138,826,333

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 11 - LONG-TERM DEBT (continued)

Certificates of Participation:

Certificates of participation serviced by Transient Occupancy Tax revenue via lease payments from the City to the Redevelopment Successor Agency:

\$25,335,000 - 2006 Refunding Certificates of Participation Series A assumed by the City as the successor agency of the former redevelopment agency. Certificates are due in annual principal installments of \$900,000 to \$2,170,000 commencing October 1, 2006 through 2022; interest ranging from 4.00% to 4.25%.

\$ 4,255,000

\$9,470,000 - 2006 Refunding Certificates of Participation Series B assumed by the City as the successor agency of the former redevelopment agency. Certificates are due in annual principal installments of \$345,000 to \$830,000 commencing October 1, 2006 through 2022; interest ranging from 4.00% to 5.00%.

1,620,000

Total Certificates of Participation

\$ 5,875,000

Notes/Loans:

General obligation note serviced by Community Development Block Grant Fund (via the Municipal Debt Service Fund with Community Development Block Grant Entitlement): \$4,100,000 Housing & Urban Development (HUD) Section 108 Loan 2003 - Due in annual principal installments of \$137,000 to \$320,000 commencing August 1, 2004 through August 2022; interest ranging from 1.75% to 4.76%.

\$ 916,000

General obligation note serviced by Community Development Block Grant Fund (via the Municipal Debt Service Fund with Community Development Block Grant Entitlement): \$800,000 HUD Section 108 Loan 2003 - due in annual principal installments of \$24,000 to \$61,000 commencing August 1, 2005 through August 2023; interest ranging from 1.61% to 4.76%.

226,000

General obligation note serviced by Community Development Block Grant Fund (via the Municipal Debt Service Fund with Community Development Block Grant Entitlement), \$1,800,000 HUD Section 108 Loan 009 - due in annual principal installments of \$140,000 to \$230,000 commencing August 2010 through August 2021; interest ranging from 0.56% to 3.73%.

283,000

General obligation loan serviced by General Fund (via the Municipal Debt Service Fund): \$126,274 PG&E loan used for an energy efficient lighting upgrade at Rabobank Theater. The payments will be made starting March 12, 2018 in 54 monthly payments of \$2,338.40. This loan contains no interest charges.

60,798

General obligation loan serviced by General Fund (via the Municipal Debt Service Fund): \$1,420,717 PG&E loan used for an energy efficient lighting upgrade throughout the city. The payments will be made in 80 monthly payments of \$17,758.96. This loans contain no interest charges.

1,172,091

General obligation loan serviced by General Fund (via the Municipal Debt Service Fund): \$1,979,307 PG&E loan used for an energy efficient lighting upgrade throughout the city. The payments will be made in 80 monthly payments of \$24,137.89. This loans contain no interest charges.

1,665,514

General obligation loan serviced by General Fund (via the Municipal Debt Service Fund): \$736,517 PG&E loan used for an energy efficient lighting upgrade throughout the city. The payments will be made in 46 monthly payments of \$16,011. This loans contain no interest charges.

557,394

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 11 - LONG-TERM DEBT (continued)

General obligation notes serviced by Business-Type Activities:

\$14,263,555 note payable to California State Water Resources Control Board - Original advances of \$14,954,054 payable without interest in twenty annual installments beginning in fiscal year 2004-05 by the Wastewater Treatment Fund.

Total general obligation notes/loans payable

	752,127
	<u>\$ 5,632,924</u>

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 11 - LONG-TERM DEBT (continued)

Compensated Absences:

Government Activities	\$ 18,535,061
Business-Type Activities	<u>2,332,796</u>
Total Compensated Absences	<u>\$ 20,867,857</u>

A summary of the City's debt service requirements outstanding at June 30, 2020, is as follows:

	<u>Total Government</u>
Principal:	
Governmental Activities	\$ 85,788,050
Business-Type Activities:	
General Obligations	3,440,661
Revenue Obligations	<u>138,826,333</u>
Subtotal - Principal	<u>228,055,044</u>
Less: Claims and Judgments Payable included above that bear no interest and have no schedule of repayment terms	56,494,191
Less: Kern River Levee District Payable included above that bears no interest and has no schedule of repayment terms	355,737
Less: Unamortized premium for Wastewater revenue bond	19,281,334
Less: Compensated Absences included above that bear no interest and have no schedule of repayment terms	<u>20,867,857</u>
Total Principal with Scheduled Repayment Terms	131,055,927
Interest on Obligations	<u>40,817,209</u>
Total Debt Service Requirements	<u>\$171,873,136</u>

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 11 - LONG-TERM DEBT (continued)

The annual requirement to amortize the principal and interest on long-term debt at June 30, 2020 is as follows:

Government-Type Activities						
Year ending	Principal			Interest		
	Bonds/COP	Notes/Loans	Total	Bonds	Notes/Loans	Total
2021	\$ 2,875,000	\$ 1,208,959	\$ 4,083,959	\$ 256,625	\$ 30,500	\$ 287,125
2022	3,000,000	1,222,959	4,222,959	133,724	17,811	151,535
2023	-	1,061,562	1,061,562	-	6,339	6,339
2024	-	563,763	563,763	-	854	854
2025	-	502,763	502,763	-	-	-
2026-2030	-	323,791	323,791	-	-	-
Totals	<u>\$ 5,875,000</u>	<u>\$ 4,883,797</u>	<u>\$ 10,758,797</u>	<u>\$ 390,349</u>	<u>\$ 55,504</u>	<u>\$ 445,853</u>
Business-Type Activities						
Year ending	Principal			Interest		
	Bonds/COP	Notes/Loans	Total	Bonds	Notes/Loans	Total
2021	\$ 7,245,000	\$ 752,127	\$ 7,997,127	\$ 5,660,177	\$ 150,429	\$ 5,810,606
2022	7,670,000	-	7,670,000	5,423,250	-	5,423,250
2023	7,995,000	-	7,995,000	5,031,625	-	5,031,625
2024	8,450,000	-	8,450,000	4,620,500	-	4,620,500
2025	8,920,000	-	8,920,000	4,186,250	-	4,186,250
2026-2030	52,280,000	-	52,280,000	13,561,500	-	13,561,500
2031-2035	26,985,000	-	26,985,000	1,737,625	-	1,737,625
Totals	<u>\$ 119,545,000</u>	<u>\$ 752,127</u>	<u>\$ 120,297,127</u>	<u>\$ 40,220,927</u>	<u>\$ 150,429</u>	<u>\$ 40,371,356</u>
Total Reporting Entity						
Year Ending	Principal			Interest		
	Bonds/COP	Notes/Loans	Total	Bonds/COP	Notes/Loans	Total
2021	\$ 10,120,000	\$ 1,961,086	\$ 12,081,086	\$ 5,916,802	\$ 180,929	\$ 6,097,731
2022	10,670,000	1,222,959	11,892,959	5,556,974	17,811	5,574,785
2023	7,995,000	1,061,562	9,056,562	5,031,625	6,339	5,037,964
2024	8,450,000	563,763	9,013,763	4,620,500	854	4,621,354
2025	8,920,000	502,763	9,422,763	4,186,250	-	4,186,250
2026-2030	52,280,000	323,794	52,603,794	13,561,500	-	13,561,500
2031-2035	26,985,000	-	26,985,000	1,737,625	-	1,737,625
Totals	<u>\$ 125,420,000</u>	<u>\$ 5,635,927</u>	<u>\$ 131,055,927</u>	<u>\$ 40,611,276</u>	<u>\$ 205,933</u>	<u>\$ 40,817,209</u>

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 12 - PLEDGED REVENUES

The City has pledged net revenues generated by the Wastewater Enterprise Fund to repay a total of \$151.5 million in wastewater revenue bonds series 2015A issued to finance a portion of the expansion and improvement of the City's wastewater and sewage collection and disposal system.

Each fiscal year, net revenues means all revenues of the enterprise fund received during the fiscal year less operation and maintenance costs for that fiscal year. The pledge of net revenues does not constitute a lien upon any property of the City. Proceeds of the bonds provided financing for expansion and upgrade of Wastewater Treatment Plant #3, and improvements to Wastewater Treatment Plant #2. The bonds are payable through 2034 for 2015A bonds. The covenants of the ordinances authorizing the bonds include, among other things, an obligation of the City to fix, prescribe, revise, and collect rates, fees, and charges for the services and facilities of the system and revise the same whenever necessary, which will provide gross revenues in each fiscal year sufficient to pay the cost of operation and maintenance of the system; one hundred twenty five percent (125%) of the bond service requirement becoming due in such fiscal year on the outstanding bonds; plus one hundred percent (100%) of all reserve and other payments required to be made pursuant to the ordinances authorizing the bonds.

NOTE 13 - DEFERRED INFLOWS OF RESOURCES

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the City recognized deferred inflows of resources in the governmental fund financial statements. These items are an acquisition of net fund balance by the City that is applicable to a future reporting period. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. Under the modified accrual basis of accounting, it is not enough that revenue has been earned if it is to be recognized in the current period. Revenue must also be susceptible to accrual (i.e., measurable and available to finance expenditures of the current period). Governmental funds report deferred revenues in connection with receivables for revenues not susceptible to accrual, as deferred inflows of resources.

Deferred inflows of resources balances for the year ended June 30, 2020 were as follows:

	<u>Balance at June 30, 2020</u>
General Fund	
California Water Receivable	\$ 160,281
Code Enforcement Receivable	9,334
State Agencies (SB90)	<u>3,040,418</u>
General Fund Total	<u>3,210,033</u>
CDBG - Deferred Loans	18,047,139
Gas Tax & Road Fund	22,031
Capital Outlay Fund	46,606
Non-Major Funds	
Neighborhood Stabilization	<u>5,696,872</u>
 Total Governmental Funds	 <u><u>\$ 27,022,681</u></u>

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 14 - FUND BALANCES

Fund balances for all major and non-major governmental funds as of June 30, 2020 are as follows (see Note 1 for description of the categories used):

	General Fund	Transient Occupancy Taxes Fund	Community Development Block Grant Fund	Gas Tax & Road Fund	Capital Outlay Fund	Park Improvement Fund	Transportation Development Fund	Redevelopment Successor Agency - Housing Fund	Non-Major Governmental Funds	Total
Nonspendable										
Prepays/Deposits	\$ 44,314	\$ -	\$ -	\$ -	\$ 924,365	\$ -	\$ -	\$ -	\$ -	\$ 968,679
Subtotal	44,314	-	-	-	924,365	-	-	-	-	968,679
Restricted										
Development services grants	-	-	905,671	-	-	-	-	-	-	905,671
Development Services projects	-	-	-	-	-	-	-	2,523,121	-	2,523,121
Police services grants	-	-	-	-	-	-	-	-	2,237,395	2,237,395
Fire services grants	-	-	-	-	-	-	-	-	748,820	748,820
Public works grants	-	-	-	8,663,949	-	-	-	-	-	8,663,949
Subtotal	-	-	905,671	8,663,949	-	-	-	2,523,121	2,986,215	15,078,956
Committed										
Legal & Professional services	51,248	-	-	-	569,944	-	-	-	-	621,192
City facility construction & refurbishment projects	-	-	-	-	23,200,320	-	-	-	-	23,200,320
Police service contracts	79,961	-	-	-	2,104,709	-	-	-	-	2,184,670
Fire service contracts	-	-	-	-	265,141	-	-	-	-	265,141
Public works improvement contracts	-	-	-	-	2,061,071	-	51,232,104	-	-	53,293,175
Park improvement contracts	-	-	-	-	271,635	5,591,620	-	-	-	5,863,255
Tourism and promotional contracts	-	80,647	-	-	-	-	-	-	-	80,647
Development Services contracts	687,333	-	-	-	1,253,053	-	-	-	-	1,940,386
Cash basis reserve	26,576,850	-	-	-	-	-	-	-	-	26,576,850
Facility replacement reserve	-	-	-	-	4,866,340	-	-	-	-	4,866,340
Appropriation for next year's budget	22,415,752	-	-	-	-	-	-	-	-	22,415,752
Subtotal	49,811,144	80,647	-	-	34,592,213	5,591,620	51,232,104	-	-	141,307,728
Assigned										
Legal & Professional services	55,510	-	-	-	-	-	-	-	-	55,510
Police operations	129,248	-	-	-	-	-	-	-	-	129,248
Fire operations	86,176	-	-	-	-	-	-	-	-	86,176
Public works - General Services department	43,013	-	-	-	-	-	-	-	-	43,013
Facility improvements	-	-	-	-	3,279,904	-	-	-	-	3,279,904
Highway and road projects	-	-	-	-	31,596,014	-	-	-	-	31,596,014
Tourism and promotional contracts	-	2,501,162	-	-	-	-	-	-	-	2,501,162
Park development projects	74,427	-	-	-	-	-	-	-	-	74,427
Community development projects	52,020	-	-	-	-	-	-	-	-	52,020
Other miscellaneous agreements	27,174	-	-	-	-	-	-	-	-	27,174
Petty Cash accounts	28,570	-	-	-	-	-	-	-	-	28,570
Compensated absences	3,264,114	-	-	-	-	-	-	-	-	3,264,114
Public Safety and Vital Services	15,108,989	-	-	-	-	-	-	-	-	15,108,989
Subtotal	18,869,241	2,501,162	-	-	34,875,918	-	-	-	-	56,246,321
Unassigned	-	-	-	-	-	-	-	-	-	-
Total	\$ 68,724,699	\$ 2,581,809	\$ 905,671	\$ 8,663,949	\$ 70,392,496	\$ 5,591,620	\$ 51,232,104	\$ 2,523,121	\$ 2,986,215	\$ 213,601,684

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 15 - REIMBURSABLE DEVELOPER COSTS

Reimbursable developer costs of \$1,812,327 at June 30, 2020 are included in customer deposits in the Domestic Water Fund which represent amounts due to developers for construction of water mainline extensions and certain other water facilities. For mainline extensions transferred to the City after June 30, 1982, the developers are to be reimbursed based on revenues generated from the water sales associated with these mainline extensions. The City is required to reimburse 2.5% of the cost of the extension on a yearly basis with the total amount to be reimbursed within 40 years.

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 16 - EMPLOYEE RETIREMENT BENEFITS

General

The City of Bakersfield provides pension benefits to eligible full-time employees in three separate plans: the Miscellaneous Plan, the Safety Fire Plan, and the Safety Police Plan, all of which are included in the Public Agency portion of the California Public Employees' Retirement System (CalPERS).

Miscellaneous Plan

Plan Description

The City's Miscellaneous Plan is a defined benefit pension plan that provides retirement and disability benefits, annual cost-of-living adjustments (COLA), and death benefits to plan members and beneficiaries. The Miscellaneous Plan is an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions, as well as other requirements, is established by State statutes within the Public Employees' Retirement Law. The City selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS' annual financial report may be obtained from their Executive Office - 400 P Street – Sacramento, CA 95814.

Benefits Provided

The benefits provided through the CalPERS Miscellaneous Plan include retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The City has three tiers through CalPERS under the Miscellaneous employee plan. Tier I is applicable to all employees hired before August 20, 2008 with a formula of 3% at age 60. Earliest retirement age is 50 with final compensation based on 12 months at the highest rate of pay received. Tier II is applicable to employees hired after August 20, 2008 and before January 1, 2013 with a formula of 2.7% at age 55. Earliest retirement age is 50 with final compensation based on 36 months at the highest rate of pay received. Tier III is applicable to employees hired after January 1, 2013 with a formula of 2% at age 62, which is a result of the Public Employees' Pension Reform Act of 2013 (PEPRA). PEPRA also lowered the final compensation and contribution requirements. Earliest retirement age is 52 with final compensation, subject to the PEPRA limit of \$151,549, based on 36 months at the highest rate of pay received.

Contributions and Employees Covered

Active plan members in the CalPERS Miscellaneous Plan may be required to contribute a particular percent of their annual pay depending on the applicable plan they fall under. Tier I and Tier II employees will pay 8% of their salary while those employees under PEPRA (Tier III) will pay 6.25 of their salary. In addition, employees in Tier I and Tier II have 7.5% of their contribution picked-up by the City after five years of service.

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer Paid Member Contributions or situations where members are paying a portion of the employer contribution.

As of June 30, 2019 (the measurement date), there are 949 active employees and 954 inactive employees or beneficiaries receiving benefits. For the fiscal year ended June 30, 2020, the employee contribution rate was 7.485 percent of annual pay, and the employer's minimum contribution rate was 30.713 percent of annual payroll. Employer contribution rates may change if plan contracts are amended.

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 16 - EMPLOYEE RETIREMENT BENEFITS (continued)

Actuarial Methods and Assumptions

For the measurement period ended June 30, 2019 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2018 total pension liability. The June 30, 2018 and the June 30, 2019 total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
	Fair Value of Assets. For details, see
	June 30, 2016 Funding Valuation
Asset Valuation Method	Report
Inflation Rate	2.50%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	2.75%
Investment Rate of Return	7.15% [a]
Mortality [b]	

[a] Net of Pension Plan Investment and Administrative Expenses; includes inflation.

[b] Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvements using Society of Actuaries 90% of scale MP-2016. For more details on this table, please refer to the December 2017 experience study report.

All other actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study dated 2017 which was derived from data collected for the period from 1997 to 2015, including updates to salary increases, mortality and retirement rates. The 2017 Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB Statement No. 68 section.

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 as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 16 - EMPLOYEE RETIREMENT BENEFITS (continued)

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the CalPERS' Board effective on July 1, 2016.

Asset Class	Assumed Asset Allocation	Real Return Years 1-10 [a]	Real Return Years 11+ [b]
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0%	(0.92%)

[a] An expected inflation of 2.0% used for this period.

[b] An expected inflation of 2.92% used for this period.

Changes in Net Pension Liability

The change in the Net Pension Liability recognized over the measurement period is as follows:

MISCELLANEOUS PLAN	Total Pension Liability [1]	Increase (Decrease) Plan Fiduciary Net Position [2]	Net Pension Liability [3]=[1] - [2]
Balance at June 30, 2018 [a]	\$ 566,995,807	\$ 405,238,078	\$ 161,757,729
Changes Recognized for the Measurement Period:			
- Service Cost	9,761,680	-	9,761,680
- Interest on the Total Pension Liability	40,017,148	-	40,017,148
- Changes of Benefit Terms	-	-	-
- Differences between Expected and Actual Experience	1,681,960	-	1,681,960
- Changes of Assumptions	-	-	-
- Plan to Plan Movement	-	-	-
- Contributions - Employer	-	15,201,992	(15,201,992)
- Contributions - Employees	-	3,956,979	(3,956,979)
- Net Investment Income	-	26,318,678	(26,318,678)
- Benefit Payments Including Refund of Employee Contributions	(27,756,407)	(27,756,407)	-
- Administrative Expenses	-	(289,187)	289,187
- Other Misc Income/(Expense) [b]	-	939	(939)
Net Changes during 2018-19	23,704,381	17,432,994	6,271,387
Balance at June 30, 2019 [a]	\$ 590,700,188	\$ 422,671,072	\$ 168,029,116

[a] The fiduciary net position includes receivables for employee service buybacks, deficiency reserves, fiduciary, self-insurance and OPEB expense. This may be different from the plan assets reported in the funding actuarial valuation report.

[b] During Fiscal Year 2017-18, as a result of Governmental Standards Board Statement (GASB) No. 75, *Accounting and Financial Reporting for Postemployment Benefits 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.

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 16 - EMPLOYEE RETIREMENT BENEFITS (continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15 %)	Discount Rate + 1% (8.15%)
MISCELLANEOUS PLAN			
Plan Net Pension Liability	\$ 246,161,068	\$ 168,029,116	\$ 103,338,408

Recognition of Gains and Losses

Under GASB Statement No. 68, 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 a five year straight-line amortization. All other amounts are amortized using straight-line amortization 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.

The expected average remaining service lifetime (EARS�) for the plan for the June 30, 2019 measurement date is 3.7 years, which is obtained by dividing the total service years of 10,410 (the sum of remaining lifetimes of active employees) by 2,780 (the total number of participants: active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of the start of the measurement period (July 1, 2019), the net pension liability/(asset) is \$161,757,729. For the measurement period ending June 30, 2019 (the measurement date), the City incurred a pension expense/(income) of \$27,366,744 for the plan. Note that no adjustments have been made for contributions subsequent to the measurement date. Adequate treatment of any contributions made after the measurement date is the responsibility of the employer.

As of June 30, 2020, the City had deferred outflows of resources related to pensions of \$20,592,035 for contributions made subsequent to the measurement date, \$4,444,588 for changes of assumptions, and \$1,227,376 for the differences between expected and actual experience. Deferred inflows of resources related to pensions were \$1,410,114 for changes in assumptions and \$3,471,677 for differences between expected and actual experiences, and \$1,842,805 for the net difference between projected and actual earnings on pension plan investments.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in future pension revenue and expense amortized annually as follows:

Measurement Periods Ended June 30:	Deferred Outflows/(Inflows) of Resources
2020	\$3,178,616
2021	\$(4,458,424)
2022	\$(228,390)
2023	\$455,569
Remaining	\$0

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 16 - EMPLOYEE RETIREMENT BENEFITS (continued)

Safety Fire Plan

Plan Description

The City's Safety Fire Plan is a defined benefit pension plan that provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Safety Fire Plan is an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions, as well as other requirements, is established by State statutes within the Public Employees' Retirement Law. The City selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS' annual financial report may be obtained from their Executive Office - 400 P Street – Sacramento, CA 95814.

Benefits Provided

The benefits provided through the CalPERS Safety Fire Plan include retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The City has three tiers through CalPERS under the Safety Fire employee plan. Tier I is applicable to all employees hired before January 1, 2011 with a formula of 3% at age 50. Earliest retirement age is 50 with final compensation based on 12 months at the highest rate of pay received. Tier II is applicable to employees hired after January 1, 2011 and before January 1, 2013 with a formula of 2.0% at age 50. Earliest retirement age is 50 with final compensation based on 36 months at the highest rate of pay received. Tier III is applicable to employees hired after January 1, 2013 with a formula of 2% at age 57, which is a result of PEPRA. PEPRA also lowered the final compensation and contribution requirements. Earliest retirement age is 50 with final compensation, subject to the PEPRA limit of \$151,549, based on 36 months at the highest rate of pay received.

Contributions and Employees Covered

Active plan members in the CalPERS Safety Fire Plan may be required to contribute a particular percent of their annual pay depending on the applicable plan they fall under. Tier I and Tier II employees will pay 9% of their salary while those employees under PEPRA (Tier III) will pay 11.75% of their salary. In addition, employees in Tier I have 8% of their contribution picked-up by the City after five years of service.

Section 20814(c) of the California PERL requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer Paid Member Contributions or situations where members are paying a portion of the employer contribution.

As of June 30, 2019 (the measurement date), there are 173 active employees and 227 inactive employees or beneficiaries receiving benefits. For the fiscal year ended June 30, 2020, the employee contribution rate was 9.235 percent of annual pay, and the employer's minimum contribution rate was 48.133 percent of annual payroll. Employer contribution rates may change if plan contracts are amended.

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 16 - EMPLOYEE RETIREMENT BENEFITS (continued)

Actuarial Methods and Assumptions

For the measurement period ended June 30, 2019 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2018 total pension liability. The June 30, 2018 and the June 30, 2019 total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
	Fair Value of Assets. For details, see
	June 30, 2016 Funding Valuation
Asset Valuation Method	Report.
Salary Increases	2.75%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	2.50%
Investment Rate of Return	7.15% [a]
Mortality [b]	

[a] Net of Pension Plan Investment and Administrative Expenses; includes inflation.

[b] Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvements using Society of Actuaries 90% of scale MP-2016. For more details on this table, please refer to the December 2017 experience study report.

All other actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study dated 2017 which was derived from data collected for the period from 1997 to 2015, including updates to salary increases, mortality and retirement rates. The 2017 Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB Statement No. 68 section.

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 as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 16 - EMPLOYEE RETIREMENT BENEFITS (continued)

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the CalPERS Board effective on July 1, 2016.

Asset Class	Assumed Asset Allocation	Real Return Years 1-10 [a]	Real Return Years 11+ [b]
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0%	(0.92%)

[a] An expected inflation of 2.00% used for this period.

[b] An expected inflation of 2.92% used for this period.

Changes in Net Pension Liability

The change in the Net Pension Liability recognized over the measurement period is as follows:

SAFETY FIRE PLAN	Total Pension Liability [1]	Increase (Decrease) Plan Fiduciary Net Position [2]	Net Pension Liability [3]=[1] - [2]
Balance at June 30, 2018 [a]	\$ 291,630,432	\$ 209,359,732	\$ 82,270,700
Changes Recognized for the Measurement Period:			
- Service Cost	4,554,882	-	4,554,882
- Interest on the Total Pension Liability	20,357,836	-	20,357,836
- Changes of Benefit Terms	-	-	-
- Differences between Expected and Actual Experience	(1,450,007)	-	(1,450,007)
- Changes of Assumptions	-	-	-
- Plan to Plan Resource Movement	-	7,433,992	(7,433,992)
- Contributions - Employer	-	1,590,164	(1,590,164)
- Contributions - Employees	-	13,562,717	(13,562,717)
- Net Investment Income	-	-	-
- Benefit Payments Including Refund of Employee Contributions	(15,465,768)	(15,465,768)	-
- Administrative Expenses	-	(149,404)	149,404
- Other Misc Income/(Expense) [b]	-	487	(487)
Net Changes during 2018-19	7,996,943	6,972,188	1,024,755
Balance at June 30, 2019 [a]	\$ 299,627,375	\$ 216,331,920	\$ 83,295,455

[a] The fiduciary net position includes receivables for employee service buybacks, deficiency reserves, fiduciary, self-insurance and OPEB expense. This may be different from the plan assets reported in the funding actuarial valuation report.

[b] During Fiscal Year 2017-18, as a result of Governmental Standards Board Statement (GASB) No. 75, *Accounting and Financial Reporting for Postemployment Benefits 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.

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 16 - EMPLOYEE RETIREMENT BENEFITS (continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
<u>SAFETY FIRE PLAN</u>			
Plan Net Pension Liability	\$ 123,330,906	\$ 83,295,455	\$ 50,358,296

Recognition of Gains and Losses

Under GASB Statement No. 68, 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 a five year straight-line amortization. All other amounts are amortized using straight-line amortization 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.

The expected average remaining service lifetime (EARSL) for the plan for the June 30, 2019 measurement date is 5.7 years, which is obtained by dividing the total service years of 2,505 (the sum of remaining lifetimes of active employees) by 441 (the total number of participants: active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of the start of the measurement period (July 1, 2019), the net pension liability/(asset) is \$82,270,700. For the measurement period ending June 30, 2019 (the measurement date), the City incurred a pension expense/(income) of \$12,637,403 for the plan. Note that no adjustments have been made for contributions subsequent to the measurement date. Adequate treatment of any contributions made after the measurement date is the responsibility of the employer.

