

**AGENDA
KERN COUNCIL OF GOVERNMENTS**

PRIMARY MEETING LOCATION

Kern Council of Governments
Board Room
1401 19th Street, Suite 300
Bakersfield, CA 93301

**SECONDARY MEETING LOCATION
TELECONFERENCING AVAILABLE**

Ridgecrest City Hall
Conference Room B
100 W. California Avenue
Ridgecrest, CA 93555

TPPC/Kern COG Board

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DISCLAIMER: This agenda includes the proposed actions and activities, with respect to each agenda item, as of the date of posting. As such, it does not preclude the Committee from taking other actions on items on the agenda which are different or in addition to those recommended.

- I. **ROLL CALL:** Ayon, Couch, Blades, Creighton, Crump, Krier, Prout, Reyna, Scrivner, B. Smith, P. Smith, Trujillo, Vasquez

Congestion Management Agency Ex-Officio Members: Helton, Navarro, Parra, Warney

- II. **PUBLIC COMMENTS:** This portion of the meeting is reserved for persons to address the Council on any matter not on this agenda but under the jurisdiction of the Council. Council members may respond briefly to statements made or questions posed. They may ask a question for clarification; make a referral to staff for factual information or request staff to report back to the Council at a later meeting. **SPEAKERS ARE LIMITED TO TWO MINUTES. PLEASE STATE YOUR NAME AND ADDRESS FOR THE RECORD PRIOR TO MAKING A PRESENTATION.**

Disabled individuals who need special assistance to attend or participate in a meeting of the Kern Council of Governments may request assistance at 1401 19th Street Suite 300; Bakersfield CA 93301 or by calling (661) 635-2900. Every effort will be made to reasonably accommodate individuals with disabilities by making meeting materials available in alternative formats. Requests for assistance should be made at least three (3) working days in advance whenever possible.

- III. **CONSENT AGENDA/OPPORTUNITY FOR PUBLIC COMMENT:** All items on the consent agenda are considered to be routine and non-controversial by Kern COG staff and will be approved by one motion if no member of the Council or public wishes to comment or ask questions. If comment or discussion is desired by anyone, the item will be removed from the consent agenda and will be considered in the listed sequence with an opportunity for any member of the public to address the Council concerning the item before action is taken. **ROLL CALL VOTE.**

- A. **Approval of Minutes – February 16, 2023**

B. Concurrence in Actions of TPPC

C. Response to Public Comments

D. Program Supplement Agreement – Rideshare Program (Campbell)

Comment: Pursuant to Kern COG policy, the Board shall review and approve grant-funding agreements. On February 15, 2023, staff received from Caltrans Program Supplement Agreement No. F-045 for \$240,187 to implement a transportation demand management and rideshare program.

Action: Approve Program Supplement Agreement, and authorize Chair to sign Agreement and Resolution No. 23-07. ROLL CALL VOTE

E. FY 2021-22 Kern Council of Governments Financial and Compliance Audit Reports (Palomo)

Comment: Pursuant to California Government Code Section 6505, Kern COG must provide for an annual financial and compliance audit report by a qualified independent auditor. Kern COG retained the firm of Brown Armstrong to render the applicable audit services and issue reports for the year ended June 30, 2022.

Action: Accept and file reports. ROLL CALL VOTE.

F. REIMBURSABLE LETTER OF AGREEMENT WITH THE CALIFORNIA HIGHWAY PATROL FOR ADDITIONAL SAFETY RELATED ENFORCEMENT DURING INCLEMENT WEATHER (Napier)

Comment: Staff was contacted by Lieutenant/Commander P.P. Etchebarne of the Fort Tejon Area of the California Highway Patrol (CHP) to provide enforcement dollars for additional safety related enforcement during inclement weather conditions.

Action: Motion to approve funding in the amount of \$15,368.08 to provide additional enforcement during inclement weather conditions and authorize the Executive Director to approve and sign the agreement. ROLL CALL VOTE.

G. Local Clearinghouse:

Applicant: White DJY, Inc.

Address: 2600 White Lane.

Bakersfield, CA 93304

Contact: Kamila Duncan

Federal Agency: USDA Rural Development

Funding Opportunity No.: RBCS-22-01-HBIIP

Title: Higher Blends Infrastructure Incentive Program

Description: Fueling station project requesting \$29,125 in Federal funds; providing \$114,293 in Matching funds, to install 1 E85 for 1 fueling station across 1 state.

Federal Funds: \$29,125

Total Funds: \$143,418

Applicant: Rosedale Chevron Inc.

Address: 29727 Stockdale Hwy.

Bakersfield, CA 93314

Contact: Kamila Duncan

Federal Agency: USDA Rural Development

Funding Opportunity: RBCS-22-01 HBIIP

Title: Higher Blends Infrastructure Incentive Program

Description: Fueling station project requesting \$123,500 I Federal funds; providing \$282,884 in Matching funds, to install 1 UST and 2 E85 dispensers for 1 fueling station across 1 state.

Federal Funds: \$123,500

Total Funds: \$406,354

Applicant: City of Bakersfield

Address: 1600 Truxtun Avenue

Bakersfield, CA 93301-5141

Contact: Mr. Gregg Strakaluse

Federal Agency: Office of the Under Secretary for Policy

Catalog No.: 20.933

Title: National Infrastructure Investments

Description: Transportation & Climate Resiliency Project...A Gateway to Downtown Bakersfield High Speed Rail Station.

Federal Funds: \$10,000,000

Total Funds: \$15,190,000

***** END CONSENT CALENDAR - ROLL CALL VOTE *****

IV. ELECTION OF OFFICERS

Comment: Each year, the Kern Council of Governments (COG) Board of Directors selects a Chairman and a Vice Chairman for the Kern COG Board.

