



BAKERSFIELD

THE SOUND OF *Something Better*

MEMORANDUM

TO: Honorable Mayor and City Council

FROM: Randy McKeegan, Finance Director / *RM*

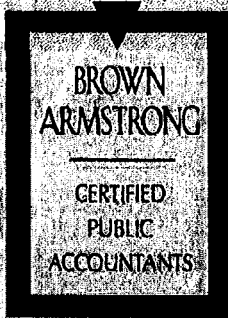
DATE: February 2, 2021

SUBJECT: Agenda Item 8.w. – Missing Documents

This agenda item is requesting Council to refer the annual audit and financial reports completed by our outside audit firm to the Budget and Finance committee for review. Three of the seven documents included were not available to be included with the administrative report when originally submitted. Those missing reports have been completed and are attached, including items:

4. Independent Auditors Report – Compliance with Contractual Requirements relative to the Bakersfield Subregional Wastewater Management Plan for the year ended June 30, 2020.
5. Independent Auditors Report on Appropriations Limit Worksheet (GANN Limit) of the City of Bakersfield for the fiscal year ended June 30, 2020.
7. Agreed Upon Procedures Report (Public Safety and Vital Services) for the fiscal year ended June 30, 2020.

cc: Christian Clegg – City Manager
Virginia Gennaro – City Attorney



BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Technical Advisory Committee of the
Bakersfield Subregional Wastewater Management Plan,
the City of Bakersfield, California,
the Kern Sanitation Authority,
and the East Niles Community Services District

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We have performed the procedures enumerated below to determine the City of Bakersfield's (the City) compliance with certain provisions of contractual requirements as specified in Agreement 76-153, as amended by Agreements 76-153(6), 76-153(5), 76-153(4), 77-44, 85-197, and 92-106, regarding the Bakersfield Subregional Wastewater Management Plan as of and for the fiscal year ended June 30, 2020. The City's management is responsible for the Bakersfield Subregional Wastewater Management Plan and compliance with the aforementioned requirements. The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the Bakersfield Subregional Wastewater Management Plan's compliance requirements. Additionally, the Technical Advisory Committee (TAC) of the Bakersfield Subregional Wastewater Management Plan has agreed to and acknowledged that the procedures performed are appropriate for their purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

We reviewed and tested the City's compliance with certain provisions of contractual requirements as specified in Agreement 76-153, as amended by Agreements 76-153(6), 76-153(5), 76-153(4), 77-44, 85-197, and 92-106. These procedures resulted in no current year findings.

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the City's compliance with certain provisions of contractual requirements as specified in Agreement 76-153, as amended by Agreements 76-153(6), 76-153(5), 76-153(4), 77-44, 85-197, and 92-106, regarding the Bakersfield Subregional Wastewater Management Plan. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

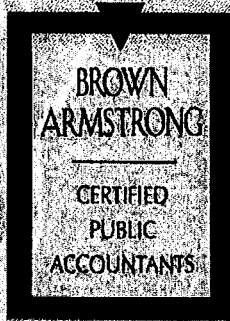
We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended for the information of the Technical Advisory Committee of the Bakersfield Subregional Wastewater Management Plan, the Kern Sanitation Authority, the East Niles Community Services District, the City's management, appropriate regulatory agencies, and the City Council and is not intended to be used, and should not be used, by anyone other than those specified parties.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 21, 2020



BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

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We have performed the procedures enumerated below to the accompanying Appropriations Limit – Worksheet Six of the City of Bakersfield, California, (the City) for the fiscal year ended June 30, 2020. The City's Management is responsible for compliance with the requirements of Section 1.5 of Article XIII-B of the California Constitution. The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City meeting the requirements of Section 1.5 of Article XIII-B of the California Constitution. Additionally, the League of California Cities, has suggested these procedures and presented these in Article XIII-B Appropriations Limitation Uniform Guidelines as being appropriate for their purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures performed and our findings were as follows:

1. We obtained the City's accompanying appropriations limit worksheet required and determined that the City calculated its 2020 appropriations limit at \$429,959,287 and correct annual adjustment factors were adopted by resolution of the City Council.

No exceptions were found as a result of applying the procedure.

2. For the accompanying Appropriations Limit – Worksheet Six, we added line A, last year's limit, to line E, total adjustments, and agreed the resulting amount to line F, this year's limit.

No exceptions were found as a result of applying the procedure.