As of June 30, 2020, the City had deferred outflows of resources related to pensions of \$9,645,594 for contributions made subsequent to the measurement date, \$7,156,812 for changes of assumptions, \$273,347 for the differences between expected and actual experiences and \$0 for the net difference between projected and actual earnings on pension plan investments. Deferred inflows of resources related to pensions were \$1,193,144 for changes in assumptions and \$3,460,295 for differences between expected and actual experiences, and \$916,370 for the net difference between projected and actual earnings on pension plan investments.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in future pension revenue and expense amortized annually as follows:

Measurement Periods Ended June 30:	Deferred Outflows/(Inflows) of Resources
2020	\$2,382,409
2021	\$3,886
2022	\$(53,332)
2023	\$(294,541)
2024	\$(178,072)
Remaining	\$0

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 16 - EMPLOYEE RETIREMENT BENEFITS (continued)

Safety Police Plan

Plan Description

The City's Safety Police Plan is a defined benefit pension plan that provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Safety Police Plan is an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions, as well as other requirements, is established by State statutes within the Public Employees' Retirement Law. The City selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS' annual financial report may be obtained from their Executive Office - 400 P Street – Sacramento, CA 95814.

Benefits Provided

The benefits provided through the CalPERS Safety Police Plan include retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The City has three tiers through CalPERS under the Safety Police employee plan. Tier I is applicable to all employees hired before January 1, 2011 with a formula of 3% at age 50. Earliest retirement age is 50 with final compensation based on 12 months at the highest rate of pay received. Tier II is applicable to employees hired after January 1, 2011 and before January 1, 2013 with a formula of 2.0% at age 50. Earliest retirement age is 50 with final compensation based on 36 months at the highest rate of pay received. Tier III is applicable to employees hired after January 1, 2013 with a formula of 2% at age 57, which is a result of the PEPRA. PEPRA also lowered the final compensation and contribution requirements. Earliest retirement age is 50 with final compensation, subject to the PEPRA limit of \$151,549, based on 36 months at the highest rate of pay received.

Contributions and Employees Covered

Active plan members in the CalPERS Safety Police Plan may be required to contribute a particular percent of their annual pay depending on the applicable plan they fall under. Tier I and Tier II employees will pay 9% of their salary while those employees under PEPRA (Tier III) will pay 13.25% of their salary. In addition, employees in Tier I have 8% their contribution picked-up by the City after five years of service.

Section 20814(c) of the California PERL requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

As of June 30, 2019 (the measurement date), there are 385 active employees and 445 inactive employees or beneficiaries receiving benefits. For the fiscal year ended June 30, 2020, the employee contribution rate was 9.797 percent of annual pay, and the employer's minimum contribution rate was 52.909 percent of annual payroll. Employer contribution rates may change if plan contracts are amended.

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 16 - EMPLOYEE RETIREMENT BENEFITS (continued)

Actuarial Methods and Assumptions

For the measurement period ended June 30, 2019 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2018 total pension liability. The June 30, 2018 and the June 30, 2019 total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
	Fair Value of Assets. For details, see
	June 30, 2016 Funding Valuation
Asset Valuation Method	Report
Inflation Rate	2.75%
Salary Increases	Varies by Entry Age and Services
Payroll Growth	2.50%
Investment Rate of Return	7.15%[a]
Mortality[b]	

[a] Net of Pension Plan Investment and Administrative Expenses; includes inflation.

[b] Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvements using Society of Actuaries 90% of scale MP-2106. For more details on this table, please refer to the December 2017 experience study report.

All other actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study dated 2017 which was derived from data collected for the period from 1997 to 2015, including updates to salary increases, mortality and retirement rates. The 2017 Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB Statement No. 68 section.

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 as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 16 - EMPLOYEE RETIREMENT BENEFITS (continued)

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the CalPERS Board effective on July 1, 2016.

Asset Class	Assumed Asset Allocation	Real Return Years 1-10 [a]	Real Return Years 11+ [b]
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0%	(0.92%)

[a] An expected inflation of 2.00% used for this period.

[b] An expected inflation of 2.92% used for this period.

Changes in Net Pension Liability

The change in the Net Pension Liability recognized over the measurement period is as follows:

	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability
SAFETY POLICE PLAN	[1]	[2]	[3]=[1] - [2]
Balance at June 30, 2018 [a]	\$ 504,873,449	\$ 320,024,365	\$ 184,849,084
Changes Recognized for the Measurement Period:			
- Service Cost	10,370,024	-	10,370,024
- Interest on the Total Pension Liability	35,663,211	-	35,663,211
- Changes of Benefit Terms	-	-	-
- Differences between Expected and Actual Experience	1,031,548	-	1,031,548
- Changes in Assumptions	-	-	-
- Plan to Plan Resource Movement	-	-	-
- Contributions - Employer	-	17,184,398	(17,184,398)
- Contributions -Employees	-	3,604,241	(3,604,241)
- Net Investment Income	-	20,791,992	(20,791,992)
- Benefit Payments Including Refunds of Employee Contributions	(24,607,704)	(24,607,704)	-
- Administrative Expenses	-	(228,376)	228,376
- Other Misc Income/(Expense) [b]	-	735	(735)
Net Changes during 2018-19	22,457,079	16,745,286	5,711,793
Balance at June 30, 2019 [a]	\$ 527,330,528	\$ 336,769,651	\$ 190,560,877

[a] The fiduciary net position includes receivables for employee service buybacks, deficiency reserves, fiduciary self-insurance and OPEB expense. This may be different from the plan assets reported in the funding actuarial valuation report.

[b] During Fiscal Year 2017-18, as a result of Governmental Standards Board Statement (GASB) No. 75, *Accounting and Financial Reporting for Postemployment Benefits 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.

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 16 - EMPLOYEE RETIREMENT BENEFITS (continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15 %)	Discount Rate + 1% (8.15%)
<u>SAFETY POLICE PLAN</u>			
Plan Net Pension Liability	\$ 266,623,965	\$ 190,560,872	\$ 128,724,864

Recognition of Gains and Losses

Under GASB Statement No. 68, 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 a five year straight-line amortization. All other amounts are amortized using straight-line amortization 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.

The expected average remaining service lifetime (EARSL) for the plan for the June 30, 2019 measurement date is 5.4 years, which is obtained by dividing the total service years of 4,934 (the sum of remaining lifetimes of active employees) by 919 (the total number of participants: active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of the start of the measurement period (July 1, 2019), the net pension liability/(asset) is \$184,849,084. For the measurement period ending June 30, 2019 (the measurement date), the City incurred a pension expense/(income) of \$28,092,825 for the plan. Note that no adjustments have been made for contributions subsequent to the measurement date. Adequate treatment of any contributions made after the measurement date is the responsibility of the employer.

As of June 30, 2020, the City had deferred outflows of resources related to pensions of \$20,997,751 for contributions made subsequent to the measurement date, \$13,542,205 for changes of assumptions, \$3,366,320 for differences between expected and actual experiences and \$0 for the net difference between projected and actual earnings on pension plan investments. Deferred inflows of resources related to pensions were \$2,155,809 for changes in assumptions and \$1,680,363 for differences between expected and actual experiences, and \$1,427,550 for the net difference between projected and actual earnings on pension plan investments.

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 16 - EMPLOYEE RETIREMENT BENEFITS (continued)

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in future pension revenue and expense amortized annually as follows:

Measurement Periods Ended June 30:	Deferred Outflows/(Inflows) of Resources			
2020	\$6,114,890			
2021	\$2,597,253			
2022	\$2,352,367			
2023	\$503,880			
2024	\$76,413			
Remaining	\$0			

CITYWIDE PENSION PLAN TOTALS	Miscellaneous Plan	Safety Fire Plan	Safety Police Plan	Citywide Total
Net Pension Liability	\$ 168,029,116	\$ 83,295,455	\$ 190,560,877	\$ 441,885,448
Deferred Outflows of Resources				
Contributions Made Subsequent to Measurement Date	20,592,035	9,645,594	20,997,751	51,235,380
Differences Between Expected and Actual Experiences	-	273,347	3,366,320	3,639,667
Changes of Assumptions	4,444,588	7,156,812	13,542,205	25,143,605
Total Deferred Outflows of Resources	<u>\$ 25,036,623</u>	<u>\$ 17,075,753</u>	<u>\$ 37,906,276</u>	<u>\$ 80,018,652</u>
Deferred Inflows of Resources				
Differences Between Expected and Actual Experience	\$ 3,471,677	\$ 3,460,295	1,680,363	\$ 8,612,335
Net Differences Between Projected and Actual Earnings	615,429	916,370	1,427,550	2,959,349
Changes of Assumptions	1,410,114	1,193,144	2,155,809	4,759,067
Total Deferred Inflows of Resources	<u>5,497,220</u>	<u>5,569,809</u>	<u>5,263,722</u>	<u>16,330,751</u>
Pension Liability Expense	<u>\$ 27,366,744</u>	<u>\$ 12,637,403</u>	<u>\$ 28,092,825</u>	<u>\$ 68,096,972</u>

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 17 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Single Employer OPEB

Plan description: In addition to the employee retirement benefits described in Note 16, the City provides a single-employer Post-Employment Retiree Medical Benefit Plan in accordance with a resolution approved by City Council. Two primary plans exist. All employees with a retirement date prior to January 1, 1985 were eligible for benefits upon retirement. Post-1985 employees must retire with fifteen years accumulated service upon retirement to participate. The service requirement is waived for safety employees who retire with a job-related disability.

Employees hired after the dates listed below will not participate in either of the retiree health subsidy programs mentioned:

Miscellaneous Employees	February 22, 2006
Management and Supervisory	March 22, 2006
Fire Safety	May 5, 2006
Police Safety	May 24, 2006

Benefits provided: For employees hired prior to the dates listed above, the City provides lifetime postretirement medical benefits for eligible retirees and qualified dependents with a choice of three medical options: Blue Shield PPO, Kaiser High Deductible Health Plan, and Kaiser Permanente HMO. Mental Health benefits are carved out and provided through Optum Behavioral Health. After reaching eligibility for Medicare, retirees are offered a choice of Blue Shield PPO, Blue Shield Medicare Advantage HMO or Kaiser Senior Advantage HMO. Retirees may also elect dental coverage but must self-pay the premiums for such coverage. Vision coverage is not offered to retirees. Retiree rates are unblended from employee rates.

Employees covered by benefit terms: At June 30, 2020 the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	757
Active employees	513
	<u>1,270</u>

Contributions. The City contributes 3% of the lowest single-party rate per year of service to a maximum of 90%. If the dollar amount is greater than the premium for a retiree covered under one of the Medicare Advantage plans, the retiree receives a cash reimbursement of the difference to a maximum of \$42.50 per month. The City also contributes 42% of the Blue Shield PPO for all retirees who elect the Blue Shield PPO plan, excluding Miscellaneous employees hired after April 1, 1996 and Safety employees hired after April 1, 1998. The City has approximately 513 active employees who are eligible for the same level of post-employment benefits and 757 retirees (and/or dependents) currently receiving benefits as of the actuarial dated June 30, 2020. There is not a separate, audited GAAP-basis pension report available for the Post-Employment Retiree Medical Benefit Plan.

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 17 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial assumptions. The total OPEB liability as of June 30, 2019 was determined by an actuarial valuations as of June 30, 2019. The actuarial assumptions used in the June 30, 2019 valuation were based on the December 2017 experience study performed by the CalPERS actuary derived from the data collected during fiscal years 1997 to 2015.

Data	Detailed census data, premium data and/or claim experience, and summary plan descriptions for OPEB are provided by the City of Bakersfield
Actuarial Cost Method	Entry Age Normal, Level percent of pay
Asset Valuation Method	Fair Value
Measurement Date	June 30, 2018
Discount Rate	5.00%
Inflation Rate	2.50%
Payroll Growth	3.00%
Salary Increases	Wage inflation rate (2.75%) plus merit and promotional increases of between 3.34% to 13.02% based on years of service Based on the 2017 experience study performed by CalPERS derived from data collected during fiscal years 1997-2015.
Mortality	

The long-term expected rate of return on OPEB Plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB Plan investment expense and inflation) 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 and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return, after deducting inflation, but before deducting investment expenses, used in the derivation of the long-term expected rate of return assumption are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term (Arithmetic) Expected Real Rate of Return (1)</u>
Domestic Equity	24.34%	6.40%
Developed International Equity	4.26	7.40
Emerging Markets Equity	2.01	9.80
Core Fixed Income	65.25	1.75
Real Estate	0.83	5.10
Short Term Money Market	3.31	1.10
Total	100%	

(1) Long-term nominal rate of return less inflation of 2.5%. Municipal Bond Rate: 3.5% and 3.58% based on the 20-year municipal rate for the Bond Buyer 20-Bond Go Index as of June 30, 2020 and 2017, respectively.

Discount rate. The discount rate used to measure the total OPEB liability was 5.00% as of June 30, 2018 and 5.00% as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at the rates equal to the actuarially determined

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 17 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Net OPEB Liability (continued)

contribution rates. For this purpose, only City contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected City contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the OPEB Plan's assets were projected to be sufficient to make all projected OPEB payments for current plan members. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability as of both June 30, 2019 and June 30, 2018.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Beginning balances	\$ 143,707,623	\$ 66,455,250	\$ 77,252,373
Changes for the year:			
Service cost	1,861,902	-	1,861,902
Interest	7,113,376	-	7,113,376
Differences between expected and actual experience	(20,451,948)	-	(20,451,948)
Changes of assumptions and methods	3,844,143	-	3,844,143
Employer contributions	-	7,940,057	(7,940,057)
Net investment income	-	4,882,723	(4,882,723)
Benefit payments	(6,604,007)	(6,604,007)	-
Administrative expense	-	(196,306)	196,306
Net changes	(14,236,534)	6,022,467	(20,259,001)
Ending balance	\$ 129,471,089	\$ 72,477,717	\$ 56,993,372

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability of the City as of June 30, 2019, calculated using the discount rate of 5.00%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.0 percent) or 1-percentage point higher (6.0 percent) than the current discount rate:

	1% Decrease (4.0%)	Discount Rate (5.0%)	1% Increase (6.0%)
Net OPEB liability as of June 30, 2019	\$ 77,545,870	\$ 56,993,372	\$ 40,525,237

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the City as of June 30, 2019, calculated using the current healthcare cost trend rates as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Healthcare Cost		
	1% Decrease*	Trend Rates*	1% Increase*
Net OPEB liability as of June 30, 2019	\$ 40,010,450	\$ 56,993,372	\$ 78,193,868

*Current trend rates: 6.75% graded to 4.50% over 10 year for City "Years of Service" Formula subsidy, 6.75% graded to 4.50% over 10 years for Special 42% Contribution Non-Medicare subsidy, and 6.25% graded to 4.50% over 8 years for Special 42% Contribution Medicare subsidy.

OPEB Plan fiduciary net position. Detailed information about the OPEB Plan's fiduciary net position is available in the separately issued actuarial report.

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 17 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the reporting period year ended June 30, 2020, the City recognized OPEB expense of \$(844,655). At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Governmental Activities		Business-type Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 2,494,793	\$ 1,664,477	\$ 427,491	\$ 285,215
Net difference between projected and actual earnings on OPEB Plan investments	-	15,498,253	-	2,655,688
Net excess of projected over actual earnings on OPEB Plan investments	-	491,897	-	84,288
City contributions subsequent to the measurement date	5,828,285	-	998,700	-
Total	<u>\$ 8,323,078</u>	<u>\$ 17,654,627</u>	<u>\$ 1,426,191</u>	<u>\$ 3,025,191</u>

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB are recognized in OPEB expenses as follows:

Fiscal Year Ended:	Governmental Activities Amount	Business-type Activities Amount
2021	\$ (5,689,982)	\$ (975,001)
2022	(5,135,752)	(880,032)
2023	(3,494,599)	(598,814)
2024	(839,500)	(143,852)
Thereafter	\$ -	\$ -

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 18 -SPECIAL ASSESSMENT DISTRICTS

In addition to the Long-Term Obligations discussed in Note 11, the following Long-Term Obligations have been issued in the name of Special Assessment Districts or Agencies of the City. Neither the City, nor its Agencies, are obligated in any manner for the repayment of these obligations. The City acts as an agent to property owners for the collection and repayment of Special Assessment Debt.

	Outstanding at June 30, 2020
Assessment District 01-1* (Ming at Allen/Mountain Vista; Hampton Place)	\$ 280,000
Assessment District 01-2* (Seven Oaks West II/Riverwalk/Southern Oaks)	1,090,000
Assessment District 01-3* (Mountain Vista/San Lauren)	765,000
Assessment District 02-1* (Avalon/Belsera/Montara/The Woods)	355,000
Assessment District 03-1* (Brighton Place/Silver Creek II)	730,000
Assessment District 03-2* (Buena Vista Ranch/Belsera II/Monstera II/Olive Park II)	580,000
Assessment District 03-3* (Seven Oaks West III/Brighton Place)	1,635,000
Assessment District 04-1** (Countryside/The Homestead)	1,150,000
Assessment District 04-2** (BL/BV/ST@Allen Com)	1,395,000
Assessment District 04-3** (Solera/Rio Vista)	950,000
Assessment District 05-1 (City in the Hills)	5,890,000
Assessment District 05-3** (Liberty II/Village Green/Tesoro/Encanto)	2,785,000
Assessment District 06-1** (Etcheverry/Lin II/University Park)	2,350,000
Assessment District 07-2 (Sydney Harbour)	1,170,000
	<u>\$ 21,125,000</u>

**Note: These ten districts were refinanced into a consolidated district (12-01) with the California Statewide Communities Development Authority (CSCDA). The City continues to account for the underlying obligation of each district to properly monitor the individual principal balances and various maturity dates.*

***Note: These five districts were refinanced into a consolidated district (15-01). The City continues to account for the underlying obligation of each district to properly monitor the individual principal balances and various maturity dates.*

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 19 - RISK MANAGEMENT

Self-Insurance

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City established a Self-Insurance Fund (an internal service fund) to account for and finance its uninsured risks of loss. Under this program, the Self-Insurance Fund provides coverage for up to \$500,000 for each workers' compensation claim and \$1,000,000 for each liability claim. The City participates in a joint powers authority for workers' compensation claims in excess of coverage provided by the fund up to statutory limits and participates in a joint powers authority for any excess liability claims. All funds of the City participate in the program and are charged for their share of claim expenditures. The claims liability of \$56,494,191 at June 30, 2020 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. An estimate of incurred but not reported claims has been included in the liability based on the various percentages of loss reserves.

Changes in the fund's claims liability over the last three fiscal years is shown below:

	Liability at Beginning of Year	Current Year Claims and Changes in Estimates	Claims Payments	Liability at End of Year
2017-2018	\$ 44,624,392	\$ 14,674,483	\$ 11,734,224	\$ 47,564,651
2018-2019	47,564,651	14,538,671	13,576,021	48,527,301
2019-2020	48,527,301	21,759,156	13,792,266	56,494,191

Joint Powers Authority

The City has obtained excess liability coverage through the Authority for California Cities Excess Liability (ACCEL), a joint powers authority of medium-size California municipalities. ACCEL pools catastrophic general liability, automobile liability and public officials' errors and omissions losses, or purchases excess insurance, depending on market conditions. Each member's share of pooled costs will depend on the catastrophic losses of all the members. In addition, the cost to a member city will also depend on that member's own loss experience. Entities with a consistent record of costly claims will pay more than entities with a consistent record of less serious claims activity.

In order to provide funds to pay claims, or purchase excess insurance, ACCEL collects a deposit from each member. The deposits will be credited with investment income at the rate earned on ACCEL's investments. Based on information received from ACCEL as of June 30, 2020, the City had \$1,000,347 on deposit with ACCEL out of a total of approximately \$9,839,598.

The following municipalities are also members of ACCEL: Palo Alto, Santa Barbara, Visalia, Modesto, Ontario, Santa Monica, Anaheim, Santa Cruz, Mountain View, Burbank, Monterey, and Gardena. A representative from each member city, appointed to the position by their respective city councils, serves on the Board of Directors (Board) of ACCEL. The Board is responsible for deciding the risks ACCEL will underwrite, monitoring the costs of large claims and arranging financial programs. Each member of the Board has an equal vote in matters concerning ACCEL.

As of June 30, 2020, ACCEL had no long-term debt. Included in total liabilities is an estimated retrospectively rated refund of \$0. Complete financial statements of ACCEL can be obtained at the City's Finance Department at 1600 Truxtun Avenue, Bakersfield, CA 93301.

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 19 - RISK MANAGEMENT (continued)

A summary of the financial information for ACCEL at June 30, 2020 is as follows:

Total assets	\$ 40,427,154
Total liabilities	<u>42,597,533</u>
 Total members' net position	 <u>\$ (2,170,379)</u>
 Total revenues	 \$ 24,305,949
Total expenses	<u>28,250,181</u>
 Net change in members' net position	 <u>\$ (3,944,232)</u>

NOTE 20 - COMMITMENTS AND CONTINGENCIES

Several claims and suits have been filed against the City in the normal course of business. In the opinion of management and the City Attorney, the potential liability of the City for such claims will not have a material adverse effect on the financial statements of the City. Also, the City has certain commitments under long-term construction projects which will be funded out of future revenues.

The entire capacity of the former sanitary landfill has been used. The State has required environmental closure and capping of the City's former sanitary landfill and remediation of the adjacent burn dump. Although these two waste disposal areas are adjacent to each other, the City completed the remediation of the burn dump separately, through the State's Expedited Remedial Action Program, in 1998. The cost of remediation for the burn dump of \$1.8 million was funded by the City's Refuse Service Fund and was expensed in prior fiscal years. The landfill closure was completed in May 2013 at a cost of \$4.8 million. The City's net share of this joint City/County project was approximately \$3 million. Kern County reimbursed the City for the remaining \$1.8 million.

The City will be required to perform post-closure monitoring and maintenance of the landfill after it is closed and capped. This will result in an ongoing annual cost of approximately \$150,000. The City will be responsible for about \$125,000 of these annual charges because most of these costs will be for the landfill gas management system, which is the City's responsibility. Kern County will be responsible for reimbursing the City for the remainder. City management anticipates all closure and post-closure costs being covered by annual Refuse Service Fund revenues. These estimates of cost are subject to future adjustment for inflation or deflation, technology, or applicable laws or regulations.

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 21 - ENCUMBRANCES

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of monies are recorded as encumbrances in order to reserve that portion of the applicable appropriation. Encumbrances outstanding as of June 30, 2020 consisted of the following:

Governmental Funds:

Major Funds:

General Fund	\$ 1,286,109
Transient Occupancy Taxes Fund	80,647
Community Development Block Grant Fund	1,356,047
Gas Tax & Road Fund	162,920,883
Capital Outlay Fund	29,919,946
Park Improvement Fund	15,950
Transportation Development Fund	19,169,306
Redevelopment Successor Agency - Housing	251,215

Non-Major Funds:

State (TDA) Transportation Fund	191,314
State Safety Fund	131,136

Proprietary Funds:

Major Funds:

Wastewater Treatment Fund	3,698,961
Refuse Collection Fund	395,558
River & Agriculture Water Fund	352,436
Domestic Water Fund	2,198,918
General Aviation Fund	11,100
Offstreet Parking Fund	117,113

Internal Service Funds:

Self-Insurance Fund	138,882
Equipment Management Fund	10,624,835
	<u>\$232,860,356</u>

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 22 - CONDUIT DEBT OBLIGATIONS

The City has been associated with the issuance of various health care, residential care, mortgage, commercial and industrial development debt issues. These debt obligations were issued under provisions of State and Federal laws that explicitly state that they do not constitute any indebtedness of the City. The City's sole involvement with these bonds was their issuance under the City's name or the City Council's authorization. As such, the following conduit debt obligations are not reflected in the accompanying basic financial statements:

	<u>Authorized and Issued</u>	<u>Current Outstanding at June 30, 2020</u>
City of Bakersfield - Cottonwood Village Housing Bond, Series 2004	\$ 5,000,000	\$ 5,000,000
City of Bakersfield - Cottonwood Court Housing Bond, Series 2004	1,950,000	1,950,000
City of Bakersfield - St. John Manor Housing Bond, Series 2006	3,867,794	2,465,756
City of Bakersfield - Coventry Apartments Housing Bond, Series 2007M	5,300,000	3,399,132
City of Bakersfield - Catholic Healthcare West 501(c)(3) Nonprofit Bond, Series A thru L	676,250,000	240,000,000
City of Bakersfield - Descanso Place Housing Bond, Series TT	13,000,000	1,400,000
City of Bakersfield - Bakersfield Family Apartments Housing Bond, Series 2008R	10,971,000	1,060,317
City of Bakersfield - Camellia Place Housing Bond, Series 2009R	619,138	619,118
City of Bakersfield - Eucalyptus Village I Housing Bond, Series 2012-E1	1,295,000	1,295,000
City of Bakersfield - Eucalyptus Village II Housing Bond, Series 2012-E2	4,275,000	4,275,000
City of Bakersfield - American Baptist Homes of The West 501(c)(3) Nonprofit Bond, Series 2015	52,080,000	<u>52,080,000</u>
TOTAL		<u>\$ 313,544,323</u>

CITY OF BAKERSFIELD

Notes to the Financial Statements

NOTE 23 - PRIOR PERIOD ADJUSTMENTS

During the fiscal year ended June 30, 2020, the City made the following prior period adjustment to restate the net position for governmental activities related fund balance for: 1) Net Position for Governmental Activities was adjusted after review of capital assets identified capital asset additions and disposals were not properly recorded. See corresponding changes in statements on p. 24.

Activity	Net Position Accounts		
	July 1, 2019 as previously reported	Adjustment	July 1, 2019, as restated
Net Position - Governmental Activities	\$ 1,141,286,874	\$ 2,512,504	\$ 1,143,799,378

NOTE 24 -SUBSEQUENT EVENT

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through ***January 25, 2021***, the date the financial statements were available to be issued.

As a result of the spread of the COVID-19 pandemic, there are economic uncertainties that continue to generate the possibility of negative impacts to the City. The full extent of the financial impact is unknown at this time.

To help mitigate those impacts On August 12, 2020, the City Council amended the budget to establish appropriations of Federal Coronavirus Relief Fund CARES Act dollars, via the State of California's Department of Finance. As part of the State's adopted FY 2021 budget, approximately \$33.5 million in funding will be passed from the State to the City to provide assistance to the City, individuals, businesses and non-profits in response to the economic and public health related impacts of COVID-19. These funds will be used to reimburse some costs incurred in fiscal year 2019-20 and programs initiated in fiscal year 2020-21.