Action: Select a Chairman and a Vice Chairman for the Kern COG Board of Directors. ROLL CALL VOTE.

V. CONGESTION MANAGEMENT AGENCY: (None)

VI. KERN MOTORIST AID AUTHORITY: (None)

VII. MEETING REPORTS: (None)

VIII. EXECUTIVE DIRECTOR'S REPORT: (Report on Programs and Projects in Progress)

A. Warrant Register

B. Timeline

IX. MEMBER STATEMENTS: On their own initiative, Council members may make a brief announcement or brief report on their own activities. In addition, Council members may ask a question of staff or the public for clarification on any matter, provide a reference to staff or other resources for factual information, or request staff to report back to the Council at a later meeting concerning any matter. Furthermore, the Council, or any member thereof, may take action to direct staff to place a matter of business on a future agenda.

X. CLOSED SESSION: None.

XI. ADJOURNMENT: NEXT MEETING – The next scheduled meeting will be April 20, 2023.

KERN COUNCIL OF GOVERNMENTS

Minutes of Meeting for February 16, 2023

KERN COG BOARD ROOM
1401 19TH STREET, THIRD FLOOR
BAKERSFIELD, CALIFORNIA

THURSDAY
February 16, 2023
6:30 P.M.

The meeting was called to order by Chairman Smith at 7:06 p.m.

I. ROLL CALL:

Members Present: Ayon, Couch, Blades, Crump, Krier, Creighton, Prout, Scrivner, B. Smith, P. Smith, Trujillo

Congestion Management Agency Ex-Officio Members: Parra, Warney, Navarro, Helton

Members Absent: Reyna, Vasquez

Others: None

Staff: Hakimi, Campbell, Snoddy, Pacheco, Heimer, Enriquez, Invina-Jayasiri, Ball, Stramaglia, Banuelos, VanWyk

- II. PUBLIC COMMENTS:** This portion of the meeting is reserved for persons to address the Council on any matter not on this agenda but under the jurisdiction of the Council. Council members may respond briefly to statements made or questions posed. They may ask a question for clarification; make a referral to staff for factual information or request staff to report back to the Council at a later meeting. **SPEAKERS ARE LIMITED TO TWO MINUTES. PLEASE STATE YOUR NAME AND ADDRESS FOR THE RECORD PRIOR TO MAKING A PRESENTATION.**

Chairman Smith asked for public comments. There were none.

- III. CONSENT AGENDA/OPPORTUNITY FOR PUBLIC COMMENT:** All items on the consent agenda are considered to be routine and non-controversial by Kern COG staff and will be approved by one motion if no member of the Council or public wishes to comment or ask questions. If comment or discussion is desired by anyone, the item will be removed from the consent agenda and will be considered in the listed sequence with an opportunity for any member of the public to address the Council concerning the item before action is taken. **ROLL CALL VOTE.**

A. Approval of Minutes – January 19, 2023

B. Concurrence in Actions of TPPC

C. Response to Public Comments

D. Equipment and Materials Disposal (Heimer)

Action: Approve Inventory list for dissemination and disposal. (Roll Call Vote)

G. Local Clearinghouse:

Applicant: Big Stop Market Inc.

Address: 127 S Shafter Ave.

Shafter, CA 93263

Contact: Kamila Duncan

Federal Agency: USDA Rural Development

Funding Opportunity No.: RBCS-22-01-HBIIP

Title: Higher Blends Infrastructure Incentive Program
Description: Fueling station project requesting \$94,375 in Federal funds; providing \$324,988 in Matching funds, to install 1 UST and 1 E85 dispenser for 1 fueling station across 1 state.

Federal Funds: \$94,375.00

Total Funds: \$419,363

***** END CONSENT CALENDAR - ROLL CALL VOTE *****

MOTION BY DIRECTOR SCRIVNER TO APPROVE CONSENT AGENDA ITEMS A THROUGH H, SECOND BY DIRECTOR P. SMITH, MOTION CARRIED WITH A UNANIMOUS ROLL CALL VOTE.

IV. CONGESTION MANAGEMENT AGENCY: (None)

V. KERN MOTORIST AID AUTHORITY: (None)

VI. MEETING REPORTS: (None)

VII. EXECUTIVE DIRECTOR'S REPORT:

Executive Director Hakimi made the following report:

1. Report on San Joaquin Valley Policy Council meeting – Friday, January 27, 2023
2. Kern Regional Award of Merit Celebration – Thursday, March 2, 2023 – **If you have not made reservation please do so immediately to Susanne Campbell**
3. San Joaquin Valley Policy Conference – April 24 – 26, 2023 - Great Wolf Lodge – Manteca
4. Kern COG has 8 tickets to the 2023 Trucking with Clean Fuels Conference on February 23, 2023.
We receive them as a sponsor of the event. Continental breakfast and lunch are included.
If you want to attend, please put your name and email on the sign-in sheet being circulated.
Your name will be placed on a list at the door.
Linda Urata will send to you the agenda.
5. FPPC Form 700 is due on April 1.

VIII. MEMBER STATEMENTS:

IX. CLOSED SESSION:

None.

X. ADJOURNMENT: Seeing no other comments the meeting adjourned at 7:11 p.m. **NEXT MEETING – March 16, 2023.**

Respectfully submitted,

ATTEST:

Ahron Hakimi, Executive Director

Bob Smith, Chairman

DATE: _____



**Kern Council
of Governments**

III. D. TPPC

March 16, 2023

TO: Kern Council of Governments Board of Directors

FROM: Ahron Hakimi, Executive Director
By: Susanne Campbell, Rideshare Coordinator

SUBJECT: KERN COUNCIL OF GOVERNMENTS CONSENT AGENDA ITEM: III. D.
PROGRAM SUPPLEMENT AGREEMENT – RIDESHARE PROGRAM

DESCRIPTION:

Pursuant to Kern COG policy, the Board shall review and approve grant-funding agreements. On February 15, 2023, staff received from Caltrans Program Supplement Agreement No. F-045 for \$240,187 to implement a transportation demand management and rideshare program.

