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

## BROWN ARMSTRONG

*Certified Public Accountants*

To the Board of Directors of the  
Kern Council of Governments and

To the City Council of the  
City of Bakersfield

We have audited the financial statements of the Bikeway and Pedestrian Fund; the Amtrak Operations Fund; the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) Fund; and the State Transportation Fund (collectively, the Transportation Development Act (TDA) Funds) of the City of Bakersfield (the City) for the fiscal year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 18, 2020. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Findings**

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2020. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no sensitive estimates.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of Unearned Revenue in Note 3 to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The attached schedule summarizes such misstatements.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated December 31, 2020.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

#### **Other Matters**

We applied certain limited procedures to the Budgetary Comparison Schedules for the TDA Funds, which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

#### **Restriction on Use**

This information is intended solely for the information and use of the Board of Directors and management of Kern Council of Governments and the City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

Bakersfield, California  
December 31, 2020

City of Bakersfield KCOG TDA  
Journal Entries Report  
June 30, 2020

Account	Description	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>			
To accrue expenditures that occurred in FY20			
143-4031-822.80-41	Non - Structural Improvements	3,774.00	
145-4051-552.40-32	Contracted Maintenance	5,868.00	
143-201.10-00	Accounts Payable/General Payable		3,774.00
145-201.10-00	Accounts Payable/General Payable		5,868.00
<b>Total</b>		<b>9,642.00</b>	<b>9,642.00</b>
<b>Adjusting Journal Entries JE # 2</b>			
To record revenue reimbursement for expenses incurred in FY20 but were not booked			
143-125.20-00	Due From Other Govt/Due From State Agencies	3,774.00	
145-000-125.40-00	Due From Other Govt/Due From State Agencies	5,868.00	
143-0000-334.25-00	TDA - Article 4		3,774.00
145-0000-337.12-00	Amtrak Operator Reimbursement		5,868.00
<b>Total</b>		<b>9,642.00</b>	<b>9,642.00</b>
<b>Total Adjusting Journal Entries</b>		<b>19,284.00</b>	<b>19,284.00</b>
<b>Total All Journal Entries</b>		<b>19,284.00</b>	<b>19,284.00</b>