CITY OF BAKERSFIELD

Required Supplementary Information

BUDGETARY INFORMATION

Through the budget process, the City Council sets the direction of the City, allocates its resources and establishes its priorities. The Annual Budget assures the efficient and effective use of the City's economic resources, as well as establishing that the highest priority objectives are accomplished. Budgets are adopted for all governmental fund types and are prepared on a basis consistent with accounting principles generally accepted in the United States of America.

The Annual Budget serves from July 1 to June 30, and is a vehicle that accurately and openly communicates these priorities to the community, businesses, vendors, employees and other public agencies. Additionally, it establishes the foundation of effective financial planning by providing resource planning, performance measures and controls that permit the evaluation and adjustment of the City's performance.

The City's budget is prepared and based on four expenditure categories: personnel, supplies and services, minor capital outlay and capital improvement programs. The first three listed are considered operational in nature and known as *recurring costs*. Capital improvement projects are asset acquisitions, facilities systems, and infrastructure improvements typically over \$50,000, and/or those items "outside" of the normal operational budget. These are known as *one-time costs*.

The City collects and records revenue and expenditures within the following categories:

- Governmental Activities
- Business-Type Activities

The Governmental Funds include the General Fund, Special Revenue, Debt Service and Capital Projects funds. All funding sources are kept separate for both reporting and use of the money. The General Fund is where most City services are funded that are not required to be segregated.

The budget process begins as a team effort in January of each year, starting with an annual strategic planning meeting. Then the individual departments use projected revenue assumptions to prioritize and recommend the next fiscal year's objectives. The City Manager's Office and the Finance Department review all budget proposals and revenues assumptions, as well as all current financial obligations before preparing the document that is proposed to the City Council. The City Council reviews the Proposed Budget through a series of workshops, and the final adoption of the budget is normally scheduled for the second City Council meeting each June.

At the beginning of each fiscal year, certain appropriations are "carried forward" from the prior budget year. These items generally relate to either open encumbrances that exist at June 30, or capital projects that were budgeted in the prior fiscal year that did not progress to the encumbrance stage as of June 30. The City Manager's Office approves all carryovers that are not encumbered as of June 30 of each year.

The amounts carried forward from fiscal year ended June 30, 2019 to fiscal year ended June 30, 2020 totaled \$427,943,242.

CITY OF BAKERSFIELD

Required Supplementary Information (continued)

BUDGETARY INFORMATION (continued)

These following schedules represent budgetary comparisons for the General Fund and all major special revenue funds within the City.

**Budgetary Comparison Schedule, General Fund
For the Fiscal Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Fund Balance, July 1	<u>\$ 54,632,934</u>	<u>\$ 54,632,934</u>	<u>\$ 54,632,934</u>	<u>\$ -</u>
Revenues:				
Taxes	235,026,800	241,181,800	245,011,776	3,829,976
Licenses and permits	2,867,405	2,867,405	3,138,985	271,580
Intergovernmental	2,261,300	8,281,873	6,784,347	(1,497,526)
Charges for services	24,218,556	24,472,120	23,486,070	(986,050)
Fines, forfeitures and assessments	760,000	760,000	823,556	63,556
Interest income	395,000	395,000	1,151,675	756,675
Contributions and donations	170,000	584,106	511,590	(72,516)
Other	965,939	965,939	2,200,864	1,234,925
Transfers from other funds	5,500,000	1,200,000	1,200,000	-
Amount available for appropriation	<u>\$ 272,165,000</u>	<u>\$ 280,708,243</u>	<u>\$ 284,308,863</u>	<u>\$ 3,600,620</u>
Expenditures:				
General government	\$ 16,250,680	\$ 16,706,919	\$ 14,546,339	\$ 2,160,580
Public safety - Police	108,009,886	110,843,541	105,126,720	5,716,821
Public safety - Fire	43,257,951	44,396,056	43,301,126	1,094,930
Public works	24,816,429	25,766,487	23,836,283	1,930,204
Recreation and parks	23,114,837	23,421,627	22,198,374	1,223,253
Development services	13,171,219	18,979,576	11,054,347	7,925,229
Non-departmental	14,772,436	19,029,011	8,285,675	10,743,336
Contingency	250,000	250,000	4,869	245,131
Transfers to other funds	44,331,562	41,863,365	41,863,365	-
Total charges to appropriations	<u>287,975,000</u>	<u>301,256,582</u>	<u>270,217,098</u>	<u>31,039,484</u>
Amount of resources over (under) charges to appropriations	<u>(15,810,000)</u>	<u>(20,548,339)</u>	<u>14,091,765</u>	<u>34,640,104</u>
Fund balance, June 30	<u>\$ 38,822,934</u>	<u>\$ 34,084,595</u>	<u>\$ 68,724,699</u>	<u>\$ 34,640,104</u>

CITY OF BAKERSFIELD

Required Supplementary Information (continued)

BUDGETARY INFORMATION (continued)

Budgetary Comparison Schedule, Transient Occupancy Taxes Fund For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Fund Balance, July 1	\$ 1,002,829	\$ 1,002,829	\$ 1,002,829	\$ -
Revenues:				
Taxes	9,900,000	9,900,000	8,913,147	(986,853)
Charges for services	9,595,582	9,595,582	7,149,064	(2,446,518)
Interest income	40,000	40,000	100,521	60,521
Contributions and donations	1,200,000	1,200,000	1,200,000	-
Other income	-	-	555,609	555,609
Transfers from other funds	-	10,000	10,000	-
Amount available for appropriation	\$ 20,735,582	\$ 20,745,582	\$ 17,928,341	\$ (2,817,241)
Expenditures:				
General government	\$ 11,125,537	\$ 11,270,797	\$ 9,070,045	\$ 2,200,752
Non-departmental	3,134,526	3,134,526	3,134,525	1
Transfers to other funds	6,293,349	6,293,349	4,144,791	2,148,558
Total charges to appropriations	20,553,412	20,698,672	16,349,361	4,349,311
Amount of resources over (under) charges to appropriations	182,170	46,910	1,578,980	1,532,070
Fund balance, June 30	\$ 1,184,999	\$ 1,049,739	\$ 2,581,809	\$ 1,532,070

Budgetary Comparison Schedule, Community Development Block Grant Fund For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Fund Balance, July 1	\$ 616,909	\$ 616,909	\$ 616,909	\$ -
Revenues:				
Intergovernmental	5,922,653	18,052,335	6,890,815	(11,161,520)
Charges for services	-	-	5,934	5,934
Interest income	-	-	1,556	1,556
Loan payments	175,868	175,868	241,524	65,656
Other income	-	-	8,832	8,832
Transfer from other funds	-	371,871	371,871	-
Amount available for appropriation	\$ 6,098,521	\$ 18,600,074	\$ 7,520,532	\$ (11,079,542)
Expenditures:				
Community development	\$ 3,700,251	\$ 13,261,417	\$ 4,755,680	\$ 8,505,737
Capital outlay	1,973,097	4,858,822	1,963,300	2,895,522
Transfers to other funds	512,791	512,791	512,790	1
Total charges to appropriations	6,186,139	18,633,030	7,231,770	11,401,260
Amount of resources over (under) charges to appropriations	(87,618)	32,956	288,762	321,718
Fund balance, June 30	\$ 529,291	\$ 583,953	\$ 905,671	\$ 321,718

CITY OF BAKERSFIELD

Required Supplementary Information (continued)

BUDGETARY INFORMATION (continued)**Budgetary Comparison Schedule, Gas Tax & Road Fund
For the Fiscal Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Fund Balance, July 1	<u>\$ 12,902,757</u>	<u>\$ 12,902,757</u>	<u>\$ 12,902,757</u>	<u>\$ -</u>
Revenues:				
Intergovernmental	20,341,976	290,165,227	109,112,347	(181,052,880)
Charges for service	-	40,000	73,584	33,584
Fines, forfeitures and assessments	40,000	40,000	43,671	3,671
Interest income	205,000	205,000	146,626	(58,374)
Amount available for appropriation	<u>\$ 20,586,976</u>	<u>\$ 290,450,227</u>	<u>\$ 109,376,228</u>	<u>\$ (181,073,999)</u>
Expenditures:				
Public works	\$ 3,800,975	\$ 3,800,975	\$ 3,494,733	\$ 306,242
Capital outlay	<u>16,140,814</u>	<u>299,145,764</u>	<u>110,120,303</u>	<u>189,025,461</u>
Total charges to appropriations	<u>(19,941,789)</u>	<u>(302,946,739)</u>	<u>113,615,036</u>	<u>189,331,703</u>
Amount of resources over (under) charges to appropriations	<u>645,187</u>	<u>(12,496,512)</u>	<u>(4,238,808)</u>	<u>8,257,704</u>
Fund balance, June 30	<u>\$ 13,547,944</u>	<u>\$ 406,245</u>	<u>\$ 8,663,949</u>	<u>\$ 8,257,704</u>

**Budgetary Comparison Schedule, Redevelopment Successor Agency Housing Fund
For the Fiscal Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Fund Balance, July 1	<u>\$ 2,168,569</u>	<u>\$ 2,168,569</u>	<u>\$ 2,168,569</u>	<u>\$ -</u>
Revenues:				
Charges for service	102,862	-	102,907	102,907
Interest income	10,000	-	43,540	43,540
Other income	-	-	214,840	214,840
Amount available for appropriation	<u>\$ 112,862</u>	<u>\$ -</u>	<u>\$ 361,287</u>	<u>\$ 361,287</u>
Expenditures:				
Capital outlay	-	-	6,735	(6,735)
Amount of resources over (under) charges to appropriations	<u>112,862</u>	<u>-</u>	<u>354,552</u>	<u>354,552</u>
Fund balance, June 30	<u>\$ 2,281,431</u>	<u>\$ 2,168,569</u>	<u>\$ 2,523,121</u>	<u>\$ 354,552</u>

CITY OF BAKERSFIELD

Required Supplementary Information (continued)

DEFINED PENSION PLAN

The Schedules of Changes in Net Pension Liability and Related Ratios as of the Measurement Period ending June 30, 2019 are below:

MISCELLANEOUS PLAN [a][e]

Fiscal Year end: 2020

Measurement Date: 2019

	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service Costs	\$ 9,761,680	\$ 9,865,219	\$ 10,121,201	\$ 9,229,271	\$ 9,371,317	\$ 9,394,857
Interest on Total Pension Liability	40,017,148	38,377,061	37,355,571	36,457,017	34,880,653	33,174,032
Changes of Benefit Terms	-	-	-	-	-	-
Changes in Assumptions	-	(3,069,067)	31,112,110	-	(8,541,600)	-
Difference Between Expected and Actual Experience	1,681,960	(4,948,406)	(8,386,592)	(2,271,125)	(682,929)	-
Benefit Payments [b]	(27,756,407)	(26,111,942)	(23,977,515)	(21,951,615)	(20,655,868)	(18,737,652)
Net Change in Total Pension Liability	\$ 23,704,381	\$ 14,112,865	\$ 46,224,775	\$ 21,463,548	\$ 14,371,573	\$ 23,831,237
Total Pension Liability - Beginning	566,995,807	552,882,942	506,658,167	485,194,619	470,823,046	446,991,809
Total Pension Liability - Ending [1]	\$ 590,700,188	\$ 566,995,807	\$ 552,882,942	\$ 506,658,167	\$ 485,194,619	\$ 470,823,046
Plan Fiduciary Net Position						
Contributions - Employer	\$ 15,201,992	\$ 13,222,781	\$ 11,107,872	\$ 10,734,470	\$ 10,017,697	\$ 9,220,181
Contributions - Employee	3,956,979	4,245,043	4,188,806	4,400,305	4,653,169	4,566,671
Net Investment Income	26,318,678	32,008,762	39,138,504	1,891,631	7,966,951	53,513,763
Other Miscellaneous Income	-	-	-	-	-	-
Benefit Payments [b]	(27,756,407)	(26,111,942)	(23,977,515)	(21,951,615)	(20,655,868)	(18,737,652)
Plan to Plan Resource Movement	-	(939)	-	(40,308)	-	-
Administrative Expense	(289,187)	(597,766)	(522,173)	(218,704)	(403,815)	-
Other Misc Income/(Expense)	939	(1,135,167)	-	-	-	-
Net Change in Plan Fiduciary Net Position	\$ 17,432,994	\$ 21,630,772	\$ 29,935,494	\$ (5,184,221)	\$ 1,578,134	\$ 48,562,963
Plan Fiduciary Net Position - Beginning	\$ 405,238,078	\$ 383,607,306	\$ 353,671,812	\$ 358,856,033	\$ 357,277,899	\$ 308,714,936
Plan Fiduciary Net Position - Ending [2]	422,671,072	405,238,078	383,607,306	353,671,812	358,856,033	357,277,899
Plan Net Pension Liability - [1]-[2]	\$ 168,029,116	\$ 161,757,729	\$ 169,275,636	\$ 152,986,355	\$ 126,338,586	\$ 113,545,147
Plan Fiduciary Net Position as a Percentage of the total pension liability	71.55 %	71.47 %	69.38 %	69.80 %	73.96 %	75.88 %
Covered Employee Payroll	\$ 55,934,450	\$ 55,301,410	\$ 56,388,660	\$ 56,837,487	\$ 57,065,633	\$ 53,054,308
Plan Net Pension Liability as a Percentage of Covered Employee Payroll	300.40 %	292.50 %	300.19 %	269.16 %	221.39 %	214.02 %

Schedules of Plan Contributions

Fiscal Year End	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution [c]	\$ 15,201,992	\$ 13,222,781	\$ 11,107,872	\$ 10,734,470	\$ 10,017,697	\$ 9,220,181
Contributions in Relation to the Actuarially Determined Contribution [c]	\$ (15,201,992)	\$ (13,222,781)	\$ (11,107,872)	\$ (10,734,470)	\$ (10,017,697)	\$ (9,220,181)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Employee Payroll [d]	\$ 55,934,450	\$ 55,301,410	\$ 56,388,660	\$ 56,837,487	\$ 57,065,623	\$ 53,054,308
Contributions as a Percentage of Covered Employee Payroll	27.18 %	23.91 %	19.70 %	18.89 %	17.55 %	17.38 %

[a] Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable. These schedules are presented to illustrate the requirement to show that information.

[b] Includes refunds of employee contributions.

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

[d] Payroll from prior year was assumed to increase by the 2.75 percent payroll growth assumption.

[e] Additional years' information will be displayed as it becomes available.

Notes to Schedule of Changes in Net Pension Liability and Related Ratios:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2015 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: None in 2019. In 2018, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

CITY OF BAKERSFIELD

Required Supplementary Information (continued)

DEFINED PENSION PLAN (continued)

SAFETY FIRE PLAN [a][e]

Fiscal Year end: 2020

Measurement Period: 2019

	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service Costs	\$ 4,554,882	\$ 4,690,651	\$ 4,691,377	\$ 3,982,592	\$ 4,038,459	\$ 4,022,753
Interest on Total Pension Liability	20,357,836	19,788,058	19,273,519	18,906,125	18,125,192	17,409,125
Changes of Benefit Terms	-	-	-	-	-	-
Changes in Assumptions	-	(1,346,780)	16,102,827	-	(4,419,326)	-
Difference Between Expected and Actual Experience	(1,450,007)	(1,205,127)	(3,292,736)	880,783	(357,892)	-
Benefit Payments [b]	(15,465,768)	(14,518,038)	(13,914,493)	(13,350,272)	(12,266,190)	(11,440,930)
Net Change in Total Pension Liability	\$ 7,996,943	\$ 7,408,764	\$ 22,860,494	\$ 10,419,228	\$ 5,120,243	\$ 9,990,948
Total Pension Liability - Beginning	291,630,432	284,221,668	261,361,174	250,941,946	245,821,703	235,830,755
Total Pension Liability - Ending [1]	\$ 299,627,375	\$ 291,630,432	\$ 284,221,668	\$ 261,361,174	\$ 250,941,946	\$ 245,821,703
Plan Fiduciary Net Position						
Contributions - Employer	\$ 7,433,992	\$ 6,452,089	\$ 5,766,115	\$ 5,299,399	\$ 4,717,136	\$ 4,243,095
Contributions - Employee	1,590,164	1,612,168	1,585,475	1,575,291	1,496,855	1,485,484
Net Investment Income	13,562,717	16,662,233	20,512,738	920,604	4,369,856	29,300,590
Other Miscellaneous Income	-	-	-	-	-	-
Benefit Payments [b]	(15,465,768)	(14,518,038)	(13,914,493)	(13,350,272)	(12,266,190)	(11,440,930)
Plan to Plan Resource Movement	-	(487)	-	-	(13)	-
Administrative Expense	(149,404)	(311,742)	(275,179)	(117,046)	(216,134)	-
Other Misc Income/(Expense)	487	(592,003)	-	-	-	-
Net Change in Plan Fiduciary Net Position	\$ 6,972,188	\$ 9,304,220	\$ 13,674,656	\$ (5,672,024)	\$ (1,898,490)	\$ 23,588,239
Plan Fiduciary Net Position - Beginning	\$ 209,359,732	\$ 200,055,512	\$ 186,380,856	\$ 192,052,880	\$ 193,951,370	\$ 170,363,131
Plan Fiduciary Net Position - Ending [2]	216,331,920	209,359,732	200,055,512	186,380,856	192,052,880	193,951,370
Plan Net Pension Liability - [1]-[2]	\$ 83,295,455	\$ 82,270,700	\$ 84,166,156	\$ 74,980,318	\$ 58,889,066	\$ 51,870,333
Plan Fiduciary Net Position as a Percentage of the total pension liability	72.20 %	71.79 %	70.39 %	71.31 %	76.53 %	78.90 %
Covered Employee Payroll	\$ 16,904,368	\$ 17,260,904	\$ 17,071,347	\$ 16,365,695	\$ 16,338,791	\$ 15,554,085
Plan Net Pension Liability as a Percentage of Covered Employee Payroll	492.75 %	476.63 %	493.03 %	458.16 %	360.42 %	333.48 %

Schedules of Plan Contributions

Fiscal Year End	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution [c]	\$ 7,433,992	\$ 6,452,089	\$ 5,766,115	\$ 5,299,399	\$ 4,717,136	\$ 4,243,095
Contributions in Relation to the Actuarially Determined Contribution [c]	\$ (7,433,992)	\$ (6,452,089)	\$ (5,766,115)	\$ (5,299,399)	\$ (4,717,136)	\$ (4,243,095)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Employee Payroll [d]	\$ 16,904,368	\$ 17,260,904	\$ 17,071,347	\$ 16,365,695	\$ 16,338,791	\$ 15,554,085
Contributions as a Percentage of Covered Employee Payroll	43.98 %	37.38 %	33.78 %	32.38 %	28.87 %	27.28 %

[a] Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable. These schedules are presented to illustrate the requirement to show that information.

[b] Includes refunds of employee contributions.

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

[d] Payroll from prior year was assumed to increase by the 2.75 percent payroll growth assumption.

[e] Additional years' information will be displayed as it becomes available.

Notes to Schedule of Changes in Net Pension Liability and Related Ratios:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2015 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: None in 2019. In 2018, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

CITY OF BAKERSFIELD

Required Supplementary Information (continued)

DEFINED PENSION PLAN (continued)

SAFETY POLICE PLAN [a][e]

Fiscal Year End: 2020

Measurement Period: 2019

	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service Costs	\$ 10,370,024	\$ 10,220,547	\$ 10,633,847	\$ 9,484,234	\$ 8,534,322	\$ 8,823,744
Interest on Total Pension Liability	35,663,211	34,128,107	32,733,299	31,506,218	29,736,286	28,279,962
Changes of Benefit Terms	-	-	-	-	-	-
Changes in Assumptions	-	(2,726,217)	29,167,825	-	(7,760,962)	-
Difference Between Expected and Actual Experience	1,031,548	1,792,996	(3,619,242)	4,042,528	872,107	-
Benefit Payments [b]	(24,607,704)	(23,362,241)	(22,076,716)	(20,226,151)	(19,077,307)	(17,776,028)
Net Change in Total Pension Liability	\$ 22,457,079	\$ 20,053,192	\$ 46,839,013	\$ 24,806,829	\$ 12,304,446	\$ 19,327,678
Total Pension Liability - Beginning	504,873,449	484,820,257	437,981,244	413,174,415	400,869,969	381,542,291
Total Pension Liability - Ending [1]	\$ 527,330,528	\$ 504,873,449	\$ 484,820,257	\$ 437,981,244	\$ 413,174,415	\$ 400,869,969
Plan Fiduciary Net Position						
Contributions - Employer	\$ 17,184,398	\$ 15,159,139	\$ 14,646,334	\$ 13,792,487	\$ 12,287,267	\$ 10,750,572
Contributions - Employee	3,604,241	3,650,956	3,426,099	3,794,305	3,238,371	2,920,326
Net Investment Income	20,791,987	25,183,248	30,690,942	1,419,472	6,082,288	41,170,702
Other Miscellaneous Income	-	-	-	-	-	-
Benefit Payments [b]	(24,607,704)	(23,362,241)	(22,076,716)	(20,226,151)	(19,077,307)	(17,776,028)
Plan to Plan Resource Movement	-	(740)	-	40,308	-	-
Administrative Expense	(228,376)	(468,655)	(405,238)	(168,097)	(313,848)	-
Other Misc Income/(Expense)	740	(889,985)	-	-	-	-
Net Change in Plan Fiduciary Net Position	\$ 16,745,286	\$ 19,271,722	\$ 26,281,421	\$ (1,347,676)	\$ 2,216,771	\$ 37,065,572
Plan Fiduciary Net Position - Beginning	\$ 320,024,365	\$ 300,752,643	\$ 274,471,222	\$ 275,818,898	\$ 273,602,127	\$ 236,536,555
Plan Fiduciary Net Position - Ending [2]	336,769,651	320,024,365	300,752,643	274,471,222	275,818,898	273,602,127
Plan Net Pension Liability - [1]-[2]	\$ 190,560,877	\$ 184,849,084	\$ 184,067,614	\$ 163,510,022	\$ 137,355,517	\$ 127,267,842
Plan Fiduciary Net Position as a Percentage of the total pension liability	63.86 %	63.39 %	62.03 %	62.67 %	66.76 %	68.25 %
Covered Employee Payroll	\$ 35,362,400	\$ 34,555,725	\$ 35,225,410	\$ 35,046,314	\$ 30,842,116	\$ 30,496,107
Plan Net Pension Liability as a Percentage of Covered Employee Payroll	538.88 %	534.93 %	522.54 %	466.55 %	445.35 %	417.32 %

Schedules of Plan Contributions

Fiscal Year End	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution [c]	\$ 17,184,398	\$ 15,159,139	\$ 14,646,334	\$ 13,792,487	\$ 12,287,267	\$ 10,750,572
Contributions in Relation to the Actuarially Determined Contribution [c]	\$ (17,184,398)	\$ (15,159,139)	\$ (14,646,334)	\$ (13,792,487)	\$ (12,287,267)	\$ (10,750,572)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Employee Payroll [d]	\$ 35,362,400	\$ 34,555,725	\$ 35,225,410	\$ 35,046,314	\$ 30,842,116	\$ 30,496,107
Contributions as a Percentage of Covered Employee Payroll	48.60 %	43.87 %	41.58 %	39.36 %	39.84 %	35.25 %

[a] Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable. These schedules are presented to illustrate the requirement to show that information.

[b] Includes refunds of employee contributions.

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

[d] Payroll from prior year was assumed to increase by the 2.75 percent payroll growth assumption.

[e] Additional years' information will be displayed as it becomes available.

Notes to Schedule of Changes in Net Pension Liability and Related Ratios:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2015 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: None in 2019. In 2018, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

CITY OF BAKERSFIELD

Required Supplementary Information (continued)

OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN - SCHEDULE OF CHANGES IN THE CITY'S NET OPEB LIABILITY AND RELATED RATIOS

	2020	2019	2018
Total OPEB liability [a]			
Service Cost [b]	\$ 1,861,902	\$ 1,975,894	\$ 2,149,804
Interest	7,113,376	6,986,837	7,329,180
Difference between expected and actual experience	(20,451,948)	(762,025)	(6,042,345)
Changes of assumptions and methods	3,844,143	-	(5,330,662)
Benefit payments	(6,604,007)	(4,507,862)	(5,050,000)
Net Change in Total OPEB Liability	(14,236,534)	3,692,844	(6,944,023)
Total OPEB Liability - beginning	143,707,623	140,014,779	146,958,802
Total OPEB Liability - ending (a)	\$ 129,471,089	\$ 143,707,623	\$ 140,014,779
Plan Fiduciary Net Position			
Contributions - employer	\$ 7,940,057	\$ 7,527,447	\$ 5,050,000
Net investment income	4,882,723	2,017,934	3,011,528
Benefit payments	(6,604,007)	(4,507,862)	(5,050,000)
Administrative expense	(196,306)	(188,705)	(180,556)
Net change in Plan Fiduciary Net Position	6,022,467	4,848,814	2,830,972
Plan Fiduciary Net Position - beginning	66,455,250	61,606,436	58,775,464
Plan Fiduciary Net Position - ending (b)	72,477,717	66,455,250	61,606,436
Plan's Net OPEB Liability - ending (a)-(b)	\$ 56,993,372	\$ 77,252,373	\$ 78,408,343
 Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	 55.98%	 46.24%	 44.00%
Covered employee payroll	\$ 39,698,602	\$ 46,166,357	\$ 44,930,761
Plan Net OPEB Liability as percentage of covered employee payroll	143.57%	167.33%	174.51%

[a] additional years' information will be displayed as it becomes available

[b] The service cost is based on previous years' valuation.

CITY OF BAKERSFIELD

Required Supplementary Information (continued)

SCHEDULE OF OPEB CONTRIBUTIONS

Last Ten Fiscal Years

Year Ended June 30 Date	Actuarially Determined Contributions (ADC)	Contributions in Relation To ADC	Contribution Deficiency (Excess)	Covered Payroll	Contributions As a Percentage of Covered Payroll
2010	\$9,495,763	\$6,283,456	\$3,212,307	\$63,685,205	9.87%
2011	9,495,763	5,509,340	3,986,423	60,284,949	9.14%
2012	8,006,053	16,832,576	(8,826,523)	60,284,949	27.92%
2013	8,006,053	10,292,900	(2,286,847)	56,277,827	18.29%
2014	6,539,299	6,950,125	(410,826)	53,368,986	13.02%
2015	6,539,299	8,038,622	(1,499,323)	50,985,920	15.77%
2016	7,530,031	5,645,839	1,884,192	44,930,761	12.57%
2017	7,530,031	5,050,000	2,480,031	44,930,791	11.24%
2018	6,973,711	7,527,447	(553,736)	46,166,357	16.31%
2019	6,973,711	7,940,057	(966,346)	39,698,602	20.00%

Notes to the Schedule of OPEB Contributions

Methods and assumptions used to establish "actuarially determined contribution" (ADC) rates:

Valuation date

Actuarial cost method

Amortization method

Remaining amortization period

Asset valuation method

Actuarial assumptions:

Investment rate of return

Inflation rate

Payroll growth

Other assumptions

ADC are based on the beginning of the applicable period.