DISCUSSION:

On February 15, 2023, staff received federal authorization (E-76) to proceed with work on the sixteenth year of Kern COG's CMAQ-funded transportation demand management and Rideshare program. Program Supplement Agreement No. F-045 to Administering Agency-State Agreement No. 06-6087F15 for \$271,306 must be signed and returned before Kern COG can invoice against the funding for reimbursement.

ACTION:

Approve Program Supplement Agreement, and authorize Chair to sign Agreement and Resolution No. 23-07. ROLL CALL VOTE

PROGRAM SUPPLEMENT NO. F045
to
ADMINISTERING AGENCY-STATE AGREEMENT
FOR FEDERAL-AID PROJECTS NO 06-6087F15

Adv. Project ID
0623000141

Date: February 15, 2023
Location: 06-KER-0-KCOG
Project Number: CMLNI-6087(076)
E.A. Number:
Locode: 6087

This Program Supplement hereby adopts and incorporates the Administering Agency-State Agreement for Federal Aid which was entered into between the Administering Agency and the State on 05/02/2016 and is subject to all the terms and conditions thereof. This Program Supplement is executed in accordance with Article I of the aforementioned Master Agreement under authority of Resolution No. approved by the Administering Agency on (See copy attached).

The Administering Agency further stipulates that as a condition to the payment by the State of any funds derived from sources noted below obligated to this PROJECT, the Administering Agency accepts and will comply with the special covenants or remarks set forth on the following pages.

PROJECT LOCATION: Throughout Kern County

TYPE OF WORK: Transportation demand management program that promotes alternative modes of transportation. **LENGTH:** 0.0(MILES)

Estimated Cost	Federal Funds		Matching Funds	
	Y400		LOCAL	OTHER
\$271,306.00		\$240,187.00	\$31,119.00	\$0.00

KERN COUNTY COUNCIL OF GOVERNMENTS

By _____

Title _____

Date _____

Attest _____

STATE OF CALIFORNIA

Department of Transportation

By _____

**Chief, Office of Project Implementation
Division of Local Assistance**

Date _____

I hereby certify upon my personal knowledge that budgeted funds are available for this encumbrance:

Accounting Officer



Date 02/15/2023

\$240,187.00

SPECIAL COVENANTS OR REMARKS

1.
 - A. The ADMINISTERING AGENCY will advertise, award and administer this project in accordance with the current published Local Assistance Procedures Manual.
 - B. ADMINISTERING AGENCY agrees that it will only proceed with work authorized for specific phase(s) with an "Authorization to Proceed" and will not proceed with future phase(s) of this project prior to receiving an "Authorization to Proceed" from the STATE for that phase(s) unless no further State or Federal funds are needed for those future phase(s).
 - C. STATE and ADMINISTERING AGENCY agree that any additional funds which might be made available by future Federal obligations will be encumbered on this PROJECT by use of a STATE-approved "Authorization to Proceed" and Finance Letter. ADMINISTERING AGENCY agrees that Federal funds available for reimbursement will be limited to the amounts obligated by the Federal Highway Administration.
 - D. Award information shall be submitted by the ADMINISTERING AGENCY to the District Local Assistance Engineer within 60 days of project contract award and prior to the submittal of the ADMINISTERING AGENCY'S first invoice for the construction contract.

Failure to do so will cause a delay in the State processing invoices for the construction phase. Attention is directed to Section 15.7 "Award Package" of the Local Assistance Procedures Manual.

E. ADMINISTERING AGENCY agrees, as a minimum, to submit invoices at least once every six months commencing after the funds are encumbered for each phase by the execution of this Project Program Supplement Agreement, or by STATE's approval of an applicable Finance Letter. STATE reserves the right to suspend future authorizations/obligations for Federal aid projects, or encumbrances for State funded projects, as well as to suspend invoice payments for any on-going or future project by ADMINISTERING AGENCY if PROJECT costs have not been invoiced by ADMINISTERING AGENCY for a six-month period.

If no costs have been invoiced for a six-month period, ADMINISTERING AGENCY agrees to submit for each phase a written explanation of the absence of PROJECT activity along with target billing date and target billing amount.

ADMINISTERING AGENCY agrees to submit the final report documents that collectively constitute a "Report of Expenditures" within one hundred eighty (180) days of PROJECT completion. Failure of ADMINISTERING AGENCY to submit a "Final Report of Expenditures" within 180 days of PROJECT completion will result in STATE imposing sanctions upon ADMINISTERING AGENCY in accordance with the current Local Assistance Procedures Manual.

SPECIAL COVENANTS OR REMARKS

F. Administering Agency shall not discriminate on the basis of race, religion, age, disability, color, national origin, or sex in the award and performance of any Federal-assisted contract or in the administration of its DBE Program Implementation Agreement. The Administering Agency shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of Federal-assisted contracts. The Administering Agency's DBE Implementation Agreement is incorporated by reference in this Agreement. Implementation of the DBE Implementation Agreement, including but not limited to timely reporting of DBE commitments and utilization, is a legal obligation and failure to carry out its terms shall be treated as a violation of this Agreement. Upon notification to the Administering Agency of its failure to carry out its DBE Implementation Agreement, the State may impose sanctions as provided for under 49 CFR Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).

G. Any State and Federal funds that may have been encumbered for this project are available for disbursement for limited periods of time. For each fund encumbrance the limited period is from the start of the fiscal year that the specific fund was appropriated within the State Budget Act to the applicable fund Reversion Date shown on the State approved project finance letter. Per Government Code Section 16304, all project funds not liquidated within these periods will revert unless an executed Cooperative Work Agreement extending these dates is requested by the ADMINISTERING AGENCY and approved by the California Department of Finance.

