



No. 19

# Bakersfield Earns 'C' Grade for its Finances

January 2019  
truthinaccounting.org

## The Financial State of Bakersfield

A new analysis of the latest available audited financial report found Bakersfield has a Taxpayer Burden™ of \$1,500, earning it a "C" grade based on Truth in Accounting's grading scale.

Financial decisions made by the city's elected officials have left Bakersfield with a \$180.2 million shortfall, which equates to a \$1,500 burden for every taxpayer.

Most of the city's overall debt comes from retirement liabilities that have accumulated over many years. Of the \$1.3 billion in retirement benefits promised, the city has not funded \$391.5 million in pension and \$74.4 million in retiree health care benefits.

### Here's the truth:

**\$180.2**  
million  
Money needed  
to pay bills

**-\$1,500**  
Taxpayer  
Burden

**C**  
Financial grade

Data included in this report is derived from the city of Bakersfield 2017 audited Comprehensive Annual Financial Report and retirement plans' reports.

# BAKERSFIELD

## FINANCIAL BREAKDOWN

### FAST FACTS

- + Bakersfield has \$447.5 million available in assets to pay \$627.7 million worth of bills.
- + The outcome is a \$180.2 million shortfall and a \$1,500 Taxpayer Burden.
- + The city is hiding nearly all of its retiree health care debt from its balance sheet.

### THE CITY'S BILLS EXCEED ITS ASSETS

Assets	\$2,635,712,000
Minus: Capital assets	-\$2,147,340,000
Restricted assets	-\$40,826,000
Assets available to pay bills	\$447,546,000
Minus: Bills	-\$627,727,000
Money needed to pay bills	-\$180,181,000
Each taxpayer's share of this debt	-\$1,500

### BILLS THE CITY HAS ACCUMULATED

Bonds	\$174,648,000
Other liabilities	\$158,451,000
Minus: Debt related to capital assets	-\$171,201,000
Unfunded pension benefits	\$391,476,000
Unfunded retiree health care	\$74,353,000
Bills	\$627,727,000

### GRADE: C

Bottom line: Bakersfield's Taxpayer Burden is less than \$5,000, so it has received a "C" for its finances from Truth in Accounting. While better off than many other cities, Bakersfield still owes more than it owns.