Projected Unit Credit

30-year closed, level dollar payment

18 years as of June 30, 2018

Fair value

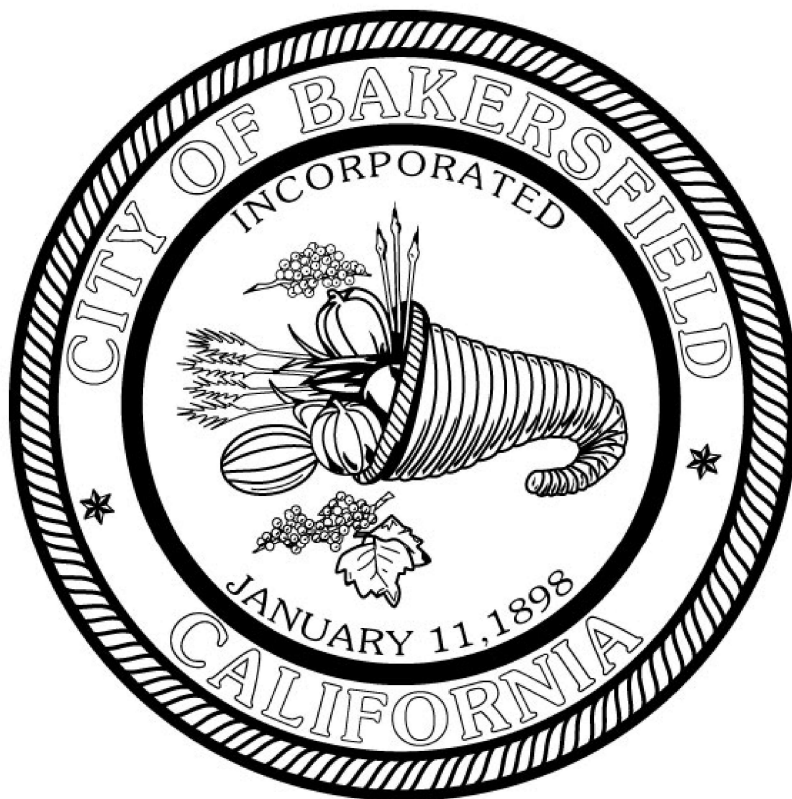
June 30, 2017 valuation

5.00%

N/A

3.00%

Same as those used in the June 30, 2017 GASB 74 actuarial valuation dated May 8, 2018



CITY OF BAKERSFIELD

Supplementary Information

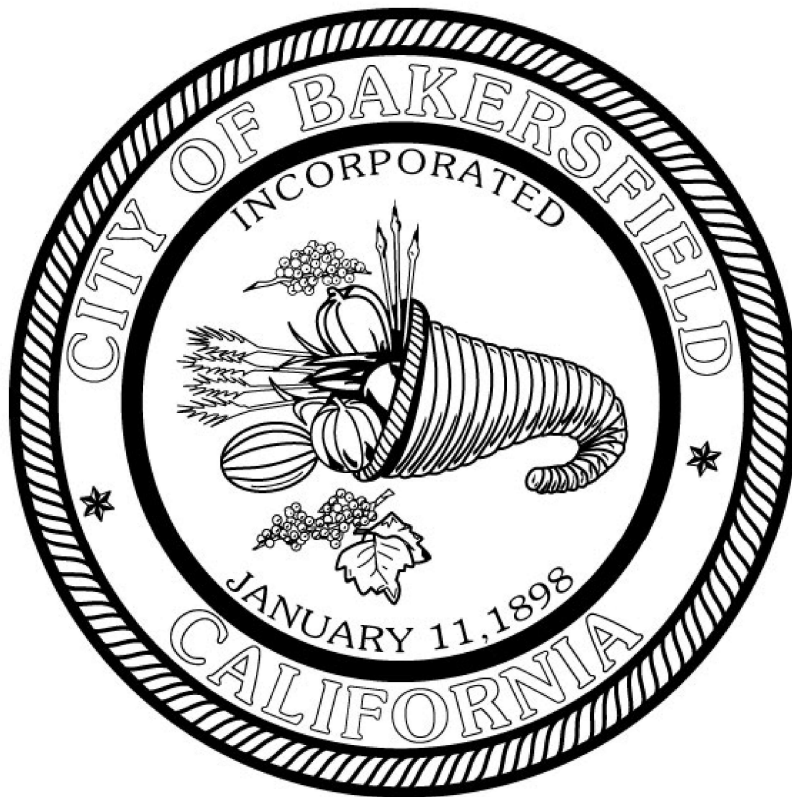
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General Fund

This fund was established to account for the revenues and expenditures to carry out basic governmental activities of the City of Bakersfield such as general government, public safety, public works and community services.

Revenues are recorded by source, i.e., taxes, licenses and permits, etc. Expenditures are made primarily on current day-to-day operations and are recorded by major functional classifications and by operating departments.

This fund accounts for all financial transactions not accounted for in another fund.



CITY OF BAKERSFIELD

**Balance Sheet
General Fund
June 30, 2020**

	<u>General Fund</u>
Assets:	
Cash and investments	\$ 35,194,867
Accounts receivable, net	8,302,273
Interest receivable	229,698
Due from other governmental agencies	31,497,968
Due from other funds	14,074,339
Prepaid items	<u>5,590</u>
 Total assets	 <u><u>\$ 89,304,735</u></u>
Liabilities, Deferred Inflows of Resources and Fund Balance:	
Liabilities:	
Accounts payable	\$ 7,810,057
Advances from grantors and third parties	<u>9,559,945</u>
 Total liabilities	 <u>17,370,002</u>
 Deferred Inflows of Resources:	
Deferred revenue	<u>3,210,033</u>
 Fund Balance:	
Nonspendable	44,314
Committed	
Cash basis reserve	26,576,850
Contractual obligations	818,543
Appropriations for new year budget	22,415,752
Assigned	
Petty cash	28,570
Non-contractual encumbrances	467,567
Compensated absences	3,264,114
Public Safety Vital Services	<u>15,108,989</u>
 Total fund balance	 <u>68,724,699</u>
 Total liabilities, deferred inflows of resources and fund balance	 <u><u>\$ 89,304,734</u></u>

CITY OF BAKERSFIELD

**Schedule of Revenues by Function - General Fund
Budget and Actual
For the Fiscal Year Ended June 30, 2020**

	Budget	Actual	Variance with Final Budget
Revenues:			
Taxes:			
Property taxes	\$ 86,082,800	\$ 85,558,776	\$ (524,024)
Sales and use taxes	144,679,000	148,259,133	3,580,133
Property transfer tax	1,100,000	1,341,620	241,620
Utility franchise tax	5,070,000	5,951,389	881,389
Business license tax	4,250,000	3,900,858	(349,142)
Total taxes	241,181,800	245,011,776	3,829,976
Licenses and permits:			
Building permits	1,700,000	1,787,475	87,475
Planning permits	74,375	69,949	(4,426)
Public works permits	585,000	780,359	195,359
Police permits	321,700	345,705	24,005
Other licenses and permits	186,330	155,497	(30,833)
Total licenses and permits	2,867,405	3,138,985	271,580
Intergovernmental:			
Federal grants	2,350,033	1,143,639	(1,206,394)
State of California	5,366,277	5,231,642	(134,635)
Other grants	565,563	409,066	(156,497)
Total intergovernmental	8,281,873	6,784,347	(1,497,526)
Charges for services:			
Building	3,062,500	3,502,257	439,757
Planning	672,346	405,923	(266,423)
Public works	1,241,750	1,179,221	(62,529)
Police	775,524	933,453	157,929
Fire	6,200,000	6,503,888	303,888
Recreation and parks	875,000	411,701	(463,299)
Interfund charges	11,485,000	10,364,922	(1,120,078)
Other charges	160,000	184,705	24,705
Total charges for services	24,472,120	23,486,070	(986,050)
Fines, forfeitures, and assessments	760,000	823,556	63,556
Miscellaneous:			
Interest income	395,000	1,057,246	662,246
Net increase (decrease) in the fair value of investments	-	94,429	94,429
Contributions and donations	584,106	511,590	(72,516)
Other income	965,939	2,200,864	1,234,925
Total miscellaneous	1,945,045	3,864,129	1,919,084
Total revenues	\$ 279,508,243	\$ 283,108,863	\$ 3,600,620

CITY OF BAKERSFIELD

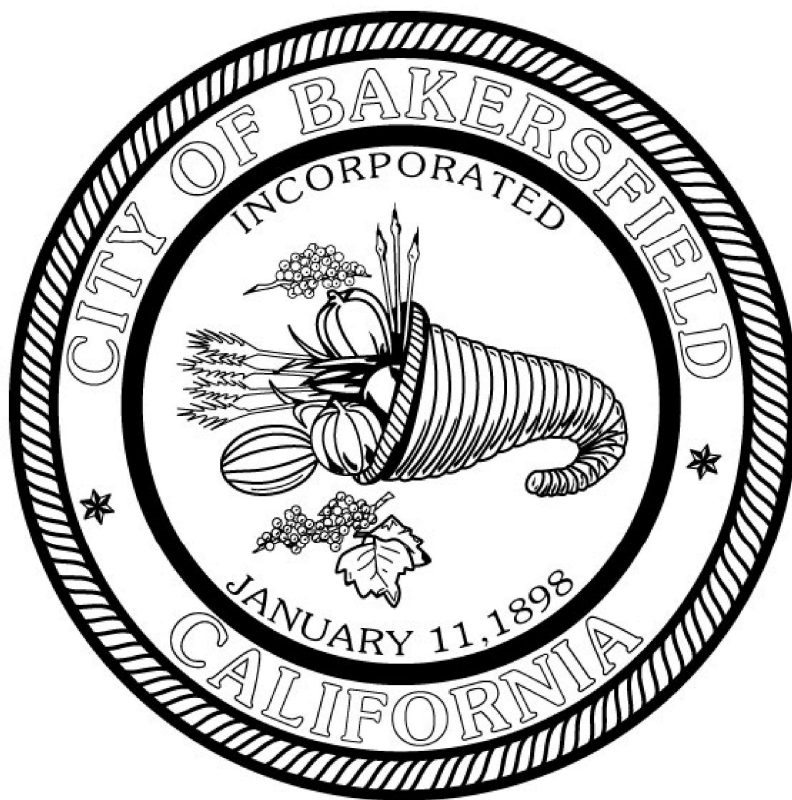
**Schedule of Expenditures by Division - General Fund
Budget and Actual
For the Fiscal Year Ended June 30, 2020**

	Budget	Actual	Variance with Final Budget
General Government:			
Mayor & City council	\$ 422,626	\$ 414,777	\$ 7,849
City manager	1,483,836	1,386,292	97,544
City clerk	860,874	767,160	93,714
Human resources	1,813,235	1,529,891	283,344
Information technology	6,266,050	5,472,661	793,389
Financial services	3,260,131	2,923,545	336,586
City attorney	2,600,167	2,052,013	548,154
	<u>16,706,919</u>	<u>14,546,339</u>	<u>2,160,580</u>
Total general government			
Public Safety:			
Public safety - Police	110,843,541	105,126,720	5,716,821
Public safety - Fire	44,396,056	43,301,126	1,094,930
	<u>155,239,597</u>	<u>148,427,846</u>	<u>6,811,751</u>
Total public safety			
Public Works:			
Administration	558,327	514,581	43,746
Engineering	6,684,566	6,149,422	535,144
General services	10,689,711	10,027,473	662,238
Streets and roads	7,833,883	7,144,807	689,076
	<u>25,766,487</u>	<u>23,836,283</u>	<u>1,930,204</u>
Total public works			
Recreation and Parks:			
Administration	1,267,613	1,184,288	83,325
Recreation	3,284,043	2,760,573	523,470
Parks	18,869,971	18,253,513	616,458
	<u>23,421,627</u>	<u>22,198,374</u>	<u>1,223,253</u>
Total recreation and parks			
Development Services:			
Planning	2,617,800	1,758,709	859,091
Building	7,625,803	6,533,891	1,091,912
Economic Community Development	8,735,973	2,761,747	5,974,226
	<u>18,979,576</u>	<u>11,054,347</u>	<u>7,925,229</u>
Total development services			
Non-departmental	<u>19,029,011</u>	<u>8,285,675</u>	<u>10,743,336</u>
Contingency	<u>250,000</u>	<u>(4,869)</u>	<u>245,131</u>
Total General Fund Expenditures	<u>\$ 259,393,217</u>	<u>\$ 228,353,733</u>	<u>\$ 31,039,484</u>

CITY OF BAKERSFIELD

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Public Safety and Vital Services (PSVS) Funds (sub-fund of General Fund)**

	PSVS Funds		Total PSVS Funds
	PSVS General Fund	PSVS Capital Outlay	
Revenues:			
Taxes	\$ 74,465,956	\$ -	\$ 74,465,956
Charges for services	308,814	-	308,814
Interest income	378,679	-	378,679
Other income	64,575	-	64,575
Total revenues	75,218,024	-	75,218,024
Expenditures			
Current:			
General government	1,191,047	-	1,191,047
Public safety - Police	6,995,707	-	6,995,707
Public safety - Fire	2,287,812	-	2,287,812
Public works	622,157	-	622,157
Recreation and parks	614,315	-	614,315
Community development	2,741,375	-	2,741,375
Capital outlay	-	11,762,120	11,762,120
Total expenditures	14,452,413	11,762,120	(26,214,533)
Excess (deficiency) of revenues over (under) expenditures	60,765,611	(11,762,120)	49,003,491
Other financing sources (uses):			
Transfers in	-	39,695,333	39,695,333
Transfers out	(46,379,749)	-	(46,379,749)
Total other financing sources (uses)	(46,379,749)	39,695,333	(6,684,416)
Net Change in Fund Balance	14,385,862	27,933,213	42,319,075
Fund balances - July 1	19,642,805	1,373,944	21,016,749
Fund balances - June 30	\$ 34,028,667	\$ 29,307,157	\$ 63,335,824



Special Revenue Funds

These funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Transient Occupancy Taxes Fund is used to account for Transient Occupancy Tax Revenues (Hotel Tax) and expenditures funded by this revenue source. The Rabobank Arena and Convention Center and Bakersfield Ice Sports Center operating revenues and expenditures are recorded in this fund. This fund is also used to account for duties performed by Visit Bakersfield.

Community Development Block Grant Fund is used to account for resources provided by the Federal Housing and Community Development Act of 1974 for the elimination of slums and blight, housing conservation and improvements of community services.

Neighborhood Stabilization Fund is used to account for resources provided by the Federal Housing and Economic Recovery Act of 2008 to address congressionally identified needs of abandoned and foreclosed homes in the City. These funds are used for down payment assistance, acquisition of Real Estate Owned (REO) lender assets properties that have been foreclosed upon for redevelopment, rehabilitation of acquired residential structures, and demolition of blighted structures.

Gas Tax & Road Fund is used to account for the City's share, based upon population, of state gasoline taxes. State law requires these gasoline taxes be used to maintain streets or for major street construction. This fund also accounts for the resources provided by the Moving Ahead for Progress in the 21st Century Act (MAP21). Congestion Mitigation and Air Quality (CMAQ) funds are used in the metropolitan Bakersfield area to fund transportation projects in the Transportation Improvement Program. The Regional Surface Transportation Program (STP) is funded by Federal aid functionally classified higher than local road or rural minor collector routes. The Transportation Enhancement Activities (TEA) Program projects have a direct relationship to the intermodal transportation system by function, proximity, or impact. Lastly, the Highway Bridge Replacement and Rehabilitation Program (HBRR) allows each local agency two bridge replacement projects and two miscellaneous projects per year.

State (TDA) Transportation Fund is used to account for three Transportation Development Act (TDA) funding sources. Article 3 funds must be used to construct facilities that specifically benefit pedestrians and/or bicyclists. Article 4 funds are Local Transportation and State Transit Assistance Funds. These resources are used to cover the City's maintenance and operation costs of the Bakersfield Amtrak Railway Station. The City is the owner of the station and leases the facility to Amtrak, who operates the transit service. Article 4 funds may also be used for various improvements at bus stops throughout the City. Article 8 funds represent the City's allocation of the 1/4% of sales tax authorized by Senate Bill (SB) 325. State law requires these sales tax dollars be used for street purposes. These funds are received and expended by the City as lead agency servicing the local road network. All three revenue resources are accounted for individually as required by the State of California but are combined for financial reporting purposes. The City currently receives only Article 3 and Article 4 money.

State Safety Fund is used to account for specific revenue received for certain Police and Fire related programs. The City Police Department has a share of traffic fine resources which are transferred to the General Fund to assist in funding the cost of traffic safety and control devices and State of California monies from the Supplemental Law Enforcement Services grant. The Fire Department operates a local Certified Unified Program Agency (CUPA) which is required for state and federal environmental regulation. These revenue sources are accounted for individually as required by the State, but combined for financial reporting purposes.

CITY OF BAKERSFIELD

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - All Special Revenue Funds
Year Ended June 30, 2020**

	Transient Occupancy Taxes		
	Budget	Actual	Variance with Final Budget
Revenues			
Taxes	\$ 9,900,000	\$ 8,913,147	\$ (986,853)
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	9,595,582	7,149,064	(2,446,518)
Fines, forfeitures, and assessments	-	-	-
Interest income	40,000	100,521	60,521
Loan payments	-	-	-
Contributions and donations	1,200,000	1,200,000	-
Other income	-	555,609	555,609
Total revenues	<u>20,735,582</u>	<u>17,918,341</u>	<u>(2,817,241)</u>
Expenditures			
Current:			
General government	11,270,797	9,070,045	2,200,752
Public safety - Police	-	-	-
Public safety - Fire	-	-	-
Public works	-	-	-
Recreation and parks	-	-	-
Economic Community Development	-	-	-
Non-departmental	3,134,526	3,134,525	1
Capital outlay:			
Transportation:			
Traffic control	-	-	-
Streets / Freeways	-	-	-
Bridges	-	-	-
Curbs, gutters and sidewalks	-	-	-
Public facilities:			
Parks and landscaping	-	-	-
Other improvements	-	-	-
Total expenditures	<u>14,405,323</u>	<u>12,204,570</u>	<u>2,200,753</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,330,259</u>	<u>5,713,771</u>	<u>(616,488)</u>
Other financing sources (uses):			
Transfers in	10,000	10,000	-
Transfers out	(6,293,349)	(4,144,791)	2,148,558
Total other financing sources (uses)	<u>(6,293,349)</u>	<u>(4,144,791)</u>	<u>2,148,558</u>
Net change in fund balances	46,910	1,578,980	1,532,070
Fund balances - beginning	<u>1,002,829</u>	<u>1,002,829</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,049,739</u>	<u>\$ 2,581,809</u>	<u>\$ 1,532,070</u>

Community Development Block Grant			Neighborhood Stabilization		
Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
18,052,335	6,890,815	(11,161,520)	-	-	-
-	5,934	5,934	-	-	-
-	-	-	-	-	-
-	1,556	1,556	-	-	-
175,868	241,524	65,656	-	-	-
-	-	-	-	-	-
-	8,832	8,832	-	-	-
<u>18,228,203</u>	<u>7,148,661</u>	<u>(11,079,542)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
13,261,417	4,755,683	8,505,734	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
150,000	-	150,000	-	-	-
-	-	-	-	-	-
3,152,990	1,432,763	1,720,227	-	-	-
618,177	201,409	416,768	-	-	-
937,655	329,125	608,530	-	-	-
<u>18,120,239</u>	<u>6,718,980</u>	<u>11,401,259</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>107,964</u>	<u>429,681</u>	<u>321,717</u>	<u>-</u>	<u>-</u>	<u>-</u>
371,871	371,871	-	-	-	-
(512,791)	(512,790)	(1)	(371,871)	(371,871)	-
(512,791)	(512,790)	(1)	(371,871)	(371,871)	-
(32,956)	288,762	321,718	(371,871)	(371,871)	-
616,909	616,909	-	371,871	371,871	-
<u>\$ 583,953</u>	<u>\$ 905,671</u>	<u>\$ 321,718</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF BAKERSFIELD

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (continued)**Budget and Actual - All Special Revenue Funds****Year Ended June 30, 2020**

	Gas Tax & Road Fund		
	Budget	Actual	Variance with Final Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	290,165,227	109,112,347	(181,052,880)
Charges for services	-	73,584	73,584
Fines, forfeitures, and assessments	40,000	43,671	3,671
Interest income	205,000	146,626	(58,374)
Loan payments	-	-	-
Contributions and donations	-	-	-
Other income	-	-	-
Total revenues	<u>290,410,227</u>	<u>109,376,228</u>	<u>(181,033,999)</u>
Expenditures			
Current:			
General government	-	-	-
Public safety - Police	-	-	-
Public safety - Fire	-	-	-
Public works	3,800,975	3,494,733	306,242
Recreation and parks	-	-	-
Economic Community Development	-	-	-
Non-departmental	-	-	-
Capital outlay:			
Transportation:			
Traffic control	3,594,866	477,464	3,117,402
Streets / Freeways	285,490,759	109,002,985	176,487,774
Bridges	8,862,475	565,161	8,297,314
Curbs, gutters and sidewalks	1,197,664	74,693	1,122,971
Public facilities:			
Parks and landscaping	-	-	-
Other improvements	-	-	-
Total expenditures	<u>302,946,739</u>	<u>113,615,036</u>	<u>189,331,703</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,536,512)</u>	<u>(4,238,808)</u>	<u>8,297,704</u>
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(12,536,512)	(4,238,808)	8,297,704
Fund balances - beginning	<u>12,902,757</u>	<u>12,902,757</u>	<u>-</u>
Fund balances - ending	<u>\$ 366,245</u>	<u>\$ 8,663,949</u>	<u>\$ 8,297,704</u>

State (TDA) Transportation			State Safety Fund		
Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	330,400	315,086	(15,314)
2,093,376	707,956	(1,385,420)	916,861	886,540	(30,321)
-	-	-	1,371,700	1,470,666	98,966
-	-	-	1,200,000	1,359,480	159,480
3,000	4,104	1,104	33,500	69,696	36,196
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,096,376</u>	<u>712,060</u>	<u>(1,384,316)</u>	<u>3,852,461</u>	<u>4,101,468</u>	<u>249,007</u>
-	-	-	-	-	-
-	-	-	2,080,765	1,338,892	741,873
-	-	-	1,536,203	1,492,000	44,203
516,088	447,753	68,335	-	-	-
42,420	16,209	26,211	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,537,868	248,096	1,289,772	-	-	-
<u>2,096,376</u>	<u>712,058</u>	<u>1,384,318</u>	<u>3,616,968</u>	<u>2,830,892</u>	<u>786,076</u>
-	2	2	235,493	1,270,576	1,035,083
-	-	-	-	-	-
-	-	-	(1,200,000)	(1,200,000)	-
-	-	-	(1,200,000)	(1,200,000)	-
-	2	2	(964,507)	70,576	1,035,083
-	-	-	2,915,642	2,915,642	-
<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 1,951,135</u>	<u>\$ 2,986,218</u>	<u>\$ 1,035,083</u>

CITY OF BAKERSFIELD

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (concluded)
Budget and Actual - All Special Revenue Funds
Year Ended June 30, 2020

	Totals		Variance with Final Budget
	Budget	Actual	
Revenues			
Taxes	\$ 9,900,000	\$ 8,913,147	\$ (986,853)
Licenses and permits	330,400	315,086	(15,314)
Intergovernmental	311,227,799	117,597,658	93,630,141)
Charges for services	10,967,282	8,699,248	(2,268,034)
Fines, forfeitures, and assessments	1,240,000	1,403,151	163,151
Interest income	281,500	322,503	41,003
Loan payments	175,868	241,524	65,656
Contributions and donations	1,200,000	1,200,000	-
Other income	-	564,441	564,441
Total revenues	<u>335,322,849</u>	<u>139,256,758</u>	<u>96,066,091)</u>
Expenditures			
Current:			
General government	11,270,797	9,070,045	2,200,752
Public safety - Police	2,080,765	1,338,892	741,873
Public safety - Fire	1,536,203	1,492,000	44,203
Public works	4,317,063	3,942,486	374,577
Recreation and parks	42,420	16,209	26,211
Economic Community Development	13,261,417	4,755,684	8,505,733
Non-departmental	3,134,526	3,134,525	1
Capital outlay:			
Transportation:			
Traffic control	3,594,866	477,464	3,117,402
Streets / Freeways	285,640,759	109,002,985	76,637,774
Bridges	8,862,475	565,161	8,297,314
Curbs, gutters and sidewalks	4,350,654	1,507,456	2,843,198
Public facilities:			
Parks and landscaping	618,177	201,409	416,768
Other improvements	2,475,523	577,220	1,898,303
Total expenditures	<u>341,185,645</u>	<u>136,081,536</u>	<u>05,104,109</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,862,796)</u>	<u>3,175,222</u>	<u>9,038,018</u>
Other financing sources (uses):			
Transfers in	381,871	381,871	-
Transfers out	(8,378,011)	(6,229,452)	2,148,559
Total other financing sources (uses)	<u>(7,996,140)</u>	<u>(5,847,581)</u>	<u>2,148,559</u>
Net change in fund balances	(13,858,936)	(2,672,359)	11,186,577
Fund balances - beginning	19,978,577	19,978,577	-
Fund balances - ending	<u>\$ 6,119,641</u>	<u>\$ 17,306,218</u>	<u>\$11,186,577</u>

CITY OF BAKERSFIELD

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Debt Service Fund
For the Fiscal Year Ended June 30, 2020**

	General Obligation Debt		
	Budget	Actual	Variance with Final Budget
Revenues:			
Interest income	\$ -	\$ -	\$ -
Total revenues	-	-	-
Expenditures:			
Debt service:			
Principal retirement	1,349,874	1,227,678	122,196
Interest and fiscal charges	60,527	41,790	18,737
Total expenditures	1,410,401	1,269,468	140,933
Deficiency of revenues under expenditures	(1,410,401)	(1,269,468)	140,933
Other financing sources:			
Transfers in	1,326,665	1,269,468	(57,197)
Total other financing sources	1,326,665	1,269,468	(57,197)
Net change in fund balance	(83,736)	-	83,736
Fund balance - beginning	(3,083,929)	-	3,083,929
Fund balance - ending	<u>\$ (3,167,665)</u>	<u>\$ -</u>	<u>\$ 3,167,665</u>

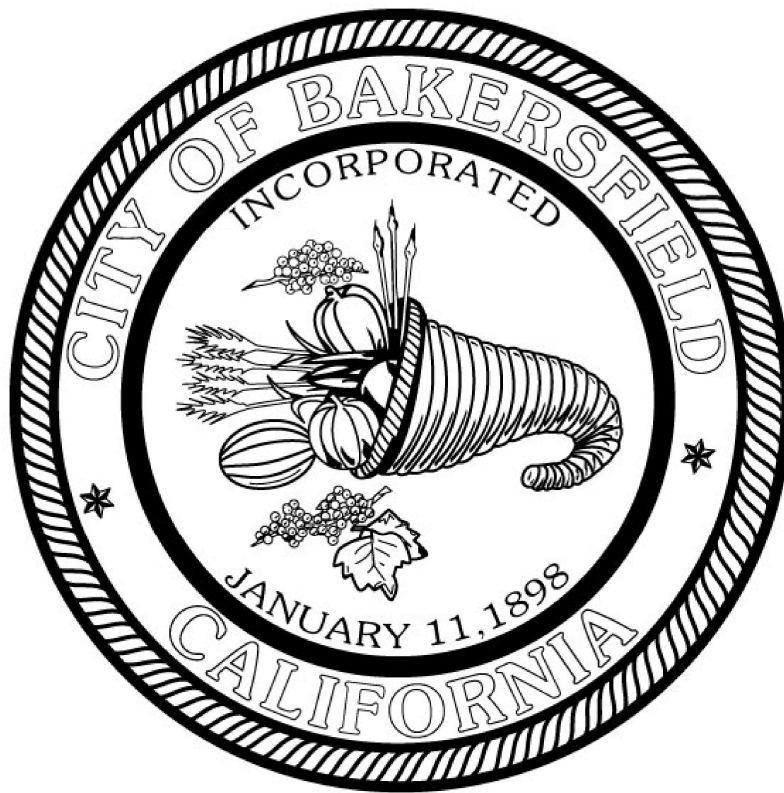
Capital Projects Funds

These funds account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by Proprietary Funds and Trust Funds.