ADMINISTERING AGENCY should ensure that invoices are submitted to the District Local Assistance Engineer at least 75 days prior to the applicable fund Reversion Date to avoid the lapse of applicable funds. Pursuant to a directive from the State Controller's Office and the Department of Finance; in order for payment to be made, the last date the District Local Assistance Engineer can forward an invoice for payment to the Department's Local Programs Accounting Office for reimbursable work for funds that are going to revert at the end of a particular fiscal year is May 15th of the particular fiscal year. Notwithstanding the unliquidated sums of project specific State and Federal funding remaining and available to fund project work, any invoice for reimbursement involving applicable funds that is not received by the Department's Local Programs Accounting Office at least 45 days prior to the applicable fixed fund Reversion Date will not be paid. These unexpended funds will be irrevocably reverted by the Department's Division of Accounting on the applicable fund Reversion Date.

H. As a condition for receiving federal-aid highway funds for the PROJECT, the Administering Agency certifies that NO members of the elected board, council, or other key decision makers are on the Federal Government Exclusion List. Exclusions can be found at www.sam.gov.

SPECIAL COVENANTS OR REMARKS

2.
 - A. ADMINISTERING AGENCY shall conform to all State statutes, regulations and procedures (including those set forth in the Local Assistance Procedures Manual and the Local Assistance Program Guidelines, hereafter collectively referred to as "LOCAL ASSISTANCE PROCEDURES") relating to the federal-aid program, all Title 23 Code of Federal Regulation (CFR) and 2 CFR Part 200 federal requirements, and all applicable federal laws, regulations, and policy and procedural or instructional memoranda, unless otherwise specifically waived as designated in the executed project-specific PROGRAM SUPPLEMENT.
 - B. Invoices shall be formatted in accordance with LOCAL ASSISTANCE PROCEDURES.
 - C. ADMINISTERING AGENCY must have at least one copy of supporting backup documentation for costs incurred and claimed for reimbursement by ADMINISTERING AGENCY. ADMINISTERING AGENCY agrees to submit supporting backup documentation with invoices if requested by State. Acceptable backup documentation includes, but is not limited to, agency's progress payment to the contractors, copies of cancelled checks showing amounts made payable to vendors and contractors, and/or a computerized summary of PROJECT costs.
 - D. Indirect Cost Allocation Plan/Indirect Cost Rate Proposals (ICAP/ICRP), Central Service Cost Allocation Plans and related documentation are to be prepared and provided to STATE (Caltrans Audits & Investigations) for review and approval prior to ADMINISTERING AGENCY seeking reimbursement of indirect costs incurred within each fiscal year being claimed for State and federal reimbursement. ICAPs/ICRPs must be prepared in accordance with the requirements set forth in 2 CFR, Part 200, Chapter 5 of the Local Assistance Procedural Manual, and the ICAP/ICRP approval procedures established by STATE.
 - E. STATE will withhold the greater of either two (2) percent of the total of all federal funds encumbered for each PROGRAM SUPPLEMENT or \$40,000 until ADMINISTERING AGENCY submits the Final Report of Expenditures for each completed PROGRAM SUPPLEMENT PROJECT.
 - F. Payments to ADMINISTERING AGENCY for PROJECT-related travel and subsistence (per diem) expenses of ADMINISTERING AGENCY forces and its contractors and subcontractors claimed for reimbursement or as local match credit shall not exceed rates authorized to be paid rank and file STATE employees under current State Department of Personnel Administration (DPA) rules. If the rates invoiced by ADMINISTERING AGENCY are in excess of DPA rates, ADMINISTERING AGENCY is responsible for the cost difference, and any overpayments inadvertently paid by STATE shall be reimbursed to STATE by ADMINISTERING AGENCY on demand within thirty (30) days of such invoice.

SPECIAL COVENANTS OR REMARKS

G. ADMINISTERING AGENCY agrees to comply with 2 CFR, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirement for Federal Awards.

H. ADMINISTERING AGENCY agrees, and will assure that its contractors and subcontractors will be obligated to agree, that Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31, et seq., shall be used to determine the allowability of individual PROJECT cost items.

I. Every sub-recipient receiving PROJECT funds under this AGREEMENT shall comply with 2 CFR, Part 200, 23 CFR, 48 CFR Chapter 1, Part 31, Local Assistance Procedures, Public Contract Code (PCC) 10300-10334 (procurement of goods), PCC 10335-10381 (non-A&E services), and other applicable STATE and FEDERAL regulations.

J. Any PROJECT costs for which ADMINISTERING AGENCY has received payment or credit that are determined by subsequent audit to be unallowable under 2 CFR, Part 200, 23 CFR, 48 CFR, Chapter 1, Part 31, and other applicable STATE and FEDERAL regulations, are subject to repayment by ADMINISTERING AGENCY to STATE.

K. STATE reserves the right to conduct technical and financial audits of PROJECT WORK and records and ADMINISTERING AGENCY agrees, and shall require its contractors and subcontractors to agree, to cooperate with STATE by making all appropriate and relevant PROJECT records available for audit and copying as required by the following paragraph:

ADMINISTERING AGENCY, ADMINISTERING AGENCY'S contractors and subcontractors, and STATE shall each maintain and make available for inspection and audit by STATE, the California State Auditor, or any duly authorized representative of STATE or the United States all books, documents, papers, accounting records, and other evidence pertaining to the performance of such contracts, including, but not limited to, the costs of administering those various contracts and ADMINISTERING AGENCY shall furnish copies thereof if requested. All of the above referenced parties shall make such AGREEMENT, PROGRAM SUPPLEMENT, and contract materials available at their respective offices at all reasonable times during the entire PROJECT period and for three (3) years from the date of submission of the final expenditure report by the STATE to the FHWA.