3. We agreed the current year information presented in the accompanying Appropriations Limit – Worksheet Six to the other worksheet described in 1 above.

No exceptions were found as a result of applying the procedure.

4. We agreed the prior year appropriations limit presented in the accompanying Appropriations Limit – Worksheet Six to the prior year appropriations limit as adopted by the City Council during the prior year.

No exceptions were found as a result of applying the procedure.

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively on the Appropriations Limit – Worksheet Six. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City of Bakersfield and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of management, the Mayor, and the City Council and is not intended to be, and should not be, used by anyone other than these specified parties. However, this restriction is not intended to limit the distribution of this report, which is a matter of public record.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 21, 2020

**CITY OF BAKERSFIELD
APPROPRIATIONS LIMIT – WORKSHEET SIX
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

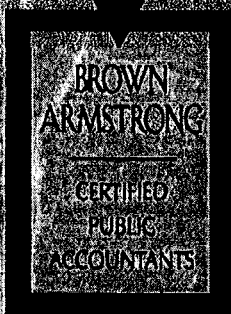
A. Last year's limit		<u>\$ 408,504,776</u>
B. Adjustment factors:		
1. Population %	101.11%	
2. Inflation %	<u>103.85%</u>	
Total adjustment %	<u>5.002735%</u>	
C. Annual adjustment		20,436,411
D. Other adjustments:		
Booking fees		379,000
Property tax administration fees		<u>639,100</u>
E. Total adjustments		<u>21,454,511</u>
F. This year's limit		<u><u>\$ 429,959,287</u></u>

**CITY OF BAKERSFIELD
MEASURE N
AGREED-UPON PROCEDURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**CITY OF BAKERSFIELD
MEASURE N
AGREED-UPON PROCEDURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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Bakersfield, California

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REGISTERED with the Public Company
Accounting Oversight Board and
MEMBER of the American Institute of
Certified Public Accountants

We have performed the procedures enumerated in the attached Schedule of Procedures and Results, related to the City of Bakersfield's (City) compliance with the guidelines stated in Resolution No. 089-18 regarding Measure N for the fiscal year ended June 30, 2020. The City's management is responsible for its compliance with those specified requirements. The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the Measure N compliance requirements as stated in the Resolution No. 089-18. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated results are summarized in the attached Schedule of Procedures and Results.

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the City's compliance with the specified requirements in Resolution No. 089-18 regarding the Measure N. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the City and is not intended to be, and should not be, used by anyone other than this specified party.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 21, 2020

CITY OF BAKERSFIELD
MEASURE N
SCHEDULE OF PROCEDURES AND RESULTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

1. Obtain a general understanding and perform a walk-through over the Measure N/Public Safety and Vital Services (PSVS) revenue collection and expenditure disbursement process.

Result: We performed a walk-through over the Measure N/Public Safety and Vital Services (PSVS) revenue collection and disbursement process by interviewing staff and documenting the process. We found no exceptions as a result of the procedures performed.

2. Identify the Measure N/PSVS tax revenue sub-fund under the general fund, including fund name, account code, etc.

Result: The City utilizes three funds under the General Fund for the recording of the Measure N funds. We identified sub-fund 014, which tracks the Measure N one (1) percentage increase of sales tax revenue. We found no exceptions as a result of the procedures performed.

3. Obtain each Quarterly Statement of Tax Distribution for the fiscal year ended June 30, 2020 for the Measure N/PSVS revenue and reconcile to the revenue reported in the general ledger. In addition, verify that the revenue was recorded in the correct sub-fund.

Result: We obtained each Quarterly Statement of Tax Distribution for the fiscal year ended June 30, 2020 for the Measure N/PSVS revenue and reconciled it to the revenue reported in the general ledger. In addition, we were able to verify that the revenue was recorded in the correct sub-fund. We found no exceptions as a result of the procedures performed.

4. Obtain the Measure N/PSVS expenditure report under the sub-fund and select samples of disbursements for testing.

Result: We obtained the expenditures report under the sub-fund 312 that is used to record Measure N/PSVS expenditures and selected a sample of 40 expenditures.

5. Test sampled Measure N/PSVS expenditure items to make sure they are in compliance with Measure N requirements.

Result: We tested the 40 expenditures selected as noted in procedure 4 and tested to ensure they were in compliance with the Measure N requirements. We found no exceptions as a result of the procedures performed.