Capital Outlay Fund is used to account for the cost of capital projects financed by general revenues and grant/loan proceeds for recreational facilities.

Park Improvement Fund is used to account for funds collected for residential park development (Ordinance No. 3646). Fees are collected based on the development's share of the cost to develop, improve, construct or enhance a neighborhood park (Ordinance No. 3327).

Transportation Development Fund is used to account for funds collected from fees paid to mitigate the traffic impacts to the regional circulation system caused by a development project. The fees are paid when a building permit for the development project is obtained, and are based upon the amount of traffic the development will generate. With these fees, the City constructs projects that have been identified as necessary to maintain the level of services required by the 2010 General Plan for the regional transportation network. This is a joint City and Kern County program which affects the entire metropolitan area. Fees are collected with the building permit and are based on the relative impact each land use has on the transportation network. The fee schedule was adopted with Ordinance No. 3513 and will be periodically evaluated by the City Council and revised to reflect updated costs and growth projections. Revenue from fees collected may also be used to service bonded debt incurred in Capital Improvement Construction.



CITY OF BAKERSFIELD

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - All Capital Projects Funds For the Fiscal Year Ended June 30, 2020

	Capital Outlay			Park Improvement Fund		
	Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
Revenues:						
Taxes	\$ 5,650,000	\$ 5,713,815	\$ 63,815	\$ -	\$ -	\$ -
Intergovernmental	1,198,225	102,129	(1,096,096)	-	-	-
Charges for services	-	115,979	115,979	-	-	-
Fines, forfeitures, and assessments	28,000	-	(28,000)	1,370,000	2,811,003	1,441,003
Interest income	178,433	286,709	108,276	50,000	98,607	48,607
Other income	760,509	17,624	(742,885)	-	-	-
Total revenues	7,815,167	6,236,256	(1,578,911)	1,420,000	2,909,610	1,489,610
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Public works	35,000	-	35,000	-	-	-
Non-departmental	2,623,081	75,007	2,548,074	-	-	-
Capital outlay:						
Transportation:						
Traffic control	-	-	-	-	-	-
Streets	5,289,958	2,049,430	3,240,528	-	-	-
Bridges	25,000	-	25,000	-	-	-
Streets / Freeways	44,856,520	17,757,189	27,099,331	-	-	-
Public facilities:						
Buildings	19,854,213	10,469,214	9,384,999	-	-	-
Parks and landscaping	1,580,686	1,101,436	479,250	1,247,568	12,923	1,234,645
Land acquisition	-	-	-	2,872,501	2,026,626	845,875
Other improvements	24,643,645	3,818,939	20,824,706	101,818	84,135	17,683
Equipment:						
Computers	939,300	324,379	614,921	-	-	-
Non-automotive	2,943,798	604,511	2,339,287	-	-	-
Total expenditures	102,791,201	36,200,105	66,591,096	4,221,887	2,123,684	2,098,203
Excess (deficiency) of revenues over (under) expenditures	(94,976,034)	(29,963,849)	65,012,185	(2,801,887)	785,926	3,587,813
Other financing sources (uses):						
Transfers in	46,945,333	44,796,774	(2,148,559)	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	46,945,333	44,796,774	(2,148,559)	-	-	-
Net change in fund balances	(48,030,701)	14,832,925	62,863,626	(2,801,887)	785,926	3,587,813
Fund balances - beginning	55,559,571	55,559,571	-	4,805,694	4,805,694	-
Fund balances - ending	\$ 7,528,870	\$ 70,392,496	\$ 62,863,626	\$ 2,003,807	\$ 5,591,620	\$ 3,587,813

Transportation Development			Totals		
Budget	Actual	Variance with Final Budget	Budget	Actual	Variance with Final Budget
\$ -	\$ -	\$ -	\$ 5,650,000	\$ 5,713,815	\$ 63,815
-	-	-	1,198,225	102,129	(1,096,096)
-	146,805	146,805	-	262,784	262,784
12,110,000	15,790,394	3,680,394	13,508,000	18,601,397	5,093,397
453,000	939,790	486,790	681,433	1,325,106	643,673
-	3,523	3,523	760,509	21,147	(739,362)
<u>12,563,000</u>	<u>16,880,512</u>	<u>4,317,512</u>	<u>21,798,167</u>	<u>26,026,378</u>	<u>4,228,211</u>
186,300	147,116	39,184	186,300	147,116	39,184
755,248	1,215,213	(459,965)	790,248	1,215,213	(424,965)
6,052	-	6,052	2,629,133	75,007	2,554,126
668,742	335,384	333,358	668,742	335,384	333,358
6,066,434	2,718,971	3,347,463	11,356,392	4,768,401	6,587,991
-	-	-	25,000	-	25,000
55,182,102	12,783,638	42,398,464	100,038,622	30,540,827	69,497,795
-	-	-	19,854,213	10,469,214	9,384,999
-	-	-	2,828,254	1,114,359	1,713,895
-	-	-	2,872,501	2,026,626	845,875
-	-	-	24,745,463	3,903,074	20,842,389
-	-	-	939,300	324,379	614,921
-	-	-	2,943,798	604,511	2,339,287
<u>62,864,878</u>	<u>17,200,322</u>	<u>45,664,556</u>	<u>169,877,966</u>	<u>55,524,111</u>	<u>114,353,855</u>
<u>(50,301,878)</u>	<u>(319,810)</u>	<u>49,982,068</u>	<u>(148,079,799)</u>	<u>(29,497,733)</u>	<u>118,582,066</u>
9,600,000	-	(9,600,000)	56,545,333	44,796,774	(11,748,559)
<u>(9,600,000)</u>	<u>-</u>	<u>9,600,000</u>	<u>(9,600,000)</u>	<u>-</u>	<u>9,600,000</u>
-	-	-	46,945,333	44,796,774	(2,148,559)
(50,301,878)	(319,810)	49,982,068	(101,134,466)	15,299,041	116,433,507
51,551,913	51,551,913	-	111,917,178	111,917,178	-
<u>\$ 1,250,035</u>	<u>\$51,232,103</u>	<u>\$ 49,982,068</u>	<u>\$ 10,782,712</u>	<u>\$127,216,219</u>	<u>\$ 116,433,507</u>

Internal Service Funds

These funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

Self-Insurance Fund is used to account for the cost of operating a self-insurance program as follows:

With regard to workers' compensation, the City is self-insured for the first \$500,000 of each injury or occurrence and is a member of California Public Entity Insurance Authority (CPEIA) which provides \$5,000,000 of excess coverage to protect against catastrophic type losses. Funding for this program is provided by interdepartmental charges varying by employee classification and their industrial injury loss experience.

With regard to general and auto liability, the City is self-insured for the first \$1,000,000 of each accident or occurrence and is a member of the Authority for California Cities Excess Liability (ACCEL) which provides excess commercial insurance in the amount of \$10,000,000. Funding for this program is provided by interdepartmental charges.

Equipment Management Fund is used to account for the cost of operating and maintaining a maintenance facility for vehicular, telecommunications and computer equipment used by other City departments. Such costs are billed to other departments via established rates which are based upon actual cost. Actual costs include maintenance, repair, and replacement cost of shop and automotive equipment.

CITY OF BAKERSFIELD

Combining Statement of Net Position All Internal Service Funds June 30, 2020

	Self- Insurance	Equipment Management	Total
Assets:			
Current assets:			
Cash and investments	\$ 26,224,694	\$ 38,734,055	\$ 64,958,749
Accounts receivable, net	154,737	5,872	160,609
Interest receivable	59,381	83,952	143,333
Prepayments and inventories	111,839	1,096,449	1,208,288
Total current assets	<u>26,550,651</u>	<u>39,920,328</u>	<u>66,470,979</u>
Noncurrent assets:			
Capital assets:			
Depreciable buildings, property, equipment and infrastructure, net	<u>-</u>	<u>47,455,589</u>	<u>47,455,589</u>
Total assets	<u>26,550,651</u>	<u>87,375,917</u>	<u>113,926,568</u>
Deferred Outflows of Resources:			
Deferred pensions	94,157	1,339,849	1,434,006
Deferred other post-employment benefits	<u>19,564</u>	<u>325,596</u>	<u>345,160</u>
Total deferred outflows of resources	<u>113,721</u>	<u>1,665,445</u>	<u>1,779,166</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	339,686	2,140,476	2,480,162
Claims payable	4,710,191	-	4,710,191
Workers' compensation claims	8,014,000	-	8,014,000
Compensated absences payable	-	310,383	310,383
Total current liabilities	<u>13,063,877</u>	<u>2,450,859</u>	<u>15,514,736</u>
Noncurrent liabilities:			
Workers' compensation claims	43,770,000	-	43,770,000
Compensated absences payable	71,141	308,650	379,791
Net pension liability	577,231	9,712,087	10,289,318
Net other post-employment benefits liability	<u>114,371</u>	<u>1,903,401</u>	<u>2,017,772</u>
Total noncurrent liabilities	<u>44,532,743</u>	<u>11,924,138</u>	<u>56,456,881</u>
Total liabilities	<u>57,596,620</u>	<u>14,374,997</u>	<u>71,971,617</u>
Deferred Inflows of Resources:			
Deferred pensions	15,266	306,181	321,447
Deferred other post-employment benefits	<u>41,499</u>	<u>690,641</u>	<u>732,140</u>
Total deferred inflows of resources	<u>56,765</u>	<u>996,822</u>	<u>1,053,587</u>
Net Position:			
Net investment in capital assets	-	47,455,589	47,455,589
Unrestricted	<u>(30,989,013)</u>	<u>26,213,954</u>	<u>(4,775,059)</u>
Total net position	<u>\$ (30,989,013)</u>	<u>\$ 73,669,543</u>	<u>\$ 42,680,530</u>

CITY OF BAKERSFIELD

Combining Statement of Activities and Changes in Net Position All Internal Service Funds For the Fiscal Year Ended June 30, 2020

	Self- Insurance	Equipment Management	Totals
Operating revenues:			
Intergovernmental	\$ -	\$ 180,000	\$ 180,000
Charges for services	13,532,091	29,263,755	42,795,846
Cost recoveries	698,622	37,054	735,676
Miscellaneous	30,529	59,423	89,952
	<u>14,261,242</u>	<u>29,540,232</u>	<u>43,801,474</u>
Total operating revenues			
Operating expenses:			
General and administrative	20,031,394	20,432,640	40,464,034
Workers' compensation payments	4,177,990	-	4,177,990
Claims paid	553,618	-	553,618
Depreciation and amortization	-	7,860,535	7,860,535
Compensated absences	17,273	42,016	59,289
	<u>24,780,275</u>	<u>28,335,191</u>	<u>53,115,466</u>
Total operating expenses			
Operating income (loss)	<u>(10,519,033)</u>	<u>1,205,041</u>	<u>(9,313,992)</u>
Nonoperating revenues (expenses):			
Interest income	467,807	667,962	1,135,769
Gain/(loss) on sale of capital assets	-	326,645	326,645
	<u>(10,051,226)</u>	<u>2,199,648</u>	<u>(7,851,578)</u>
Income (loss) before transfers and capital contributions			
Capital contributions	-	622,363	622,363
Transfers in	-	2,692,306	2,692,306
Transfers out	<u>(183,597)</u>	<u>-</u>	<u>(183,597)</u>
Change in net position	(10,234,823)	5,514,317	(4,720,506)
Total Net Position - Beginning of Year	<u>(20,754,190)</u>	<u>68,155,226</u>	<u>47,401,036</u>
Total Net Position - End of Year	<u>\$ (30,989,013)</u>	<u>\$ 73,669,543</u>	<u>\$ 42,680,530</u>

CITY OF BAKERSFIELD

Combining Statement of Cash Flows All Internal Service Funds For the Fiscal Year Ended June 30, 2020

	Self- Insurance	Equipment Management	Totals
Cash flows from operating activities:			
Cash received from:			
Customers	\$ 13,526,112	\$ 29,815,174	\$ 43,341,286
Prior year reimbursements and cost recoveries	698,622	37,054	735,676
Cash paid to:			
Suppliers	(12,303,281)	(14,024,148)	(26,327,429)
Employees	(4,610,891)	(5,402,799)	(10,013,690)
Net cash provided (used) by operating activities	(2,689,438)	10,425,281	7,735,843
Cash flows from noncapital financing activities:			
Cash transferred from other funds	-	2,692,306	2,692,306
Cash transferred to other funds	(183,597)	-	(183,597)
Net cash provided (used) by noncapital financing activities	(183,597)	2,692,306	2,508,709
Cash flows from capital and related financing activities:			
Purchase of capital assets	-	(12,872,816)	(12,872,816)
Proceeds from sale of capital assets	-	505,234	505,234
Net cash (used) by capital and related financing activities	-	(12,367,582)	(12,367,582)
Cash flows from investing activities:			
Interest received	512,266	717,853	1,230,119
Net increase (decrease) in the fair value of investments	31,976	44,570	76,546
Net cash provided (used) by investing activities	544,242	762,423	1,306,665
Net increase (decrease) in cash and investments	(2,328,793)	1,512,428	(816,365)
Cash and investments - Beginning of year	28,553,487	37,221,627	65,775,114
Cash and investments - End of year	\$ 26,224,694	\$ 38,734,055	\$ 64,958,749
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (10,519,033)	\$ 1,205,041	\$ (9,313,992)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	-	7,860,535	7,860,535
(Increase) decrease in accounts receivable	(36,508)	311,996	275,488
(Increase) decrease in inventories	-	(6,775)	(6,775)
Decrease in prepaid items	(91,438)	-	(91,438)
Increase (decrease) in accounts payable	(48,131)	640,230	592,099
Increase (decrease) in workers' compensation claims	7,966,890	-	7,966,890
Increase (decrease) in compensated absences	17,273	42,016	59,289
Increase (decrease) in net pension liability	28,650	310,222	338,872
Increase (decrease) in deferred outflows/inflows of resources for pensions	6,029	188,046	194,075
Increase (decrease) in other post-employment benefits liability	(38,381)	(543,556)	(581,937)
Increase (decrease) in deferred outflows/inflows of resources for OPEB	25,211	417,526	442,737
Net cash provided (used) by operating activities	\$ (2,689,438)	\$ 10,425,281	\$ 7,735,843
Noncash investing, capital, and financing activities:			
Contribution of equipment from other departments	\$ -	\$ 622,363	\$ 622,363

CITY OF BAKERSFIELD

Statement of Changes in Assets and Liabilities Fiduciary Funds (Agency) For the Fiscal Year Ended June 30, 2020

	Balance July 01, 2019	Additions	Deletions	Balance June 30, 2020
Special Deposits Fund				
Assets:				
Cash and investments	\$ 23,591,538	\$ 111,715,980	\$ 111,717,259	\$ 23,590,259
Interest receivable	4,444	2,171	4,444	2,171
Accounts receivable	106,910	996,620	864,702	238,828
Due from other governmental agencies	166,097	340,611	480,100	26,608
Total assets	<u>\$ 23,868,989</u>	<u>\$ 113,055,382</u>	<u>\$ 113,066,505</u>	<u>\$ 23,857,866</u>
Liabilities:				
Payables:				
Deposits	\$ 23,868,989	\$ 113,055,382	\$ 113,066,505	\$ 23,857,866
Total liabilities	<u>\$ 23,868,989</u>	<u>\$ 113,055,382</u>	<u>\$ 113,066,505</u>	<u>\$ 23,857,866</u>
Improvement Districts Fund				
Assets:				
Cash and investments	\$ 10,025,472	\$ 814,217	\$ 1,094,084	\$ 9,745,605
Interest receivable	27,302	552	13,502	14,352
Accounts Receivable	-	65,564	-	65,564
Due from other governmental agencies	7,300	1,525	3,045	5,780
Total assets	<u>\$ 10,060,074</u>	<u>\$ 881,858</u>	<u>\$ 1,110,631</u>	<u>\$ 9,831,301</u>
Liabilities:				
Payables:				
Deposits	5,702,868	873,014	965,294	5,610,588
Accrued bond interest	632,206	530,713	632,206	530,713
Bonds	3,725,000	3,690,000	3,725,000	3,690,000
Total liabilities	<u>\$ 10,060,074</u>	<u>\$ 5,093,727</u>	<u>\$ 5,322,500</u>	<u>\$ 9,831,301</u>
Total - All Agency Funds				
Assets:				
Cash and investments	\$ 33,617,010	\$ 112,530,197	\$ 112,811,343	\$ 33,335,864
Interest receivable	31,746	2,723	17,946	16,523
Accounts receivable	106,910	1,062,184	864,702	304,392
Due from other governmental agencies	173,397	342,136	483,145	32,388
Total assets	<u>\$ 33,929,063</u>	<u>\$ 113,937,240</u>	<u>\$ 114,177,136</u>	<u>\$ 33,689,167</u>
Liabilities:				
Payables:				
Deposits	29,571,857	113,928,396	114,031,799	29,468,454
Accrued bond interest	632,206	530,713	632,206	530,713
Bonds	3,725,000	3,690,000	3,725,000	3,690,000
Total liabilities	<u>\$ 33,929,063</u>	<u>\$ 118,149,109</u>	<u>\$ 118,389,005</u>	<u>\$ 33,689,167</u>

CITY OF BAKERSFIELD

**Combining Statement of Fiduciary Net Position
Private Purpose Trust Funds
June 30, 2020**

	Redevelopment Successor Agency - Trust	Planning Habitat Trust	Total Private Purpose Trust Funds
Assets:			
Current assets:			
Cash	\$ 3,446,071	\$ 14,601,556	\$ 18,047,627
Interest receivable	<u>7,021</u>	<u>33,440</u>	<u>40,461</u>
Total current assets	<u>3,453,092</u>	<u>14,634,996</u>	<u>18,088,088</u>
Noncurrent assets:			
Land held for resale	<u>60,895</u>	<u>-</u>	<u>60,895</u>
Total noncurrent assets	<u>60,895</u>	<u>-</u>	<u>60,895</u>
Total assets	<u>3,513,987</u>	<u>14,634,996</u>	<u>18,148,983</u>
Liabilities:			
Payables:			
Advances from grantors and third parties	3,072,703	-	3,072,703
Bonds	2,245,000	-	2,245,000
Notes	<u>12,815,002</u>	<u>-</u>	<u>12,815,002</u>
Total liabilities	<u>18,132,705</u>	<u>-</u>	<u>18,132,705</u>
Net Position:			
Held in trust for:			
Individuals, organizations, and other governments	<u>(14,618,718)</u>	<u>14,634,996</u>	<u>16,278</u>
Total Net Position	<u>\$ (14,618,718)</u>	<u>\$ 14,634,996</u>	<u>\$ 16,278</u>

CITY OF BAKERSFIELD

**Combining Statement of Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
June 30, 2020**

	OPEB Irrevocable Trust	Fire Relief and Pension Trust	Total Pension and Other Employee Benefit Trust Funds
Assets:			
Cash	\$ 2,455,356	\$ 586,087	\$ 3,041,443
Interest receivable	-	2,185	2,185
Investments			
Domestic equities	22,924,307	-	22,924,307
Fixed income	<u>54,211,151</u>	<u>-</u>	<u>54,211,151</u>
Total investments	<u>77,135,458</u>	<u>-</u>	<u>77,135,458</u>
Total assets	<u>79,590,814</u>	<u>588,272</u>	<u>80,179,086</u>
Net Position:			
Held in trust for -			
Other post-employment benefits	79,590,814	-	79,590,814
Held in trust for -			
Pension	<u>-</u>	<u>588,272</u>	<u>588,272</u>
Total Net Position	<u>\$ 79,590,814</u>	<u>\$ 588,272</u>	<u>\$ 80,179,086</u>

CITY OF BAKERSFIELD

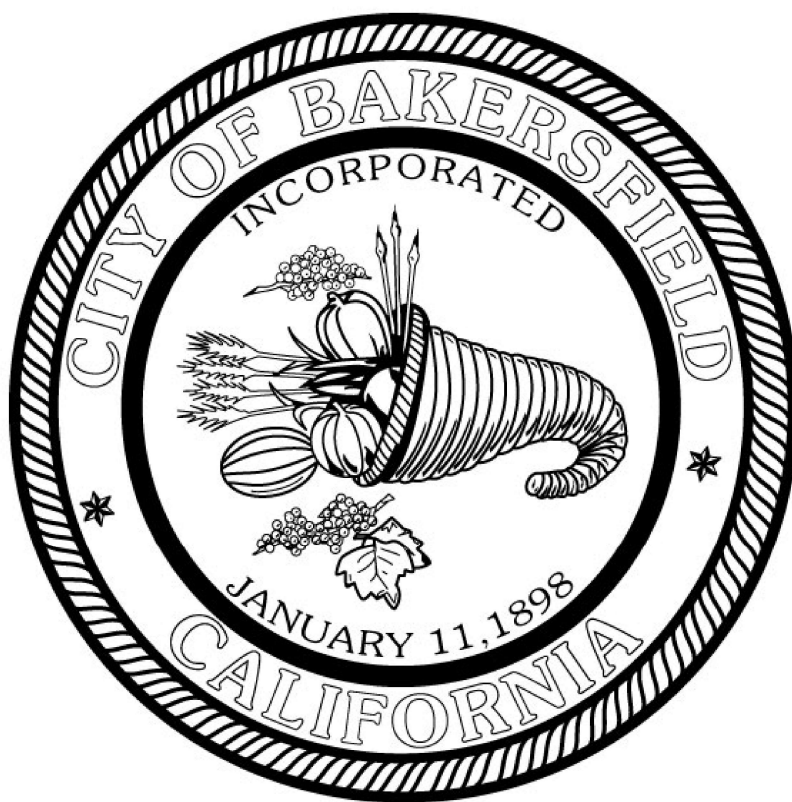
**Combining Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds
For the Fiscal Year Ended June 30, 2020**

	Redevelopment Successor Agency - Trust	Planning Habitat Trust	Total Private Purpose Trust Funds
Additions:			
Developer fees	\$ -	\$ 608,674	\$ 608,674
Successor agency property tax deposits	3,136,153	-	3,136,153
Intergovernmental	-	-	-
Charges for services	3,134,525	-	3,134,525
Other income	11,793	-	11,793
Interest income	-	244,171	244,171
	<hr/>	<hr/>	<hr/>
Total additions	6,282,471	852,845	7,135,316
	<hr/>	<hr/>	<hr/>
Deductions:			
Purchase of uninhabited land	-	280,430	280,430
Obligation retirement	3,758,848	-	3,758,848
	<hr/>	<hr/>	<hr/>
Total deductions	3,758,848	280,430	4,039,278
	<hr/>	<hr/>	<hr/>
Change in net position	2,523,623	572,415	3,096,038
	<hr/>	<hr/>	<hr/>
Net position - beginning of year	(17,142,341)	14,062,581	(3,079,760)
	<hr/>	<hr/>	<hr/>
Net position - end of year	\$ (14,618,718)	\$ 14,634,996	\$ 16,278
	<hr/>	<hr/>	<hr/>

CITY OF BAKERSFIELD

**Combining Statement of Changes in Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
For the Fiscal Year Ended June 30, 2020**

	<u>OPEB Irrevocable Trust</u>	<u>Fire Relief and Pension Trust</u>	<u>Total Pension and Other Employee Benefit Trust Funds</u>
Additions:			
Contributions to pooled investments	\$ 6,826,986	\$ -	\$ 6,826,986
Interest income	<u>4,544,159</u>	<u>12,942</u>	<u>4,557,101</u>
Administrative expenses	<u>(211,914)</u>	<u>-</u>	<u>(211,914)</u>
Total additions	<u>11,159,231</u>	<u>12,942</u>	<u>11,172,173</u>
Deductions:			
Benefits	<u>4,046,135</u>	<u>83,979</u>	<u>4,130,114</u>
Change in net position	7,113,096	(71,037)	7,042,059
Beginning of year	<u>72,477,718</u>	<u>659,309</u>	<u>73,137,027</u>
End of year	<u>\$ 79,590,814</u>	<u>\$ 588,272</u>	<u>\$ 80,179,086</u>



CITY OF BAKERSFIELD

**Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2020**

	Special Revenue Funds	
	Neighborhood Stabilization	State (TDA) Transportation
Assets:		
Cash and investments	\$ -	\$ 137,766
Accounts receivable, net	5,696,872	331
Interest receivable	-	347
Due from other governmental agencies	-	46,796
	<u>-</u>	<u>46,796</u>
Total assets	<u>\$ 5,696,872</u>	<u>\$ 185,240</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:		
Liabilities:		
Accounts payable	\$ -	\$ 67,614
Advances from grantors and third parties	-	117,626
	<u>-</u>	<u>117,626</u>
Total liabilities	<u>-</u>	<u>185,240</u>
Deferred Inflows of Resources:		
Deferred revenue	5,696,872	-
	<u>5,696,872</u>	<u>-</u>
Fund Balances:		
Restricted	-	-
	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,696,872</u>	<u>\$ 185,240</u>