L. ADMINISTERING AGENCY, its contractors and subcontractors shall establish and maintain a financial management system and records that properly accumulate and segregate reasonable, allowable, and allocable incurred PROJECT costs and matching funds by line item for the PROJECT. The financial management system

SPECIAL COVENANTS OR REMARKS

of ADMINISTERING AGENCY, its contractors and all subcontractors shall conform to Generally Accepted Accounting Principles, enable the determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices set to or paid by STATE.

M. ADMINISTERING AGENCY is required to have an audit in accordance with the Single Audit Act of 2 CFR 200 if it expends \$750,000 or more in Federal Funds in a single fiscal year of the Catalogue of Federal Domestic Assistance.

N. ADMINISTERING AGENCY agrees to include all PROGRAM SUPPLEMENTS adopting the terms of this AGREEMENT in the schedule of projects to be examined in ADMINISTERING AGENCY's annual audit and in the schedule of projects to be examined under its single audit prepared in accordance with 2 CFR, Part 200.

O. ADMINISTERING AGENCY shall not award a non-A&E contract over \$5,000, construction contracts over \$10,000, or other contracts over \$25,000 [excluding professional service contracts of the type which are required to be procured in accordance with Government Code sections 4525 (d), (e) and (f)] on the basis of a noncompetitive negotiation for work to be performed under this AGREEMENT without the prior written approval of STATE. Contracts awarded by ADMINISTERING AGENCY, if intended as local match credit, must meet the requirements set forth in this AGREEMENT regarding local match funds.

P. Any subcontract entered into by ADMINISTERING AGENCY as a result of this AGREEMENT shall contain provisions B, C, F, H, I, K, and L under Section 2 of this agreement.

3. Appendix E of the Title VI Assurances (US DOT Order 1050.2A)

During the performance of this agreement, the ADMINISTERING AGENCY, ADMINISTERING AGENCY'S contractors and subcontractor, (hereinafter referred to as the "contractor") agrees to comply with the following nondiscrimination statutes and authorities; including but not limited to:

Pertinent Nondiscrimination Authorities:

A. Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin); and 49 CFR Part 21.

B. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);

C. Federal-Aid Highway Act of 1973, (23 U.S.C. 324 et seq.), (prohibits discrimination on the basis of sex);

D. Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. 794 et seq.), as

SPECIAL COVENANTS OR REMARKS

amended, (prohibits discrimination on the basis of disability); and 49 CFR Part 27;

E. The Age Discrimination Act of 1975, as amended, (42 U.S.C. 6101 et seq.), (prohibits discrimination on the basis of age);

F. Airport and Airway Improvement Act of 1982, (49 U.S.C. 4 71, Section 4 7123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);

G. The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, subrecipients and contractors, whether such programs or activities are Federally funded or not);

H. Titles II and III of the Americans with Disabilities Act, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. 12131-12189) as implemented by Department of Transportation regulations at 49 C.F.R. parts 37 and 38;

I. The Federal Aviation Administration's Nondiscrimination statute (49 U.S.C. 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);

J. Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;

K. Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);

L. Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq.).

BEFORE KERN COUNCIL OF GOVERNMENTS
STATE OF CALIFORNIA, COUNTY OF KERN

RESOLUTION NO. 23-07

In the matter of:

PROGRAM SUPPLEMENT NO. F045 FOR KERN COG'S COUNTYWIDE RIDESHARING PROGRAM

WHEREAS, Kern Council of Governments (Kern COG) is a regional transportation planning agency and a metropolitan planning organization (MPO); and

WHEREAS, the MPO is required to meet federal air quality conformity requirements in order to develop, maintain and endorse the Federal Transportation Improvement Program (FTIP); and

WHEREAS, Kern County is geographically located in the San Joaquin Valley Unified Air Pollution Control District, which is considered by the federal Environmental Protection Agency as an 'extreme' non-attainment area for ozone and particulate matter under 10 microns; and

WHEREAS, Kern COG, has committed to implement a countywide ridesharing program aimed at building awareness of clean-air commute alternatives; and

WHEREAS, Kern COG requires payment of federal funds to fund its Rideshare program; and

WHEREAS, the attached Program Supplement No. F045 is required to engage in the Rideshare program.

NOW, THEREFORE, BE IT RESOLVED THAT:

Kern Council of Governments adopts Program Supplement No. F045 and authorizes the Chair and the Executive Director to sign the Resolution and Program Supplement No. F045

AUTHORIZED AND SIGNED THIS 16th DAY OF MARCH 2023

AYES:

NOES:

ABSTAIN:

ABSENT:

Bob Smith, Chair
Kern Council of Governments

ATTEST:

I hereby certify that the foregoing is a true copy of a resolution of Kern Council of Governments duly authorized at a regularly scheduled meeting held on the 16th day of March 2023.

Ahron Hakimi, Executive Director
Kern Council of Governments

Date: _____



III. E. TPPC

March 16, 2023

TO: Kern Council of Governments

FROM: Ahron Hakimi,
Executive Director

BY: Gregory J Palomo
Financial Services Officer

SUBJECT: Kern Council of Governments Consent Agenda Item: III. E.
FY 2021-22 KERN COUNCIL OF GOVERNMENTS FINANCIAL AND COMPLIANCE AUDIT REPORTS

DESCRIPTION:

Pursuant to California Government Code Section 6505, Kern COG must provide for an annual financial and compliance audit report by a qualified independent auditor. Kern COG retained the firm of Brown Armstrong to render the applicable audit services and issue reports for the year ended June 30, 2022.

DISCUSSION:

Staff has received the final draft of the Kern COG Comprehensive Annual Financial Reports for the fiscal year ended June 30, 2022. This unqualified audit identified no material weaknesses or recommendations.

This financial and compliance audit report covers the transactions recorded in the following funds and account groups:

<u>FUND</u>	<u>DESCRIPTION</u>
Kern COG Special Revenue Fund (#42905)	Records the majority of Kern COG's financial activity, including federal, state and local revenues, expenditures and budget versus actual comparisons.
Kern COG State Subvention Fund (#29020)	Records the original transactions involving Caltrans planning and commute assistance subventions. These funds are ultimately transferred to the Special Revenue Fund to reimburse eligible allocated costs.
KMAA Enterprise Fund (#42900)	Records the financial activity of the Kern Motorist Aid Authority, including DMV fee revenues and call box system operating expenses.
Local Transportation Fund (#24075)	Records the financial activity of Kern COG serving in a custodial or fiduciary capacity as prescribed by Article 3 of the Transportation Development Act, including sales tax revenues and claim disbursements.

State Transit Assistance Fund (#24076)

Records the financial activity of Kern COG serving in a custodial or fiduciary capacity as prescribed by Article 6.5 of the Transportation Development Act, including state revenues and claim disbursements.

State of Good Repair Fund (#24082)

Records the financial activity of Kern COG serving in a custodial or fiduciary capacity as prescribed by Sections 99313 & 99314 of the Public Utilities Code, including state revenues and claim disbursements.

Regional Early Action Planning Fund (#42906)

Records the financial activity of Kern COG for planning activities related to the regional housing need assessment as prescribed in Section 50515.02, subdivision (a), of the Health and Safety Code.

Public Transportation Modernization,
Improvement and Service Enhancement
Account Program (*PTMISEA*) (#42908)

Records Kern COG's financial activity in its custodial or fiduciary capacity as prescribed by Government Code, Chapter 12.49, Section 8879.20, including Proposition 1B revenues and public transit project disbursements.

California Transit Security Grant
Program (*CTSGP*) (#42929)

Records Kern COG's financial activity in its custodial or fiduciary capacity as prescribed by Government Code, Chapter 12.49, Section 8879.23, including Proposition 1B revenues for mobility, safety, and air quality improvements.

The audit report has been issued as required.

ACTION: Accept and file reports. ROLL CALL VOTE.

To the Board of Directors
Kern Council Governments
Bakersfield, California

We have audited the financial statements of the governmental activities, the business type activities, and each major fund of the Kern Council of Governments (the Council) for the fiscal year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, 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 February 22, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Council are described in Note 1 to the financial statements. During the fiscal year ended June 30, 2022, the Council adopted Governmental Accounting Standards Board (GASB) Statement No. 87 – *Leases*. We noted no transactions entered into by the Council during the fiscal 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. The most sensitive estimates affecting the Council's financial statements were:

Estimates of Useful Lives of Capital Assets – Management estimates the useful lives of its capital assets for purposes of calculating annual depreciation expense to be reported in the Council's results of operations. Estimated useful lives are three years for the office furniture and equipment and ten years for call boxes.

Estimates of actuary and assumptions used to determine the pension liability pursuant to GASB Statement No. 68 and other postemployment benefits (OPEB) liabilities pursuant to GASB Statement No. 75.

Estimate of the present value of lease payments expected to be made during the lease term, the discount rate used to discount the expected lease payments to present value, and the lease term. Management uses the interest rate charged by the lessor as the discount rate. When the rate is not provided, management uses its estimated incremental borrowing rate. The lease term includes the noncancellable period of the lease.

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

Note 9 – Pension Plan

Note 10 – Postemployment Benefits Other than Pensions (OPEB)

Note 11 – Leases

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. See attached schedule for adjusted journal entries as a result of our procedures.

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 February 22, 2023.

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 Council'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 fiscal year prior to retention as the Council'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 required supplementary information (RSI) as listed in the table of contents of our audit report, which is information that supplements 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.

We were engaged to report on the other supplementary information as listed in the table of contents, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of the Council 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
February 22, 2023

Kern Council of Governments
Journal Entries Report
June 30, 2022

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1			
To adjust PY ending equity and revenue for the amount recognized in the CY.			
42906-2350-00-00000	Fund Balance Available	1,001,370.00	
42906-0285-00-00000	Due From Other Agencies		60,305.00
42906-1500-00-00000	Deferred Revenue - REAP Grant		941,065.00
Total		1,001,370.00	1,001,370.00
Adjusting Journal Entries JE # 2			
To adjust beginning RE and Accum Depr.			
42900-0735-00-00000	Accumulated Depreciation	2,808,851.00	
42900-2380-00-00000	Retained Earnings	252,258.00	
42900-0730-00-00000	Equipment		3,061,109.00
Total		3,061,109.00	3,061,109.00
Adjusting Journal Entries JE # 3			
To agree beginning fund balance to PY audited FS.			
42905-2350-99-00000	Fund Balance Available	91,748.00	
42905-0200-99-00000	Accounts Receivable		55,409.00
42905-1020-99-00000	Salaries & Wages Payable		36,339.00
Total		91,748.00	91,748.00
Adjusting Journal Entries JE # 4			
To book CY depreciation expense.			
42900-7990-00-00000	Depreciation	18,544.00	
42900-0735-00-00000	Accumulated Depreciation		18,544.00
Total		18,544.00	18,544.00
Adjusting Journal Entries JE # 5			
To balance due to/due from accounts to zero.			
42905-9000-99-00000	Interfund Transfers (In)	1,089.00	
42905-0261-99-00000	Due From Other Funds -- SSF		1,085.00
42905-7451-99-99999	Office Expense/General		4.00
Total		1,089.00	1,089.00
Adjusting Journal Entries JE # 6			
To adjust equity for PY interfund transfers reclass.			
24075-0270-00-00000	Advances Receivable	48.00	
24075-2350-00-00000	Fund Balance Available		48.00
Total		48.00	48.00
Adjusting Journal Entries JE # 7			
To record GASB 87 implementation journal entries.			
42905-8000-99-99999	Fixed Assets	430,531.00	
42905-L-34-0845	Debt Service - Principal	141,901.00	
42905-L-34-0850	Debt Service - Interest	659.00	
42905-0789	Lease and Other financing Proceeds		430,531.00
42905-7650-99-99999	Rents & Leases/Structures		142,560.00
Total		573,091.00	573,091.00
Adjusting Journal Entries JE # 8			
To net interfund transfers and due to/from.			
24075-9000-00-00000	Interfund Transfers	48.00	
24075-0270-00-00000	Advances Receivable		48.00
Total		48.00	48.00