Special Revenue Funds	Debt Service Fund	Total Non-Major Governmental Funds
State Safety	General Obligation Debt	
\$ 3,034,554	\$ -	\$ 3,172,320
151,664	-	5,848,867
9,688	-	10,035
-	-	46,796
<u>\$ 3,195,906</u>	<u>\$ -</u>	<u>\$ 9,078,018</u>
\$ 209,691	\$ -	\$ 277,305
-	-	117,626
<u>209,691</u>	<u>-</u>	<u>394,931</u>
-	-	5,696,872
<u>2,986,215</u>	<u>-</u>	<u>2,986,215</u>
<u>\$ 3,195,906</u>	<u>\$ -</u>	<u>\$ 9,078,018</u>

CITY OF BAKERSFIELD

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2020

	Special Revenue Funds		Special Revenue Funds
	Neighborhood Stabilization	State (TDA) Transportation	State Safety
Revenues:			
Licenses and permits	\$ -	\$ -	\$ 315,086
Intergovernmental	-	707,956	886,540
Charges for services	-	-	1,470,666
Fines, forfeitures and assessments	-	-	1,359,480
Interest income	-	4,102	69,696
Total revenues	-	712,058	4,101,468
Expenditures			
Current:			
Public safety - Police	-	-	1,338,894
Public safety - Fire	-	-	1,492,000
Public works	-	447,752	-
Recreation and parks	-	16,209	-
Capital outlay	-	248,097	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	-	712,058	2,830,894
Excess (deficiency) of revenues over (under) expenditures	-	-	1,270,574
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	(371,871)	-	(1,200,000)
Total other financing sources (uses)	(371,871)	-	(1,200,000)
Net change in fund balances	(371,871)	-	70,574
Fund balances - beginning	371,871	-	2,915,641
Fund balances - ending	\$ -	\$ -	\$ 2,986,215

<u>Debt Service Fund</u>			
<u>General Obligation Debt</u>		<u>Total Non-Major Governmental Funds</u>	
\$	-	\$	315,086
	-		1,594,496
	-		1,470,666
	-		1,359,480
	-		73,798
	-		4,813,526
	-		1,338,894
	-		1,492,000
	-		447,752
	-		16,209
	-		248,097
	1,227,678		1,227,678
	41,790		41,790
	1,269,468		4,812,420
	(1,269,468)		1,106
	1,269,468		1,269,468
	-		(1,571,871)
	1,269,468		(302,403)
	-		(301,297)
	-		3,287,512
\$	-	\$	2,986,215

CITY OF BAKERSFIELD

Long-term Debt Recorded in Private Purpose Trust Fund

REDEVELOPMENT SUCCESSOR AGENCY

Tax Allocation Bonds:

\$2,090,000 Tax Allocation Bond to be used for construction of public improvements for new developments on 18th and 19th Streets, and improvements to the Mill Creek Linear Park. The funds were dispersed in July 2009. The interest rate is 7.5%, with payments commencing August 2010 through August 2029. \$ 1,410,000

\$1,240,000 Tax Allocation Bond to be used for infrastructure improvements for the Mill Creek Linear Park Canal at South Millcreek. The funds were dispersed in July 2009. The interest rate is 7.25%, with payments commencing August 2010 through August 2029. 835,000

Total Bonds \$ 2,245,000

Loans/Contracts:

\$1,000,000 HUD Section 108 Loan, 2003 (Agency Agreement #RA 03-016) - due in annual principal installments of \$27,000 to \$82,000 commencing August 1, 2004; interest ranging from 1.61% to 4.76%. \$ 302,000

\$1,600,000 HUD Section 108 Loan, 2005 (Agency Agreement #RA 06-020) for construction of Fire Station No. 5 - due in annual principal installments of \$58,000 to \$137,000 commencing August 1, 2009; interest ranging from 4.96% to 5.77%. 807,000

\$3,750,000 HUD Section 108 Loan, 2007 (Agency Agreement # RA 06-022) Loan proceeds are dedicated to the Mill Creek South Mixed-Use project and will go toward the acquisition and clean-up of a six acre parcel. Due in annual principal installments of \$136,000 to \$321,000 commencing August 1, 2008; interest ranging from 2.62% to 5.42%. 2,106,000

\$10,000,000 Bakersfield Redevelopment Agency Loan with I-bank to help finance the Mill Creek Linear Park and Canal Refurbishment Project. Only \$6,933,445 of the loan was dispersed through fiscal year 2009. Annual principal installments of \$217,383 to \$512,446 commencing on August 1, 2009 through August 2037; interest rate at 3.11%. 7,200,002

\$17,000,000 Reimbursement to the City for (a) refunding of 1993 Tax Allocation Bonds, (b) 1987 COP Convention Improvement Project, and (c) the construction, equipping and furnishing of a multipurpose area (the Arena Project) per Agreement #97-2. Agreement is for two payments of \$850,000 each year, from March 1997 to June 2022. 2,400,000

Total Loans/Contracts Payable \$ 12,815,002

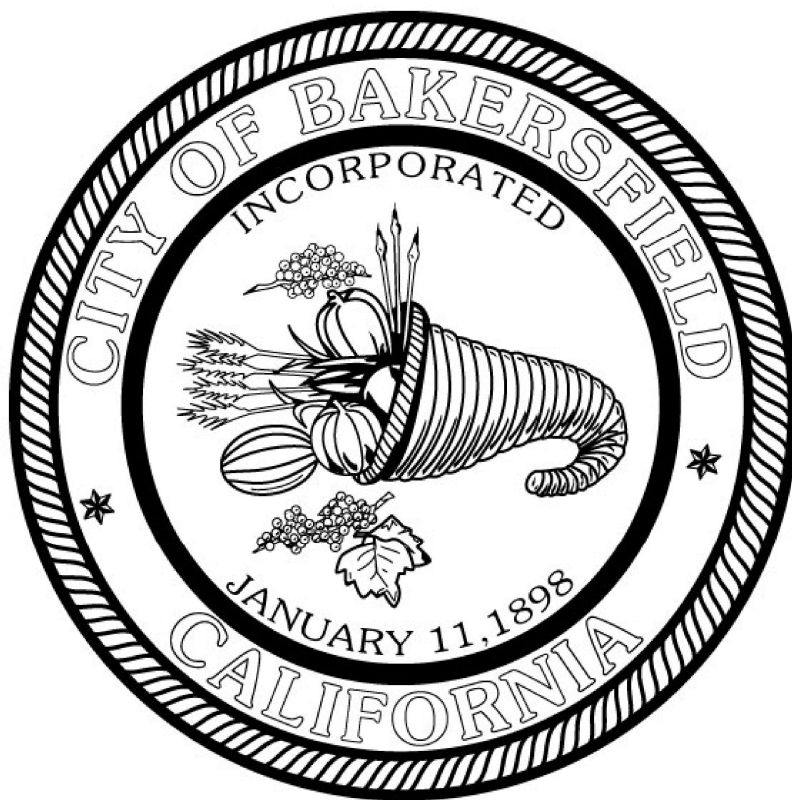
Total Successor Agency \$ 15,060,002

CITY OF BAKERSFIELD

Long-term Debt Recorded in Private Purpose Trust Fund

Annual requirements to amortize the principal and interest on long-term debt of Redevelopment Successor Agency at June 30, 2020 is as follows:

Year ending	Redevelopment Successor Agency (Private Purpose Trust Fund)					
	Principal			Interest		
	Bonds	Loans/Contracts	Total	Bonds	Loans/Contracts	Total
2021	\$ 160,000	\$ 1,882,463	\$ 2,042,463	\$ 160,363	\$ 381,901	\$ 542,264
2022	170,000	1,914,932	2,084,932	148,144	351,862	500,006
2023	185,000	748,696	933,696	135,000	319,993	454,993
2024	200,000	782,762	982,762	120,744	286,280	407,024
2025	215,000	733,142	948,142	105,375	253,131	358,506
2026-2030	1,315,000	3,061,069	4,376,069	256,494	814,936	1,071,430
2031-2035	-	2,200,502	2,200,502	-	407,200	407,200
2036-2040	-	1,491,436	1,491,436	-	70,522	70,522
Totals	<u>\$ 2,245,000</u>	<u>\$ 12,815,002</u>	<u>\$ 15,060,002</u>	<u>\$ 926,120</u>	<u>\$ 2,885,825</u>	<u>\$ 3,811,945</u>



Statistical Section

**City of Bakersfield
Statistical Section
For the year ended June 30, 2020**

The statistical section of the City of Bakersfield's (City) comprehensive annual financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures and required supplementary information says about the City's overall financial health. Where less than 10 years of data is presented, the information was not available.

Contents	Pages
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance measures have changed over time	152 - 159
Revenue Capacity	
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales tax revenues.	162 - 173
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	174 - 180
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	181 - 185
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	188 - 189

CITY OF BAKERSFIELD

Net Position by Component (1) Last Ten Fiscal Years

	Fiscal Year			
	2011(2)	2012	2013	2014(3)
Governmental Activities:				
Net investment in capital assets	\$ 1,307,753,604	\$ 1,259,429,698	\$ 1,233,782,805	\$ 1,279,657,792
Restricted for:				
Capital improvements	19,778,178	23,252,930	16,246,571	21,015,837
Unrestricted	155,889,382	165,661,544	172,822,236	213,670,245
Total governmental activities net position:	1,483,421,164	1,448,344,172	1,422,851,612	1,514,343,874
% change from prior year	-6.39	-2.4%	-1.8	6.0%
Business-type Activities:				
Net investment in capital assets	632,719,226	650,440,273	642,190,608	647,105,639
Restricted for:				
Capital improvements	19,571,180	20,237,839	20,216,599	20,209,227
Sanitation districts	4,008,890	2,645,932	-	-
Unrestricted	115,321,423	100,529,044	107,431,948	109,292,512
Total business-type activities net position	771,620,719	773,853,088	769,839,155	776,607,378
% change from prior year	-0.2%	.3	-0.5%	0.9
Primary Government:				
Net investment in capital assets	1,940,472,830	1,909,869,971	1,875,973,416	1,926,763,431
Restricted for:				
Capital improvements	39,348,358	43,490,769	36,463,170	41,225,064
Sanitation districts	4,008,890	2,645,932	-	-
Unrestricted	271,210,805	266,190,588	280,254,187	322,962,757
Total primary government net position	\$ 2,255,040,883	\$ 2,222,197,260	\$ 2,192,690,773	\$ 2,290,951,252
Total primary government % change from prior year	-4.2	-1.5	-1.3	4.3

Notes:

- (1) This schedule reports using the accrual basis of accounting.
- (2) There was a prior period adjustment in Governmental and/or Business-type Activities for the fiscal year. Numbers have been changed to reflect the restatement.
- (3) There was a prior period adjustment in Governmental and/or Business-type Activities for the fiscal year. Numbers have been changed to reflect the restatement.
- (4) The current year increase in Governmental Activities net position is primarily due to the Public Safety and Vital Services (PSVS) district tax which is new source of revenue that approved by residents in November 2018.

Fiscal Year					
2015(3)	2016(3)	2017(3)	2018(3)	2019(3)(4)	2020(3)
\$ 1,285,115,859	\$ 1,304,906,456	\$ 1,305,414,611	\$ 1,301,334,674	\$ 1,316,112,932	\$ 1,347,391,281
22,112,200	21,988,624	20,626,443	20,759,775	18,975,747	15,078,957
(70,066,811)	(86,460,007)	(108,783,761)	(200,714,582)	(193,801,808)	(190,673,618)
<u>1,237,161,248</u>	<u>1,240,435,073</u>	<u>1,217,257,293</u>	<u>1,121,379,867</u>	<u>1,141,286,871</u>	<u>1,171,796,620</u>
-22.4	0.3	-1.9	-8.5	1.7%	2.7%
648,359,633	665,588,574	670,274,189	700,725,335	720,818,075	735,284,165
20,201,556	20,201,947	20,200,000	20,200,000	20,200,000	20,200,000
-	-	-	-	-	-
<u>78,904,795</u>	<u>79,243,784</u>	<u>85,239,027</u>	<u>107,755,323</u>	<u>107,638,278</u>	<u>105,004,414</u>
<u>747,465,984</u>	<u>765,034,305</u>	<u>775,713,216</u>	<u>828,680,658</u>	<u>848,656,353</u>	<u>860,488,579</u>
-3.9	2.3	1.4	6.4%	2.4%	1.4%
1,933,475,502	1,970,495,030	1,976,138,800	2,002,060,009	2,036,931,007	2,082,675,446
42,313,756	42,190,571	40,826,443	40,959,775	39,175,747	35,278,957
-	-	-	-	-	-
<u>8,837,984</u>	<u>(7,216,223)</u>	<u>(23,544,734)</u>	<u>(92,959,259)</u>	<u>(86,163,530)</u>	<u>(85,669,204)</u>
<u>\$ 1,984,627,242</u>	<u>\$ 2,005,469,378</u>	<u>\$ 1,993,420,509</u>	<u>\$ 1,950,060,525</u>	<u>\$ 1,989,943,224</u>	<u>\$ 2,032,285,199</u>
-15.4	1.0%	-0.6%	-2.2%	2.0%	2.1%

CITY OF BAKERSFIELD

Change in Net Position (1) Last Ten Fiscal Years

	Fiscal Year			
	2011	2012	2013	2014
Expenses				
Governmental activities:				
General government	\$ 12,110,455	\$ 12,388,099	\$ 12,919,972	\$ 10,274,285
Public safety:				
Police	70,381,783	72,574,972	76,310,840	80,192,752
Fire	31,657,823	33,319,982	35,105,188	36,086,851
Public works	137,057,195	142,228,353	162,423,856	104,347,771
Recreation & parks	34,682,672	31,737,121	32,619,041	34,641,180
Development services	6,862,213	5,856,850	11,192,757	9,940,984
Economic/Community development (2)	9,303,951	28,228,468	-	-
Interest on long-term debt	233,606	215,411	467,848	166,472
Total governmental activities expenses	302,289,698	326,549,256	331,039,502	275,650,295
Business-type activities:				
Wastewater treatment	42,333,794	41,550,942	40,456,986	41,979,698
Refuse collection	38,469,544	39,340,795	44,364,406	45,336,786
River & agricultural water	4,603,236	5,727,962	5,245,266	5,051,433
Domestic water	22,068,640	22,157,529	21,131,546	25,613,917
General aviation	407,687	404,648	430,697	462,690
Offstreet parking	165,935	128,070	162,094	160,613
Total business-type activities expenses	108,048,836	109,309,946	111,790,995	118,605,137
Total primary government expenses	410,338,534	435,859,202	442,830,497	394,255,432
Program Revenues				
Governmental activities:				
Charges for services:				
General government	5,406,095	5,392,724	4,984,767	5,019,511
Public safety:				
Police	3,210,604	2,649,133	2,110,160	2,938,734
Fire	4,577,004	4,866,355	5,361,766	4,937,490
Public works	8,462,168	11,651,452	19,404,900	23,780,578
Recreation & parks	13,172,982	14,153,899	14,324,137	14,348,050
Development services	2,621,537	2,907,300	4,147,598	5,221,585
Economic/Community development (2)	1,101	870	-	-
Operating grants and contributions	22,993,743	20,178,085	19,508,063	11,633,792
Capital grants and contributions	82,831,043	68,415,443	76,471,205	104,071,622
Total governmental activities program revenues	\$ 143,276,277	\$ 130,215,261	\$ 146,312,596	\$ 171,951,362

Notes:

(1) This schedule reports using the accrual basis of accounting.

(2) Economic/Community Development became a part of Development Services.

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 21,956,276	\$ 24,203,337	\$ 26,395,470	\$ 29,731,416	\$ 31,112,425	\$ 40,385,072
82,573,675	87,314,992	95,723,028	105,006,154	106,340,979	120,286,345
35,577,067	37,257,146	41,364,912	44,560,720	46,537,182	49,284,742
158,958,537	176,573,017	171,911,928	145,529,290	126,435,754	170,924,424
22,743,488	24,993,400	26,888,569	22,613,830	20,685,570	26,172,685
9,895,523	10,018,548	12,159,620	8,533,656	8,221,265	13,409,023
-	-	-	-	-	-
164,046	39,729	33,429	25,060	17,358	7,779
331,868,612	360,400,169	374,476,956	356,000,126	339,350,533	420,470,070
41,602,539	38,038,376	41,008,233	42,103,648	43,491,976	41,863,203
42,860,924	44,067,358	46,300,746	47,971,215	52,077,032	56,297,122
4,751,158	4,395,517	4,304,663	4,198,037	4,469,652	5,110,204
25,455,862	25,756,437	27,066,771	29,205,225	26,859,329	30,900,781
527,279	480,754	812,527	671,124	480,368	633,219
163,840	112,986	226,999	233,746	290,799	288,532
115,361,602	112,851,428	119,719,939	124,382,995	127,669,156	135,093,061
447,230,214	473,251,597	494,196,895	480,383,121	467,019,689	555,563,131
3,051,375	6,178,924	4,609,597	5,618,886	5,476,706	4,474,539
2,737,294	3,138,617	4,797,619	2,989,023	3,719,138	3,152,452
5,784,964	6,375,758	6,903,928	7,242,490	7,615,334	8,116,341
20,958,923	18,625,200	17,116,439	17,159,857	16,970,725	17,969,450
14,336,209	15,665,544	16,103,058	16,481,750	17,354,482	14,768,875
5,620,567	6,076,072	5,719,860	5,909,456	6,335,650	6,589,380
-	-	-	-	-	-
12,963,571	11,217,162	12,640,678	9,165,593	11,411,248	17,270,805
101,313,136	120,303,934	100,956,230	85,533,310	78,708,716	109,448,244
\$ 166,766,039	\$ 187,581,211	\$ 168,847,409	\$ 150,100,365	\$ 147,591,999	\$ 181,790,086

CITY OF BAKERSFIELD

Change in Net Position (1) continued Last Ten Fiscal Years

	Fiscal Year			
	2011	2012	2013	2014
Business-type activities:				
Charges for services:				
Wastewater treatment	\$ 30,752,515	\$ 30,743,840	\$ 30,825,384	\$ 31,148,327
Refuse collection	39,568,011	41,198,715	41,812,177	42,100,981
River & agricultural water	6,891,203	4,162,253	3,645,065	4,233,197
Domestic water	22,223,640	23,140,865	23,944,333	24,423,144
General aviation	253,868	285,461	304,357	303,223
Offstreet parking	63,120	72,094	54,420	67,150
Operating grants and contributions	4,018,963	4,935,165	6,243,441	8,601,559
Capital grants and contributions	1,599,202	5,011,908	982,577	17,276,815
Total business-type activities				
program revenues	105,370,522	109,550,301	107,811,754	128,154,396
Total primary government				
program revenues	248,646,799	239,765,562	254,124,350	300,105,758
Net (Expenses) Revenues:				
Governmental activities	(159,013,421)	(196,333,995)	(184,726,906)	(103,698,933)
Business-type activities	(2,678,314)	240,355	(3,979,241)	9,549,259
Total primary government				
Net (Expenses) Revenues	(161,691,735)	(196,093,640)	(188,706,147)	(94,149,674)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property taxes	62,889,341	60,717,716	58,958,525	66,614,853
Sales and use taxes	55,281,897	67,642,794	70,418,028	72,442,177
Other taxes	728,715	889,373	926,701	988,423
Intergovernmental, unrestricted	1,144,659	876,617	181,713	152,400
Unrestricted grants and contributions	20,701,642	21,793,292	22,725,966	23,829,193
Investment earnings (loss)	73,834	282,170	(99,546)	948,629
Miscellaneous	1,567,489	4,223,807	5,187,294	1,683,631
Gain (loss) on sale of property	17,300	132,666	192,354	36,039
Transfers	1,998,260	34,000	840,000	1,489,500
Total Governmental Activities	144,403,137	156,592,435	159,331,035	168,184,845
Business-type activities:				
Investment earnings	2,136,427	1,988,022	778,444	2,424,676
Gain (loss) on sale of property	-	38,992	26,866	(4,439,038)
Transfers	(1,998,260)	(34,000)	(840,000)	(1,489,500)
Total business-type activities	138,167	1,993,014	(34,690)	(3,503,862)
Total primary government	144,541,304	158,585,449	159,296,345	164,680,983
Extraordinary gain (loss)	-	4,664,568	-	(936,660)
Change in Net Position:				
Governmental activities	(14,610,284)	(39,741,560)	(25,395,871)	64,485,912
Business-type activities	(2,540,147)	2,233,369	(4,013,931)	6,045,397
Total primary government	\$ (17,150,431)	\$ (37,508,191)	\$ (29,409,802)	\$ 70,531,309

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 31,437,669	\$ 32,809,778	\$ 33,037,996	\$ 34,036,372	\$ 33,916,086	\$ 34,356,259
43,447,351	45,865,520	49,502,386	51,119,909	54,158,105	56,834,796
3,640,671	2,863,750	6,712,871	7,039,283	9,643,555	7,203,989
22,478,013	20,275,368	23,232,757	26,491,151	27,744,037	28,624,932
315,351	327,491	325,116	347,315	318,401	301,933
78,807	134,404	146,250	114,261	160,090	153,884
8,749,741	7,283,587	7,173,227	9,047,127	8,406,992	7,587,747
7,402,621	16,428,109	9,741,991	4,913,540	11,977,630	10,120,482
117,550,224	125,988,007	129,872,594	133,108,958	146,324,896	145,184,022
284,316,263	313,569,218	298,720,003	283,209,323	293,916,895	326,974,108
(165,102,573)	(172,818,958)	(205,629,547)	(205,899,761)	(191,758,534)	(238,679,984)
2,188,622	13,136,579	10,152,655	8,725,963	18,655,740	10,090,961
(162,913,951)	(159,682,379)	(195,476,892)	(197,173,798)	(173,102,794)	(228,589,023)
71,382,809	74,342,784	77,680,416	79,774,412	83,543,561	85,558,776
70,366,255	70,786,792	65,348,910	72,322,068	94,622,228	148,259,133
1,177,810	1,176,713	1,212,122	1,308,842	1,524,996	1,341,620
150,529	149,089	169,836	201,875	185,685	308,043
25,497,714	25,381,927	24,827,775	25,140,642	25,237,610	24,763,948
487,532	2,295,536	283,544	1,295,749	2,708,894	1,707,054
2,173,532	1,613,591	1,707,873	1,754,210	1,474,916	2,670,587
(8,511,599)	826,990	273,364	248,579	101,086	4,060
3,584,925	1,352,562	152,000	2,032,654	4,058,397	2,064,005
166,309,507	177,925,984	171,655,840	184,079,031	213,457,373	266,677,226
1,968,113	1,728,927	1,112,586	1,878,973	5,045,825	3,671,948
390,791	17,545	15,670	20,370	25,454	133,322
(3,584,925)	(1,352,562)	(152,000)	(2,032,654)	(4,058,397)	(2,064,005)
(1,226,021)	393,910	976,256	(133,311)	1,012,882	1,741,265
165,083,486	178,319,894	172,632,096	183,945,720	214,470,255	268,418,491
-	-	-	54,231,181	-	-
1,206,934	5,107,026	(33,973,707)	32,410,451	21,698,839	27,997,242
962,601	13,530,489	11,128,911	8,592,652	19,668,622	11,832,226
\$ 2,169,535	\$ 18,637,515	\$ (22,844,796)	\$ 41,003,103	\$ 41,367,461	\$ 39,829,468

CITY OF BAKERSFIELD

Fund Balances of Governmental Funds Last Ten Fiscal Years (1)

	<u>2011</u>	<u>2012</u>	<u>Fiscal Year 2013</u>	<u>2014</u>
General Fund				
Nonspendable	\$ 13,000	\$ 11,975	\$ 3,372,390	\$ 3,181
Restricted	-	-	-	-
Committed	36,613,273	37,639,359	39,972,694	13,464,704
Assigned	6,891,881	7,281,790	7,694,831	34,586,157
Unassigned	<u>9,131,275</u>	<u>10,476,517</u>	<u>10,865,979</u>	<u>6,502,852</u>
Subtotal general fund	<u>52,649,429</u>	<u>55,409,641</u>	<u>61,905,894</u>	<u>54,556,894</u>
All Other Governmental Funds				
Nonspendable	-	-	-	-
Restricted	10,051,183	23,252,930	16,246,571	21,015,837
Committed	58,304,744	57,014,597	56,799,759	62,344,103
Assigned	18,649,279	11,091,749	15,840,236	58,935,265
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal all other governmental funds	<u>87,005,206</u>	<u>91,359,276</u>	<u>88,886,566</u>	<u>142,295,205</u>
Total governmental fund balance	<u><u>\$ 139,654,635</u></u>	<u><u>\$ 146,768,917</u></u>	<u><u>\$ 150,792,460</u></u>	<u><u>\$ 196,852,099</u></u>

Notes:

(1) Includes all governmental funds as shown in the Fund Financial Statements.