Adjusting Journal Entries JE # 9

To reclass cash balances not yet received as of 6/30/2022 to A/R.

24076-0285-00-00000	Due From Other Agencies	2,487,137.00	
24076-0110-01-00000	Cash in Treasury/99313.3/Arvin		55,362.00
24076-0110-02-00000	Cash in Treasury/99313.3/Bakersfield		1,003,083.00
24076-0110-03-00000	Cash in Treasury/99313.3/CalCity		36,167.00
24076-0110-04-00000	Cash in Treasury/99313.3/Delano		135,442.00
24076-0110-05-00000	Cash in Treasury/99313.3/Maricopa		2,878.00
24076-0110-06-00000	Cash in Treasury/99313.3/McFarland		36,746.00
24076-0110-07-00000	Cash in Treasury/99313.3/Ridgecrest		74,959.00
24076-0110-08-00000	Cash in Treasury/99313.3/Shafter		52,206.00
24076-0110-09-00000	Cash in Treasury/99313.3/Taft		22,168.00
24076-0110-10-00000	Cash in Treasury/99313.3/Tehachapi		32,583.00
24076-0110-11-00000	Cash in Treasury/99313.3/Wasco		73,769.00
24076-0110-12-00000	Cash in Treasury/99313.3/Kern Inside GET		287,504.00
24076-0110-13-00000	Cash in Treasury/99313.3/Kern Outside GET		530,526.00
24076-0120-01-00000	Cash in Treasury/99314/Arvin		1,104.00
24076-0120-03-00000	Cash in Treasury/99314/CalCity		457.00
24076-0120-04-00000	Cash in Treasury/99314/Delano		4,963.00
24076-0120-06-00000	Cash in Treasury/99314/McFarland		216.00
24076-0120-07-00000	Cash in Treasury/99314/Ridgecrest		2,828.00
24076-0120-08-00000	Cash in Treasury/99314/Shafter		1,022.00
24076-0120-09-00000	Cash in Treasury/99314/Taft		6,396.00
24076-0120-10-00000	Cash in Treasury/99314/Tehachapi		502.00
24076-0120-11-00000	Cash in Treasury/99314/Wasco		565.00
24076-0120-13-00000	Cash in Treasury/99314/Kern Outside GET		21,219.00
24076-0120-16-00000	Cash in Treasury/99314/GET		104,472.00
Total		2,487,137.00	2,487,137.00

Adjusting Journal Entries JE # 10

To re-class SGR Q4 payment that was deposited August 2022 to A/R.

24082-0285-00-00000	Due From Other Agencies	240,698.00	
24082-0110-01-00000	Cash in Treasury/99313/Arvin		5,153.00
24082-0110-03-00000	Cash in Treasury/99313/CalCity		3,342.00
24082-0110-04-00000	Cash in Treasury/99313/Delano		12,814.00
24082-0110-06-00000	Cash in Treasury/99313/McFarland		3,373.00
24082-0110-07-00000	Cash in Treasury/99313/Ridgecrest		7,099.00
24082-0110-08-00000	Cash in Treasury/99313/Shafter		4,858.00
24082-0110-09-00000	Cash in Treasury/99313/Taft		2,608.00
24082-0110-10-00000	Cash in Treasury/99313/Tehachapi		3,019.00
24082-0110-11-00000	Cash in Treasury/99313/Wasco		6,783.00
24082-0110-13-00000	Cash in Treasury/99313/Kern Outside GET		76,591.00
24082-0110-16-00000	Cash in Treasury/99313/GET		101,098.00
24082-0120-01-00000	Cash in Treasury/99314/Arvin		107.00
24082-0120-03-00000	Cash in Treasury/99314/CalCity		44.00
24082-0120-04-00000	Cash in Treasury/99314/Delano		482.00
24082-0120-06-00000	Cash in Treasury/99314/McFarland		21.00
24082-0120-07-00000	Cash in Treasury/99314/Ridgecrest		275.00
24082-0120-08-00000	Cash in Treasury/99314/Shafter		99.00
24082-0120-09-00000	Cash in Treasury/99314/Taft		621.00
24082-0120-10-00000	Cash in Treasury/99314/Tehachapi		49.00
24082-0120-11-00000	Cash in Treasury/99314/Wasco		55.00
24082-0120-13-00000	Cash in Treasury/99314/Kern Outside GET		2,061.00
24082-0120-16-00000	Cash in Treasury/99314/GET		10,146.00
Total		240,698.00	240,698.00

KERN COUNCIL OF GOVERNMENTS

AUDIT REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

**KERN COUNCIL OF GOVERNMENTS
AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Kern Council of Governments
Bakersfield, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Kern Council of Governments (the Council), as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

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, and each major fund of the Council as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Council and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Council's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, Schedule of Changes in the Net OPEB Liability and Related Ratios, Schedule of the Proportionate Share of the Net Pension Liability, and Schedule of Contributions – Pension, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 supplementary information and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2023, on our consideration of the Council's internal control over financial reporting and 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 Council'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 Council's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
February 22, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

**KERN COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

The discussion and analysis of the financial performance of the Kern Council of Governments (the Council) provides an overview of the Council's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the Council's financial performance as a whole. Users of these financial statements should read this discussion and analysis in conjunction with the Council's basic financial statements following this section to enhance their understanding of the Council's financial performance.