Source: City Finance Department

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>Fiscal Year 2018</u>	<u>2019</u>	<u>2020</u>
\$ 1,000	\$ 1,000	\$ 1,025	\$ 1,025	\$ 51,479	\$ 44,314
-	-	-	-	-	-
33,140,376	28,995,204	32,559,429	29,505,463	27,488,388	49,811,144
7,254,726	4,042,766	3,567,936	2,914,844	22,403,228	18,869,241
383,987	8,783,314	3,115,798	7,077,156	4,689,839	-
<u>40,780,089</u>	<u>41,822,284</u>	<u>39,244,188</u>	<u>39,498,488</u>	<u>54,632,934</u>	<u>68,724,699</u>
944,356	44,508	7,675,326	1,212,183	942,965	968,679
22,112,200	21,988,624	20,626,443	20,759,775	18,975,747	15,078,956
80,565,806	64,661,547	67,725,705	68,066,549	83,018,904	141,307,728
51,017,356	51,026,114	37,747,940	46,316,269	28,958,138	56,246,321
-	-	-	-	-	-
<u>154,639,718</u>	<u>137,720,793</u>	<u>133,775,414</u>	<u>136,354,776</u>	<u>131,895,754</u>	<u>213,601,684</u>
<u>\$ 195,419,807</u>	<u>\$ 179,543,077</u>	<u>\$ 173,019,602</u>	<u>\$ 175,853,264</u>	<u>\$ 186,528,688</u>	<u>\$ 282,326,383</u>

CITY OF BAKERSFIELD

Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years

	Fiscal Year				
	2011	2012	2013	2014	2015
Revenues:					
Taxes	\$ 139,250,878	\$ 150,761,990	\$ 159,530,114	\$ 163,369,374	\$ 168,047,259
Licenses and permits	1,757,045	2,321,093	2,757,307	3,644,027	3,297,396
Intergovernmental	87,577,120	83,597,649	85,698,254	112,509,497	113,170,797
Charges for services	23,982,350	34,518,514	26,237,278	28,308,972	29,643,496
Fines, forfeitures & assessments	14,359,150	4,034,565	20,697,866	25,732,782	21,984,077
Interest income (loss)	804,910	865,071	(266,411)	1,604,668	1,470,902
Contributions and donations	-	-	1,543,041	251,775	10,390
Miscellaneous	4,662,521	7,346,225	8,383,499	4,710,359	9,100,338
Total Revenues	<u>272,393,974</u>	<u>283,445,107</u>	<u>304,580,948</u>	<u>340,131,454</u>	<u>346,724,655</u>
Expenditures:					
General government	9,944,217	10,383,512	11,186,274	11,888,465	19,254,079
Police	65,985,764	68,489,176	72,745,830	77,504,268	83,484,871
Fire	29,450,014	31,390,736	33,528,360	34,895,073	36,224,449
Public works	21,967,831	25,849,496	25,274,629	25,744,355	26,828,323
Recreation and parks	22,620,636	23,599,669	25,277,659	26,309,603	18,833,884
Development services	6,486,573	6,229,936	11,994,604	11,321,294	12,231,555
Economic/Community development(1)	8,147,683	3,646,144	-	-	-
Non-departmental	12,517,816	20,283,121	13,338,729	10,726,379	12,736,007
Capital outlay	97,915,227	94,567,093	105,808,610	94,992,545	134,748,520
Debt service:					
Principal	444,000	366,000	378,000	443,124	454,964
Interest and fiscal charges	221,920	219,865	208,424	195,434	252,300
Total Expenditures	<u>275,701,681</u>	<u>285,024,748</u>	<u>299,741,119</u>	<u>294,020,540</u>	<u>345,048,952</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,307,707)</u>	<u>(1,579,641)</u>	<u>4,839,829</u>	<u>46,110,914</u>	<u>1,675,703</u>
Other financing sources (uses):					
Notes/certificate proceeds	-	-	-	-	-
Transfers in	9,580,944	11,587,495	18,164,310	16,069,190	15,963,966
Transfers out	(8,358,944)	(12,704,555)	(18,898,910)	(16,334,090)	(17,860,400)
Reserve transfer to agency funds	10,656	-	-	-	-
Extraordinary gain	-	4,664,568	-	-	-
Total other financing sources (uses)	<u>1,232,656</u>	<u>3,547,508</u>	<u>(734,600)</u>	<u>(264,900)</u>	<u>(1,896,434)</u>
Net change in fund balances	<u>\$ (2,075,051)</u>	<u>\$ 1,967,867</u>	<u>\$ 4,105,229</u>	<u>\$ 45,846,014</u>	<u>\$ (220,731)</u>
Debt service as a percentage of non-capital expenditures	-4.0%	-1.0%	-1.0%	4.0%	-13.0%

Notes:

(1) Economic/Community Development became a part of Development Services.

Source: City Finance Department

Fiscal Year				
2016	2017	2018	2019	2020
\$ 171,344,057	\$ 168,758,632	\$ 178,228,594	\$ 204,629,052	\$ 259,638,738
3,216,872	3,321,133	3,268,134	3,483,935	3,454,071
129,091,459	111,232,933	93,198,441	88,214,967	124,484,134
31,225,288	31,530,433	34,404,377	35,435,981	32,551,009
20,337,463	21,325,888	18,887,330	20,058,536	20,828,104
2,823,200	591,514	1,791,980	4,373,028	2,842,822
153,607	294,156	259,932	372,462	241,524
6,377,099	3,789,687	4,342,074	3,294,244	4,712,882
<u>364,569,045</u>	<u>340,844,376</u>	<u>334,380,862</u>	<u>359,862,205</u>	<u>448,753,284</u>
21,404,144	21,483,266	21,883,948	22,849,651	23,763,499
85,469,207	85,303,925	89,209,119	97,029,401	106,465,614
36,956,928	37,694,398	39,299,505	40,616,758	44,793,126
26,936,064	25,826,378	25,798,786	27,310,375	28,993,981
18,145,518	18,881,782	20,215,698	20,358,886	22,214,583
12,068,546	11,861,982	9,419,106	10,415,836	15,810,027
-	-	-	-	-
13,348,200	10,724,880	11,699,947	12,680,999	11,500,076
164,583,100	134,231,542	113,952,709	115,089,647	166,425,210
489,828	503,828	502,352	635,085	1,227,678
57,115	65,870	59,324	51,545	41,790
<u>379,458,650</u>	<u>346,577,851</u>	<u>332,040,494</u>	<u>347,038,183</u>	<u>421,235,584</u>
<u>(14,889,605)</u>	<u>(5,733,475)</u>	<u>2,340,368</u>	<u>12,824,022</u>	<u>27,517,700</u>
-	-	-	-	-
10,049,932	7,686,698	7,691,676	13,125,130	47,648,113
(10,158,904)	(7,686,698)	(7,956,681)	(13,264,112)	(48,092,817)
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(108,972)	-	(265,005)	(138,982)	(444,704)
<u>\$ (14,998,577)</u>	<u>\$ (5,733,475)</u>	<u>\$ 2,075,363</u>	<u>\$ 12,685,040</u>	<u>\$ 27,072,996</u>
1.0%	-.6%	0.2%	-%	0.3%

CITY OF BAKERSFIELD

Governmental Activities Tax Revenues By Source Last Ten Fiscal Years (1)

Fiscal Year	General Property Taxes		Sales and Use Taxes	Transient Occupancy Taxes	Business License Taxes	Utility Franchise Taxes	In-Lieu and Other Taxes	Total Taxes
2011	\$ 62,889,341	(2)	\$ 55,281,897	\$ 6,851,869	\$ 3,415,351	\$ 10,083,705 (3)	\$ 728,715	\$ 139,250,878
2012	60,717,717	(2)	67,642,795	7,827,792	3,312,485	10,371,830 (3)	889,373	150,761,992
2013	65,696,957	(2)	70,418,028	8,274,240	3,372,972	10,733,798 (3)	1,034,119	159,530,114
2014	66,614,853	(2)	72,442,178	8,826,003	3,607,558	10,890,359 (3)	988,423	163,369,374
2015	71,382,809	(2)	70,366,255	9,487,984	3,730,720	11,901,681 (3)	1,177,810	168,047,259
2016	74,342,784	(2)	70,786,793	9,450,710	3,904,569	11,682,488 (3)	1,176,713	171,344,057
2017	77,680,416	(2)	65,348,909	9,577,898	3,875,410	11,063,877 (3)	1,212,122	168,758,632
2018	79,774,412	(2)	72,322,068	9,570,855	3,826,518	11,425,899 (3)	1,308,842	178,228,594
2019	83,543,561	(2)	94,622,228	9,943,109	4,043,883	10,951,275 (3)	1,524,996	204,629,052
2020	85,558,776	(2)	148,259,133	8,913,147	3,900,858	11,665,204 (3)	1,341,620	259,638,738

Notes:

(1) Includes all governmental funds as shown in the Fund Financial Statements.

(2) Includes Vehicle License Fee in Lieu revenue.

(3) Includes additional taxes and Utility Surcharge revenues designated by ordinance for road purposes.

Source: City Finance Department

CITY OF BAKERSFIELD

Principal Property Taxpayers Current Year and Nine Years Ago

Taxpayer	2011			2020		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Nestle Dreyers Ice Cream Company (formerly Nestle Holdings, Inc in 2011)	\$ 216,731,466	1	1.03%	\$ 171,750,465	2	0.56%
Chevron USA Inc.	158,526,708	2	0.75%	183,557,635	1	0.60%
Valley Plaza Mall LP (formerly Bakersfield Mall LLC in 2011)	145,229,294	3	0.69%	138,320,469	3	0.46%
California Water Service Company	93,738,674	4	0.45%	121,200,978	4	0.40%
DS Properties 18 (formerly Donahue Schriber Realty Group LLP in 2011)	76,401,790	5	0.36%	92,452,057	7	0.30%
Walmart Stores Inc/Sam's (Formerly Walmart Real Estate BSNS Trust in 2011)	65,089,803	6	0.31%	101,369,330	5	0.33%
Bright House Networks LLC	20,580	7	0.00%	-	-	-%
State Farm Insurance Company	57,700,000	8	0.27%	-	-	-%
Kaiser (Formerly Kaiser Foundation Health Plan, Inc. in 2011)	54,788,318	9	0.26%	65,659,045	8	0.22%
Castle & Cook CA Inc.	56,971,981	10	0.27%	108,346,334	6	0.36%
Bolthouse Land Company LLC	-	-	-%	66,238,758	9	0.22%
BLC Glenwood Gardens	-	-	-%	53,012,975	10	0.17%
Total taxable assessed value of ten (10) largest taxpayers	925,198,614		4.39%	1,101,908,046		3.62 %
Total taxable assessed value of other taxpayers	20,164,367,039		95.61%	29,357,202,002		96.38 %
Total taxable assessed value of all taxpayers	21,089,565,653		100.00%	30,459,110,048		100.00 %

Note:

Related parties grouped together on the original source document (County's list of assessed valuations) are included in the total assessed valuation amount for each taxpayer cited. Unitary and operating nonunitary are excluded as valuation by parcel is no longer available. Secured values only reported.

Source: HDL Coren & Cone, Kern County Assessor 2019-20 Combined Tax Rolls

CITY OF BAKERSFIELD

Assessed Value and Estimated Actual Value of Taxable Property Last Ten Fiscal Years Amounts expressed in thousands

Fiscal Year Ended June 30	Residential Property	Secured Commercial Property	Other	Unsecured	Less: Tax Exempt Real Property
2011	\$ 14,950,744	\$ 4,053,184	\$ 3,134,829	\$ 834,158	\$ 1,063,302
2012	14,521,636	3,832,880	3,245,619	850,899	1,104,081
2013	14,698,137	3,904,832	3,268,227	912,300	1,097,928
2014	15,592,995	4,010,392	3,575,805	791,531	1,186,061
2015	17,297,625	4,111,192	3,607,361	819,306	1,230,972
2016	18,495,838	4,238,653	3,749,127	835,424	1,321,877
2017	19,571,365	4,497,923	3,971,042	801,607	1,414,164
2018	20,569,686	4,650,981	4,085,221	767,598	1,451,354
2019	21,611,991	4,826,400	4,206,028	769,171	1,492,778
2020	22,729,432	4,968,389	4,339,072	794,111	1,577,783

(1) In 1978 the voters of the State of California passed Proposition 13 which limited 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 of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. 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: HDL Coren & Cone, Kern County Assessor 2019-20 Combined Tax Rolls.

Total Taxable Assessed Value		Total Direct Rate	Estimated Actual Taxable Value (1)
\$	21,909,613	0.1969	Unavailable
	21,346,953	0.1956	Unavailable
	21,685,568	0.1924	Unavailable
	22,784,662	0.1619	Unavailable
	24,604,512	0.1623	Unavailable
	25,997,165	0.1616	Unavailable
	27,427,773	0.1613	Unavailable
	28,622,132	0.1609	Unavailable
	29,920,812	0.1607	Unavailable
	31,253,221	0.1604	Unavailable

CITY OF BAKERSFIELD

Property Tax Rates Direct and Overlapping Governments Last Ten Fiscal Years

	2011	2012	2013	2014
Basic County-Wide Levy (1)	1.0000	1.0000	1.0000	1.0000
Overlapping Debt				
Bakersfield Refund 1989C & D	-	-	-	-
Bakersfield School	0.0663	0.0710	0.0681	0.0360
Beardsley School	0.0574	0.0599	0.0499	0.0486
Edison School Bond	0.0720	0.0664	0.0694	0.0687
Fairfax School	0.0401	0.0688	0.0686	0.0607
Fruitvale School Bonds	0.0695	0.0759	0.0614	0.0678
Greenfield School	0.0783	0.0804	0.0826	0.0843
Kern Community College District	0.0101	0.0091	0.0085	0.0126
Kern County Water Agency	0.0553	0.0748	0.0540	0.0569
Kern High School District	0.0447	0.0363	0.0437	0.0392
Lakeside School	0.0188	0.0224	0.0227	0.0283
Lamont School	0.0694	0.0693	0.0615	0.0681
Norris School	0.0298	0.0327	0.0580	0.0500
Panama Buena Vista School	0.0116	0.0115	-	0.0194
Rio Bravo-Greeley	0.0741	0.0737	0.0535	0.0769
Standard Bond	-	-	-	-
Standard Bond 2006A	0.0206	0.0191	0.0185	0.0152
Vineland School 07-A	0.0414	0.0423	0.0437	0.0418
Total Direct & Overlapping Tax Rates (2)	1.7594	1.8136	1.7641	1.7745
City Share of 1% Levy (3)	0.1852	0.1851	0.1851	0.1839
Total Direct Rate (4)	0.1969	0.1956	0.1924	0.1619

(1) In 1978 the voters of the State of California passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

(2) Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all City property owners.

(3) City's share of 1.00% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. Educational Revenue Augmentation Fund (ERAF) general fund tax shifts are not included in tax ratio figures. The effective City rate after ERAF is 9.9%.

(4) Total Direct Rate is the weighted average of all individual direct rates applied by the City of Bakersfield.

Source: HDL Coren & Cone (Kern County Auditor-Controller's Office)

2015	2016	2017	2018	2019	2020
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
-	-	-	-	-	0.0020
0.0186	0.0339	0.0204	0.0522	0.0449	0.0379
0.0406	0.0480	0.0723	0.0638	0.0671	0.0659
0.0678	0.0716	0.0706	0.0755	0.0738	0.0644
0.0692	0.0712	0.0631	0.1075	0.1009	0.0743
0.0595	0.0591	0.0516	0.0534	0.0731	0.0525
0.0544	0.0445	0.0438	0.0419	0.0398	0.0678
0.0105	0.0136	0.0132	0.0363	0.0337	0.0330
0.0525	0.0537	0.0585	0.0785	0.0707	0.0812
0.0361	0.0324	0.0260	0.0533	0.0512	0.0532
0.0254	0.0267	0.0236	0.0264	0.0242	0.0250
0.0630	0.0657	0.0681	0.0682	0.0639	0.0659
0.0489	0.0498	0.0565	0.0579	0.0373	0.0391
0.0294	0.0330	0.0243	0.0224	0.0288	0.0558
0.0649	0.0581	0.0629	0.0687	0.0517	0.0720
0.0208	0.0219	0.0403	0.0770	0.0602	0.0663
0.0110	0.0140	-	-	-	-
0.0431	0.0456	0.0441	0.0453	0.0238	0.0437
<u>1.7157</u>	<u>1.7428</u>	<u>1.7393</u>	<u>1.9283</u>	<u>1.8451</u>	<u>1.9000</u>
<u>0.1839</u>	<u>0.1839</u>	<u>0.1839</u>	<u>0.0184</u>	<u>0.1839</u>	<u>0.1839</u>
<u>0.1623</u>	<u>0.1616</u>	<u>0.1613</u>	<u>0.1609</u>	<u>0.1607</u>	<u>0.1604</u>

CITY OF BAKERSFIELD

Property Tax Levies and Collections Last Ten Fiscal Years (1)

Fiscal Year Ended June 30	Tax Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years (2)	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy (3)
2011	\$38,752,737	\$ 38,136,143	98.41%	\$ 437,340	\$ 38,573,483	99.54%
2012	37,333,785	36,574,775	97.97%	417,383	36,992,158	99.08%
2013	38,448,465	37,544,318	97.65%	159,495	37,703,813	98.06%
2014	39,887,750	39,344,783	98.64%	375,679	39,720,462	99.58%
2015	42,153,405	41,301,939	97.98%	166,794	41,468,733	98.38%
2016	44,309,063	43,455,549	98.07%	254,923	43,710,472	98.65%
2017	47,433,693	46,803,045	98.67%	4,914	46,807,959	98.68%
2018	47,385,467	46,768,741	98.70%	345,147	47,113,888	99.43%
2019	49,577,578	48,864,996	98.56%	696,193	49,561,189	99.97%
2020	47,854,714	49,634,163	103.72%	119,111	49,753,274	103.97%

Notes:

(1) Excludes Redevelopment property tax increment.

(2) Delinquent tax collections do not include interest or penalties.

(3) Total collections to date may exceed 100% of annual levy. Delinquent tax collections are recorded in the current levy year as the County of Kern does not give detail as to the levy year for delinquent tax collections. This was confirmed with the County of Kern in 2014.

Source: City Finance Department

CITY OF BAKERSFIELD

**Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years**

Year	State of California	Total Rate
2011	7.25 %	7.25 %
2012	7.25 %	7.25 %
2013	7.25 %	7.25 %
2014	7.25 %	7.25 %
2015	7.25 %	7.25 %
2016	7.25 %	7.25 %
2017	7.25 %	7.25 %
2018	7.25 %	7.25 %
2019	7.25 %	8.25 %
2020	7.25 %	8.25 %

Note: The City's sales tax rate may be changed with voter approval.
Source: California Department of Tax and Fee Administration

CITY OF BAKERSFIELD

Taxable Sales By Market Groups Last Ten Fiscal Years

	2011	2012	2013	2014	2015
Retail Trade					
Apparel Stores	\$ 2,237,268	\$ 2,498,144	\$ 2,628,504	\$ 2,682,765	\$ 2,700,035
Auto Dealers and Supplies	8,246,511	10,517,601	11,892,057	12,681,772	13,490,464
Building Materials	4,240,592	4,621,483	5,000,637	5,190,262	5,549,702
Drug Stores	591,749	633,375	657,887	658,335	660,653
Eating and Drinking Places	5,025,325	5,592,220	5,915,734	6,303,157	6,849,489
Food Stores	1,528,055	1,562,612	1,566,281	1,655,917	1,707,148
Furniture and Appliances	2,272,952	2,532,517	2,926,212	2,912,469	3,059,419
General Merchandise	8,459,603	8,902,765	9,097,843	8,979,210	9,076,459
Other Retail Stores	3,261,059	3,474,936	3,699,300	4,228,784	4,159,706
Packaged Liquor	367,199	401,948	423,650	447,409	493,326
Service Stations	5,062,392	5,867,383	5,502,285	5,422,599	4,871,638
Total Retail Group	41,292,705	46,604,984	49,310,390	51,162,679	52,618,039
Non-Store & Part Time Retailers	82,996	101,693	84,740	72,645	72,160
Business, Service & Repair Group	1,512,221	1,756,892	1,812,265	1,893,173	1,980,645
Manufacturer & Wholesaler Group					
Contractors & Material	475,676	576,631	666,208	924,900	807,942
Drugs & Chemical	216,372	351,506	328,673	295,377	320,937
Food/Farm Products & Equipment	137,945	137,058	147,197	135,196	168,211
Furniture & Textiles	21,646	20,505	28,261	43,769	43,788
Heavy Industrial Equipment	1,517,141	2,118,572	1,716,148	1,463,288	1,291,104
Industrial Equipment	440,370	421,222	443,065	481,775	392,375
All Other Equipment	4,660,096	5,979,599	5,697,540	5,342,925	3,614,985
Total Manufacturer & Wholesaler Group	7,469,246	9,605,093	9,027,092	8,687,230	6,639,342
State Adjustments & Transfers	(2,176)	(1,474)	2,506	(208)	5,275
Total Sales All Outlets	50,354,992	58,067,188	60,236,993	61,815,519	61,315,461
County Pool	7,868,349	8,143,216	8,729,533	9,021,603	7,916,613
State Pool	20,074	23,404	31,839	40,228	34,607
Total Sales Tax Receipts	\$ 58,243,415	\$ 66,233,808	\$ 68,998,365	\$ 70,877,350	\$ 69,266,681

Source: HdL Companies

Due to differences in collection techniques, the information provided has been updated to reflect these changes from the FY2018-2019 CAFR.

2016	2017	2018	2019	2020
\$ 2,762,780	\$ 2,843,736	\$ 2,942,286	\$ 3,066,238	\$ 2,532,453
13,354,747	13,843,958	14,506,105	14,569,677	14,406,863
5,532,406	5,681,917	6,060,510	6,323,361	6,620,858
671,350	678,548	630,853	624,380	655,602
7,090,990	7,451,035	7,837,702	8,209,013	7,714,664
1,608,598	1,570,585	1,606,885	1,681,469	1,830,122
2,970,557	2,938,322	3,105,924	3,240,476	2,801,310
8,978,957	9,011,395	9,294,973	9,598,808	9,426,822
3,758,595	3,594,392	3,559,783	3,314,804	3,050,208
546,533	570,899	611,522	613,232	635,999
<u>4,263,920</u>	<u>4,290,976</u>	<u>4,997,389</u>	<u>5,333,050</u>	<u>4,805,789</u>
51,539,433	52,475,763	55,153,932	56,574,508	54,480,690
71,865	73,636	74,684	93,832	68,166
1,798,041	1,875,070	2,083,554	1,954,148	1,764,090
708,269	586,825	750,693	754,578	776,146
198,571	183,569	196,941	245,931	315,597
178,486	185,686	187,952	170,382	154,261
44,875	44,794	52,420	51,350	46,693
1,121,094	1,048,031	1,402,544	1,350,871	1,410,760
328,809	325,547	353,830	354,187	347,523
<u>2,519,465</u>	<u>2,132,304</u>	<u>3,008,126</u>	<u>3,004,557</u>	<u>2,492,813</u>
5,099,569	4,506,756	5,952,506	5,931,856	5,543,793
(10,355)	(22,458)	(39,455)	42,992	65,944
58,498,553	58,908,767	63,225,221	64,597,336	61,922,683
8,433,100	8,819,050	9,296,006	11,170,639	11,170,639
35,572	39,610	43,243	33,283	31,037
<u>\$ 66,967,225</u>	<u>\$ 67,767,427</u>	<u>\$ 72,564,470</u>	<u>\$ 75,801,258</u>	<u>\$ 73,124,359</u>

CITY OF BAKERSFIELD

Sales Tax Revenue Payers By Industry 2019 and Ten Years Ago

	2010			
	Number of Filers	Percent of Total	Tax Liability Paid	Percent of Total \$
Retail Trade				
Apparel Stores	691	7.92 %	\$ 2,237,268	3.84 %
Auto Dealers and Supplies	493	5.65 %	8,246,511	14.16 %
Building Materials	130	1.49 %	4,240,592	7.28 %
Drug Stores	64	0.73 %	591,749	1.02 %
Eating and Drinking Places	870	9.98 %	5,025,325	8.63 %
Food Stores	174	2.00 %	1,528,055	2.62 %
Furniture and Appliances	593	6.80 %	2,272,952	3.90 %
General Merchandise	201	2.31 %	8,459,603	14.52 %
Other Retail Stores	1676	19.22 %	3,261,059	5.60 %
Packaged Liquor	27	0.31 %	367,199	0.63 %
Service Stations	106	1.22 %	5,062,392	8.69 %
Total Retail Group	5025	57.63 %	\$ 41,292,705	70.89 %
Non-Store & Part Time Retailers	1217	13.95 %	82,996	0.14 %
Business, Service & Repair Group	1574	18.05 %	1,512,221	2.60 %
Manufacturer & Wholesaler Group				
Contractors & Material	183	2.10 %	475,676	0.82 %
Drugs & Chemical	44	0.50 %	216,372	0.37 %
Food/Farm Products & Equipment	58	0.67 %	137,945	0.24 %
Furniture & Textiles	66	0.76 %	21,646	0.04 %
Heavy Industrial Equipment	120	1.38 %	1,517,141	2.60 %
Industrial Equipment	216	2.47 %	440,370	0.76 %
All Other Equipment	213	2.44 %	4,660,096	8.00 %
Total Manufacturing & Wholesale Group	900	10.32 %	7,469,246	12.83 %
State Adjustments & Transfer	4	0.05 %	(2,175)	- %
Total Sales All Outlets	8,720	100.00 %	50,354,993	86.46 %
County Pool			7,868,349	13.51 %
State Pool			20,074	0.03 %
Total	8,720	100.00 %	58,243,416	100.00 %

Note: Due to confidentially issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue. The amounts shown are gross collections prior to refunds and collections of amounts due from prior year.
Source: Avenu Insights

2020			
Number of Filers	Percent of Total	Tax Liability Paid	Percent of Total \$
924	8.51 %	\$ 2,532,453	3.46 %
520	4.79 %	14,406,863	19.71 %
184	1.69 %	6,620,858	9.05 %
84	0.77 %	655,602	0.90 %
1066	9.81 %	7,714,664	10.55 %
220	2.03 %	1,830,122	2.50 %
788	7.25 %	2,801,310	3.83 %
281	2.59 %	9,426,822	12.89 %
2131	19.61 %	3,050,208	4.17 %
93	0.86 %	635,999	0.87 %
130	1.20 %	4,805,789	6.57 %
6421	59.11 %	54,480,690	74.50 %
843	7.76 %	68,166	0.09 %
2003	18.44 %	1,764,089	2.41 %
211	1.94 %	776,146	1.06 %
64	0.59 %	315,597	0.43 %
175	1.61 %	154,261	0.21 %
166	1.53 %	46,693	0.06 %
154	1.42 %	1,410,760	1.93 %
321	2.95 %	347,523	0.48 %
239	2.20 %	2,492,813	3.41 %
1,330	12.24 %	5,543,793	7.58 %
266	2.45 %	65,944	0.10 %
10,863	100.00 %	61,922,682	84.68 %
		11,170,639	15.28 %
		31,037	0.04 %
<u>10,863</u>	<u>100.00 %</u>	<u>\$ 73,124,358</u>	<u>100.00 %</u>

CITY OF BAKERSFIELD

Ratio of General Bonded Debt Outstanding Last Ten Fiscal Years

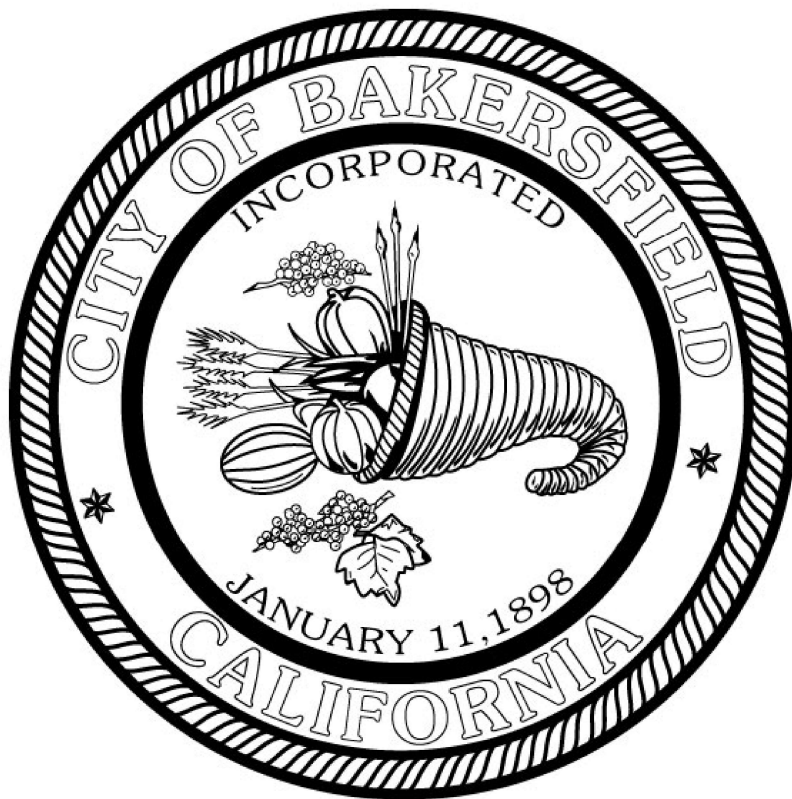
Fiscal Year	General Obligations Bonds		Net Bonded Debt		Total	Ratio of Net Bonded Debt to Assessed Value	Population (1)	Total Debt Per Capita
2011	\$	-	\$	-	\$ -	- %	338,952	\$-
2012		-		-	-	-	354,480	0.00
2013		-		-	-	-	359,221	0.00
2014		-		-	-	-	367,315	0.00
2015		-		-	-	-	365,504	0.00
2016		-		-	-	-	379,110	0.00
2017		-		-	-	-	383,512	0.00
2018		-		-	-	-	386,839	0.00
2019		-		-	-	-	389,211	0.00
2020		-		-	-	-	392,756	0.00

Notes:

Includes all long-term general obligation bonded debt.

(1) State Department of Finance

Source: City Finance Department



CITY OF BAKERSFIELD

Ratio of Outstanding Debt by Type Last Ten Fiscal Years

Governmental Activities					Business-Type Activities		
	Revenue Bonds	Notes	Certificates of Participation	Total Governmental Activities (3)	Revenue Bonds	Bonds	
2011	\$ -	\$ 5,167,000	\$ 26,620,000	\$ 31,787,000	\$ 238,994,444	\$ -	
2012	-	4,801,000	24,710,000	29,511,000	217,003,381	-	
2013	-	4,423,000	22,725,000	27,148,000	201,875,000	-	
2014	-	4,150,049	20,640,000	24,790,049	200,236,254	-	
2015	-	3,932,118	18,460,000	22,392,118	190,545,190	-	
2016	-	3,442,290	16,175,000	19,617,290	187,377,613	-	
2017	-	2,938,462	13,785,000	16,723,462	174,647,913	-	
2018	-	2,584,240	11,275,000	13,859,240	166,998,212	-	
2019	-	6,111,476	8,635,000	14,746,476	160,129,574	-	
2020	-	4,883,798	5,875,000	10,758,798	138,826,333	-	

Notes:

Details regarding the City's outstanding debt can be found in the notes to the basic financial statements.

(1) U.S. Department of Commerce Bureau of Economic Analysis. As available, figures and estimates should be used for general purposes only. Estimates are revised periodically to include data that may not have been available at the time. Personal income was used for the base of this calculation. Details can be found in the Demographic and Economic Statistics.

(2) State Department of Finance. Estimates are revised periodically to include data that may not have been available at the time. Population was used for the base of this calculation. Details can be found in the Demographic and Economic Statistics.

(3) Total Governmental Activities and Total Primary Government totals do not include Compensated Absences.

(4) As restated.

Source: City Finance Department

Business-Type Activities

Deferred Bond Premium	Notes	Contracts/ Loans	Capital Leases (4)	Total Business-Type Activities	Total Primary Government	Percentage of Personal Income (1) (4)	Per Capita (2) (4)
\$ 7,614,444	\$ 7,521,262	\$ -	\$ 22,138,054	\$ 276,268,204	\$ 308,055,204	4.02 %	\$801
7,283,381	6,769,136	-	21,664,941	252,720,839	282,231,839	3.69 %	796
6,621,255	6,017,009	-	21,174,195	235,687,459	262,835,459	3.34 %	732
-	5,264,884	-	20,664,937	226,166,075	250,956,124	3.11 %	683
-	4,512,759	246,131	20,135,757	215,439,837	237,831,955	2.89 %	651
-	3,760,631	292,503	19,091,567	210,522,314	230,139,604	2.70 %	607
-	3,008,504	319,400	18,730,478	196,706,295	213,429,757	2.45 %	557
-	2,256,378	368,746	18,315,293	187,938,629	201,797,869	2.25 %	522
-	1,504,252	314,215	17,671,298	179,619,339	194,365,815	2.08 %	499
-	752,127	355,737	17,000,597	156,934,794	167,693,592	1.70 %	427

CITY OF BAKERSFIELD

Direct and Overlapping Debt (1) As of June 30, 2020

2019 - 20 Assessed Valuation	\$ 31,249,303,949		
Adjusted Assessed Valuation	<u>\$ 31,249,303,949</u>		
	<u>Debt Outstanding (2)</u>	<u>Estimated Percentage Applicable (3)</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping Tax and Assessment Debt			
Kern Community College District Safety Repair and Improvement District	\$ 117,836,081	33.908	\$ 39,955,858
Kern Community College District School Facilities Improvement District No. 1	75,430,000	33.702	25,421,419
Kern High School District	273,151,209	52.920	144,551,620
Bakersfield City School District	108,406,619	72.436	78,525,419
Beardsley School District	21,845,445	21.128	4,615,506
Edison School District	4,169,942	0.064	2,669
Fairfax School District	8,709,402	25.235	2,197,818
Fruitvale School District	36,751,312	78.191	28,736,218
Greenfield Union School District	29,148,406	85.740	24,991,843
Lakeside Union School District	12,289,981	40.950	5,032,747
Lamont School District	1,556,464	0.018	280
Norris School District	26,179,833	59.675	15,622,815
Panama-Buena Vista Union School District	101,295,000	97.038	98,294,642
Rio Bravo-Greeley Union School District	9,348,037	2.625	245,386
Standard School District	34,750,000	0.954	331,515
Vineland School District	3,711,536	0.0003	11
California Statewide Community Development Authority-Community Facilities District No. 2015-02	10,560,000	100.000	10,560,000
Greenfield Union School District CFD No. 1 & No. 3	14,831,169	100.000	14,831,169
RNR School Financing Authority	112,605,000	83.949	94,530,771
Overlapping Tax and Assessment Debt	<u>\$ 1,002,575,436</u>		<u>\$ 588,447,706</u>
Overlapping General Fund Debt			
Kern County Certificates of Participation	\$ 85,799,565	32.693	\$ 28,050,452
Kern County Pension Obligations	179,861,441	32.693	58,802,101
Certificates of Participation:			
Kern County Board of Education	35,000,000	32.693	11,442,550
Kern County Community College District	27,470,000	30.443	8,362,692
Kern County Community College District Benefit	76,755,000	30.443	23,366,525
Kern High School District	70,295,000	52.920	37,200,114
Panama-Buena Vista Union School District	52,805,000	97.038	51,240,916
Bakersfield City School District General Fund Obligations	2,705,090	72.436	1,959,459
Fairfax School District General Fund Obligations	2,088,129	25.235	526,939
Rio Bravo-Greeley Union School District General Fund Obligations	255,000	2.625	6,694
Rosedale Union School District General Fund Obligations	9,835,000	55.674	5,475,538
Overlapping Tax Increment Debt (Successor Agency)	2,245,000	100.000	2,245,000
Overlapping General Fund Debt	<u>\$ 545,114,225</u>		<u>\$ 228,678,980</u>
Total Overlapping Debt	<u>\$ 1,547,689,661</u>		<u>\$ 817,126,686</u>
Direct Debt			
City of Bakersfield			
City of Bakersfield General Fund Obligations			\$ 5,875,000
Long-term notes payable			\$ 4,883,798
Total Direct and Overlapping Debt			<u>\$ 827,885,484</u>

Notes:

(1) Excluded from this schedule are: (a) all bonds which are not general obligation bonds of the City and (b) general obligation bonds issued for water utility purposes which are payable from Water Fund revenues.

(2) Direct debt is reported net of debt service monies available. Overlapping debt is reported at gross values.

(3) Percentage of overlapping agency's assessed valuation located within boundaries of the City.

Source: California Municipal Statistics, Inc. and City Finance Department

CITY OF BAKERSFIELD

Computation of Legal Debt Margin
June 30, 2020

Legislation does not mandate a debt limit for the City of Bakersfield.

CITY OF BAKERSFIELD

Pledged - Revenue Coverage Last Ten Fiscal Years

Fiscal Year	Wastewater Revenue Bonds						
	Sewer Charges and Other Revenue (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service (3)		Coverage (4)	
				Principal	Interest		
2010-2011	\$ 36,073,819	\$ 14,144,051	\$ 21,929,768	\$ 1,945,000	\$ 9,597,489	1.90	
2011-2012(5)	36,769,858	12,913,038	23,856,820	2,930,000 (6)	9,597,489	1.90	
2012-2013	37,901,401	13,156,437	24,744,964	2,845,000 (7)	9,451,151	2.01	
2013-2014	39,610,854	14,265,421	25,345,433	3,260,000 (7)	9,959,591	1.92	
2014-2015	40,386,623	14,195,887	26,190,736	4,360,000 (7)	8,744,990	2.00	
2015- 2016(8)	39,111,557	14,765,141	24,346,416	5,475,000 (7)	3,694,732	2.66	
2016-2017(8)	39,078,787	14,796,170	24,282,617	6,055,000 (7)	6,557,105	1.93	
2017-2018(9)	42,356,491	17,519,378	24,837,113	5,975,000	6,270,503	2.03	
2018-2019	43,043,488	17,062,586	25,980,902	5,525,000	6,344,225	2.19	
2019-2020	42,531,887	18,800,960	23,730,927	17,948,753	2,849,736	1.14	

Notes:

Details regarding the City's outstanding debt can be found in the notes to the basic financial statements.

Operating expenses do not include interest or depreciation expenses.

(1) Includes amounts for connection fees, interest funded in bond issue and principal portion of lease revenues.

(2) Does not include the General Obligation Bonds reported in Enterprise Funds. Operating expenses exclude depreciation expense.

(3) Issued Sewer Revenue Bonds, Series 2007A and 2007B in August of 2007.

(4) Minimum coverage requirement on the Wastewater Revenue bonds is 1.25.

(5) Previous report included arbitrage expenses. Revenue has been corrected.

(6) In addition to the normal debt service amount referenced above, there was a partial bond call of \$18,730,000 approved by the City Council to reduce the principal balance of the 2007B bond down to \$25 million. Sewer revenue bonds 2007B were refunded in January 2012 (Series 2012A) to change the liquidity provider from Dexia to JP Morgan Chase.

(7) In addition to the normal debt service referenced above, City Council approved partial bond calls of \$5 million each year to reduce the principal balance of Sewer Revenue Bonds Series 2012A.

(8) Partial refunding of Sewer Revenue Bonds Series 2007A in July 2015 (Series 2015A).

(9) Corrected Operating Expenses Amount entered previously entered incorrectly.

Source: City Finance Department

CITY OF BAKERSFIELD

Demographic and Economic Statistics Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (2) (millions)	Per Capita Personal Income (2)	Median Age (3)	Education Level as a % of Population having Formal Schooling (3) (4)	Elementary School Enrollment	Estimated Unemployment Rate (%) (5)
2010-2011	338,952	\$ 7,007	\$ 20,675	29.5	77.8	27,590	15.30%
2011-2012	354,480	7,640	21,553	29.5	78.1	21,411	10.50%
2012-2013	359,221	7,862	21,887	29.8	77.8	23,422	8.40%
2013-2014	367,315	8,074	21,980	30.0	78.2	24,012	7.90%
2014-2015	365,504	8,228	22,512	30.1	78.5	24,232	9.30%
2015-2016	279,110	8,532	22,505	30.2	79.7	24,267	9.10%
2016-2017	383,512	8,713	22,718	30.4	79.6	24,299	9.20%
2017-2018(6)	386,839	8,965	23,175	30.4	79.6	26,513	7.80%
2018-2019	389,211	9,333	23,980	30.5	80.0	26,491	5.50%
2019-2020	392,756	9,890	25,180	30.7	80.4	26,590	5.30%

Notes:

(1) State Department of Finance. Estimates are revised periodically to include data that may not have been available at the time.

(2) U.S. Department of Commerce Bureau of Economic Analysis. As available, figures and estimates should be used for general purposes only. Estimates are revised periodically to include data that may not have been available at the time. Information is for Bakersfield Metropolitan area. Effective 2008-2009 information now includes Delano area.

(3) U.S. Census Bureau estimates as available for Bakersfield Metropolitan area.

(4) This column shows the percent of the City population 25 years and older who are high school graduates or higher.

(5) State of California Employment Development Department (Data shown is for Kern County).

(6) Elementary School Enrollment numbers for 2017-18 restated due to new data collection techniques by the Department of Education.

CITY OF BAKERSFIELD

Principal Employers (1)

Current Year and Nine Years Ago

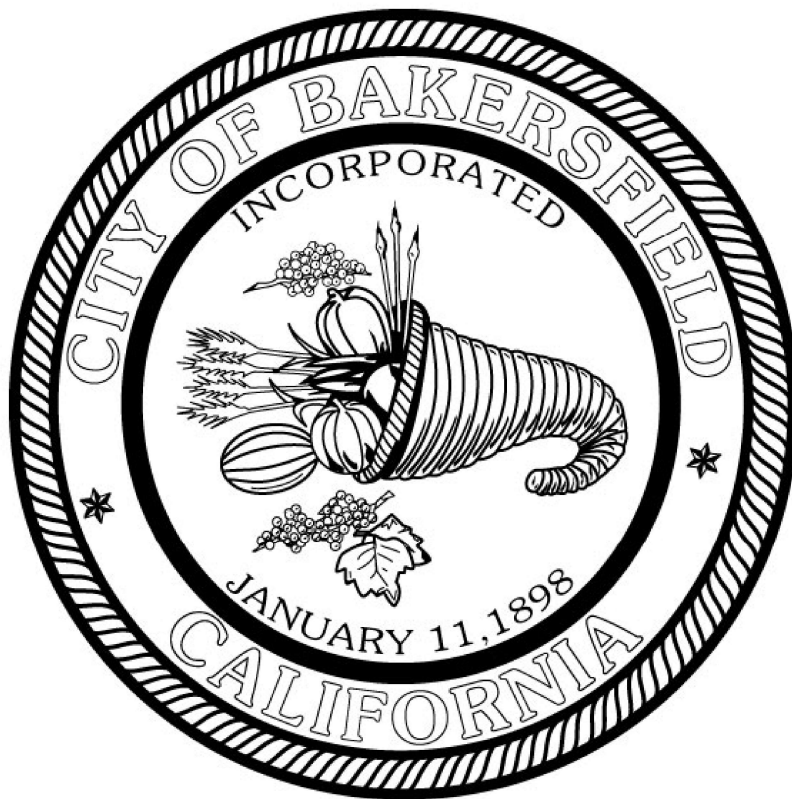
Employer	2011			2020		
	Employees	Rank	Percent of Total City Employment	Employees	Rank	Percent of Total City Employment
County of Kern (1)	N/A			7,633	1	5.31 %
Kern High School District (1)				4,665	2	3.24 %
Bakersfield City School District				4,033	3	2.81 %
Dignity Health				3,582	4	2.49 %
Panama-Buena Vista Union School District				2,473	5	1.72 %
Bolthouse Farms				2,332	6	1.62 %
Adventist Health Bakersfield				1,930	7	1.34 %
Kern Medical Center				1,818	8	1.26 %
Kern County Superintendent of Schools				1,567	9	1.09 %
City of Bakersfield				1,561	10	1.09 %
Others				112,206		78.03 %
Total	<u>N/A</u>	<u></u>	<u>-</u>	<u>143,800</u>	<u></u>	<u>100.00 %</u>

(1) Not all employees are employed within the Bakersfield City Limits.

Source: City Finance Department.

Total number of employed persons in Bakersfield provided by EDD Labor Force Data.

Note: Only current data is available.



CITY OF BAKERSFIELD

Full-time Equivalent City Government Employees by Function Last Ten Fiscal Years

Function	2011	2012	2013	2014	2015	2016
<u>Governmental activities:</u>						
General government	106	109	110	119	126	123
Public safety						
Police						
Officers	380	385	389	394	404	404
Civilians	123	131	137	143	148	148
Fire						
Firefighters and officers	176	177	177	177	177	177
Civilians	19	19	21	22	22	22
Public works	244	247	250	254	248	244
Community services	151	153	153	150	150	146
Community development	-	-	65	63	65	63
Development services	57	55	-	-	-	-
Economic/Community dev.	12	11	-	-	-	-
<u>Business-type activities:</u>						
Wastewater treatment	54	56	57	59	59	59
Refuse collection	102	103	106	107	107	107
River & Agricultural Water (1)	28	28	28	28	28	28
General aviation	-	-	-	-	-	-
Offstreet parking	-	-	-	-	-	-
Total	<u>1,452</u>	<u>1,474</u>	<u>1,493</u>	<u>1,516</u>	<u>1,534</u>	<u>1,521</u>

(1) Departmental name change in FY2018-19 from Domestic & Agricultural Water to River & Agricultural Water.

Source: City Finance Department

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
123	124	143	159
407	407	450	479
148	151	176	193
177	177	184	200
22	23	23	25
243	247	261	293
146	148	163	175
63	63	-	-
-	-	79	92
-	-	-	-
59	61	62	64
108	109	111	112
29	29	30	32
-	-	-	-
-	-	-	-
<u>1,525</u>	<u>1,539</u>	<u>1,682</u>	<u>1,824</u>

CITY OF BAKERSFIELD

Property Value, Construction and Bank Deposits (1)
Last Ten Calendar Years

	Commercial Construction		Residential Construction		Other Construction
	No. of Units	Value	No. of Units	Value	Value
2010	40	\$ 13,425	848	\$ 197,380	\$ 98,057
2011	40	41,482	422	92,313	81,984
2012	49	20,807	1,122	259,851	108,877
2013	69	15,710	1,336	312,569	157,024
2014	89	56,320	1,435	389,715	203,722
2015	70	49,806	1,391	384,819	377,510
2016	115	63,714	1,387	370,956	338,559
2017	59	61,034	1,132	332,652	312,316
2018	93	83,187	1,089	321,454	278,079
2019	111	48,155	1,421	400,718	321,560

Notes:

(1) Property value and bank deposits reported in thousands.

(2) Federal Deposit Insurance Corporation

(3) Construction units and values are based on a 12 month calendar year. June 30, 2020 data reflects the 2019 calendar year.

Source: City Finance Department

Total Construction			
No. of Units	Value	Bank Deposits (2)	
888	\$ 308,862	\$ 5,172,880	
462	215,779	5,280,515	
1,171	389,535	5,626,755	
1,405	485,303	6,069,764	
1,524	649,757	6,421,302	
1,461	812,135	3,759,961	
1,502	773,229	7,141,426	
1,191	706,002	7,515,635	
1,182	682,720	7,702,403	
1,532	770,433	8,675,464	

CITY OF BAKERSFIELD

Operating Indicators by Function Last Ten Fiscal Years

Function	Fiscal Year			
	2011	2012	2013	2014
Public safety - Police				
Physical arrests	22,028	29,623	32,158	37,246
Parking violations	5,433	4,708	6,620	10,499
Traffic violations	10,043	9,172	11,528	15,065
Public safety - Fire				
Number of calls answered	27,392	28,870	31,164	32,898
Inspections	3,355	3,276	3,660	4,195
Public works				
Street resurfacing (lane miles)	83	129	127	116
Refuse collection				
Refuse collected (tons/day)	111,500	108,200	111,420	110,125
Recyclables collected (tons/day)	47,000	48,215	53,350	55,500
Recreation & parks				
Athletic field permits issued	5,685	10,156	9,297	9,625
Community center, aquatics/sports admissions	440,101	473,530	475,619	502,994
River & Agricultural water (1)				
New connections	493	301	701	1,123
Water main breaks	7	10	14	4
Average daily consumption (thousands of gallons)	27,008	27,568	36,730	39,712
Wastewater treatment				
Average daily sewage treatment (millions of gallons)	32.30 MGD	31.28 MGD	32.13 MGD	30.0 MGD

(1) Departmental name change in FY2018-19 from Domestic & Agricultural Water to River & Agricultural Water.

Source: City Finance Department

Fiscal Year					
2015	2016	2017	2018	2019	2020
24,254	19,965	13,008	9,502	9,895	8,569
6,183	4,083	3,843	2,238	10,438	14,207
24,154	26,934	24,190	16,548	24,739	21,879
35,117	35,747	38,823	40,945	42,027	44,560
4,978	5,684	6,859	5,649	8,712	8,330
119	79	70	75	115	90
102,500	102,800	103,100	102,200	175,081	177,885
78,500	79,100	79,500	82,700	87,680	89,786
9,046	8,054	7,788	8,224	7,046	4,589
527,617	553,831	518,432	534,959	542,580	431,568
1,033	945	968	500	755	714
5	4	4	3	2	3
34,973	29,812	33,378	36,128	35,588	40,173
29.9 MGD	28.7 MGD	29.0 MGD	29.6 MGD	28.9 MGD	29.1 MGD

CITY OF BAKERSFIELD

Capital Asset Statistics by Function Last Ten Fiscal Years

Function	Fiscal Year			
	2011	2012	2013	2014
Land (1)				
Area	149.75	149.80	150.01	150.18
Public safety				
Police stations/substations	4	4	4	3
Fire stations	14	14	14	14
Refuse collection				
Collection trucks	57	53	55	57
Public works				
Streets (miles) (2)	1,394	1,409	1,424	1,441
Streetlights	16,092	16,160	16,602	16,388
Traffic signals	394	394	402	410
Recreation & parks				
Parks acreage	595	595	595	623
Parks	59	59	59	59
Swimming pools	4	4	4	4
Community centers	3	3	3	3
River & Agricultural Water (3)				
Water mains (miles) (2)	501	502	503	505
Fire hydrants (2)	10,301	10,441	10,581	10,723
Wastewater treatment				
Sanitary sewers (miles)	1,061	1,061	1,061	1,063
Storm sewers (miles)	263	263	263	265
Maximum daily treatment capacity (millions of gallons)	57 MGD	57 MGD	57 MGD	57 MGD

Notes:

(1) Reported in square miles.

(2) Corrected numbers for all years up to and including FY2011-12 with more accurate information provided.

(3) Departmental name change in FY2018-19 from Domestic & Agricultural water to River & Agricultural water.

Source: City Finance Department

		Fiscal Year			
2015	2016	2017	2018	2019	2020
150.18	150.97	151.10	151.10	151.14	151.15
3	3	3	3	3	3
14	14	14	14	14	14
57	57	57	57	67	74
1,441	1,553	1,596	1,505	1,506	1,517
16,486	16,781	17,042	18,632	18,635	18,639
419	420	426	428	431	433
769	769	776	810	810	828
59	59	59	59	59	61
4	4	4	4	4	4
3	3	3	3	3	3
515	525	535	589	592	608
10,853	11,117	11,130	11,396	11,467	11,697
1,072	1,076	1,077	1,077	1,086	1,090
268	269	270	270	274	276
57 MGD	57 MGD	57 MGD	57 MGD	57 MGD	57 MGD

CITY OF BAKERSFIELD

Schedule of Insurance in Force June 30, 2020

Excess Workers' Compensation	Statutory	Limit with a \$500,000 self-insured retention.
Excess Liability	\$ 55,000,000	Limit with a \$1,000,000 self-insured retention.
Combination Crime	\$ 5,000,000	Coverage limit, \$25,000 deductible.
Airport Operations	\$ 10,000,000	Coverage limit.
Aircraft	\$ 10,000,000	Coverage limit.
Cyber Liability	\$ 25,000,000	Aggregate limit \$50,000 self-insured retention
Fiduciary Liability	\$ 5,000,000	
Physical Loss:		
All Risk Property and Boiler Machinery	\$ 600,000,000	Coverage on buildings and contents subject to \$5,000 deductible with various sublimits.
Auto-Physical Damage		Coverage for vehicles/equipment values up to \$250,000 subject to a \$10,000 deductible and vehicles/equipment values about \$250,000 subject to a \$100,000 deductible
Life and Medical:		
Life and Accident	\$ 2,000	Supervisory & Management employees. Each employee (basic coverage) and additional insurance equal to annual salary to nearest \$1,000.
	\$ 12,000	Safety employees, each employee (basic coverage).
	\$ 30,000	Miscellaneous employees, each employee (basic coverage).
Medical and Dental		Basic coverage plus (no lifetime maximum) extended benefits of 90% after \$750 deductible for medical (Blue Shield) or Group dental (\$50 deductible for United Concordia).

Source: Liability and Physical Loss coverage is provided by the City's Risk Management Department. Life and Medical coverage is provided by the City's Human Resource Department.

Insurance Company	Policy Number	Expiration Date	Annual Premium
PRISM	PRISMPE20 EWC-04	07/01/2021	\$ 1,147,435
ACCEL		07/01/2021	1,903,607
National Union Fire	ACIP712020	07/01/2021	15,935
Pik West	AAPN14413352002	07/01/2021	3,854
Pik West	AACN10687846001	07/01/2021	5,590
Hudson	SHA31211205	10/01/2020	11,583
CSAC	PROPERTY2021	03/31/2021	530,603
PRISM	PH2033951	06/30/2021	9,864
Voya Financial	0067794-4	12/31/2020	\$3.00 per thousand dollar of salary, management & supervisory \$2,000 plus annual salary maximum benefit \$100,000. Safety-\$27.30 each permanent employee for \$12,000 coverage.
Voya Financial	0067794-9	12/31/2020	
Voya Financial	0067794-9	12/31/2020	Blue/White Collar Units: \$68.38 each permanent employee for \$30,000 coverage.
Blue Shield PPO	Health W0054380	12/31/2020	Bi-weekly rate range from \$120.70 to \$735.37 per employee for medical sed upon individual's plan coverage and
Blue Shield HMO	Health W0054380		
Blue Shield Trio	Health W0054380		plan combination and \$7.66 to \$50.16
Kaiser Permanente HMO	132733-1003		
Kaiser Permanente DHMO	132733-0010		dental. \$1.27 to \$4.67 for vision
United Concordia DPPO	Dental 920318-000	12/31/2020	HMO, \$1.59 to \$5.84 for PPO
United Concordia DHMO	Dental 920318-001		
Medical Eye Service HMO	Vision 16269	12/31/2020	
Medical Eye Service PPO	Vision 16270		