Financial Highlights

- The liabilities and deferred inflows of resources of the Council exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$(2,379,317) (*net position deficit*). Of this amount, \$(2,822,121) (*unrestricted net position*) may be used to meet the Council's ongoing obligations to citizens and creditors.
- The Council's total net position increased by \$956,606. This net increase is mostly attributable to the governmental activities in the Planning and Administration Fund.
- As of June 30, 2022, the Council's governmental funds reported combined ending fund balances (deficit) of \$(2,454,323). Of this amount, \$(2,576,972) is unassigned fund balance (deficit) and \$122,649 is nonspendable.
- As of June 30, 2022, unassigned fund balance (deficit) for the Planning and Administration Fund was \$(2,124,405).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Council's basic financial statements. The Council's basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the basic 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 Council's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the Council's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Council is improving or deteriorating.

The Statement of Activities presents information showing how the Council's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event takes place regardless of when cash is received or paid. Thus, certain revenues and expenses reported in this statement will only result in cash inflows and outflows in future fiscal years.

Both of the government-wide financial statements distinguish functions of the Council that are primarily financed with intergovernmental revenues (governmental activities) and those that are intended to recover all or a significant portion of their costs through user fees and charges for services (business-type activities). The Council's governmental activity is transportation planning and administration. The business-type activity of the Council includes public safety – call boxes.

The government-wide financial statements are presented on pages 9 - 10.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Council, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the Council's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for activities that are similar in nature to the governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be used in evaluating the Council's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. This will allow readers to get a better understanding of the long-term impact of the Council's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances (deficit) provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Council maintains four individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances (deficit) for each of the major funds.

The Council adopted an annual appropriated budget for the Planning and Administration Fund. A budgetary comparison schedule has been provided for this major governmental fund to demonstrate compliance with this budget.

The governmental fund financial statements are presented on pages 11 - 14 of this report.

Proprietary Funds. The Council maintains only one type of proprietary fund. The enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The Council uses an enterprise fund to account for the Kern Motorist Aid Authority.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Kern Motorist Aid Authority, which is considered to be a major fund of the Council.

The proprietary fund financial statements are presented on pages 15 - 17 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the Council. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statements are presented on pages 18 - 19 of this report.

Notes to the Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the basic financial statements are presented on pages 20 - 41 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Council, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$2,379,317 at the close of the current fiscal year.

KERN COUNCIL OF GOVERNMENTS NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 3,374,760	\$ 3,210,860	\$ 2,632,724	\$ 2,271,735	\$ 6,007,484	\$ 5,482,595
Capital assets, net	325,362	80,463	117,442	135,986	442,804	216,449
Total assets	3,700,122	3,291,323	2,750,166	2,407,721	6,450,288	5,699,044
Deferred outflows of resources	1,426,006	1,641,880	-	-	1,426,006	1,641,880
Current liabilities	5,971,196	5,387,000	234,370	127,728	6,205,566	5,514,728
Noncurrent liabilities	2,887,354	4,981,674	-	-	2,887,354	4,981,674
Total liabilities	8,858,550	10,368,674	234,370	127,728	9,092,920	10,496,402
Deferred inflows of resources	1,162,691	180,445	-	-	1,162,691	180,445
Net position (deficit)						
Net investment in capital assets	325,362	80,463	117,442	135,986	442,804	216,449
Unrestricted	(5,220,475)	(5,696,379)	2,398,354	2,144,007	(2,822,121)	(3,552,372)
Total net position (deficit)	\$ (4,895,113)	\$ (5,615,916)	\$ 2,515,796	\$ 2,279,993	\$ (2,379,317)	\$ (3,335,923)

A portion of the Council's net position, \$442,804, reflects its investment in capital assets. The Council uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

In the 2022 financial statements, the Council recorded transfers for the State Subvention Special Revenue Fund, the Kern Motorist Aid Authority Fund, Regional Early Action Planning Fund, and the Local Transportation Fund, and credited transfers within the Planning and Administration Fund.

**KERN COUNCIL OF GOVERNMENTS
CHANGES IN NET POSITION**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Program revenues						
Charges for services	\$ -	\$ -	\$ 786,900	\$ 797,085	\$ 786,900	\$ 797,085
Operating grants and contributions	3,219,164	3,203,855	-	-	3,219,164	3,203,855
General revenues						
Investment income	23,539	19,277	23,902	27,241	47,441	46,518
Miscellaneous	666,404	164,010	-	-	666,404	164,010
Transfers - interfund	43,957	46,129	(43,957)	(46,129)	-	-
Transfers from Custodial Funds	1,301,490	1,012,740	-	-	1,301,490	1,012,740
Total revenues	5,254,554	4,446,011	766,845	778,197	6,021,399	5,224,208
Expenses						
Transportation planning	4,533,751	4,638,594	-	-	4,533,751	4,638,594
Public safety - call boxes	-	-	531,042	452,309	531,042	452,309
Total expenses	4,533,751	4,638,594	531,042	452,309	5,064,793	5,090,903
Changes in net position	720,803	(192,583)	235,803	325,888	956,606	133,305
Net position - July 1	(5,615,916)	(5,423,333)	2,279,993	1,954,105	(3,335,923)	(3,469,228)
Net position - June 30	\$ (4,895,113)	\$ (5,615,916)	\$ 2,515,796	\$ 2,279,993	\$ (2,379,317)	\$ (3,335,923)

Governmental Activities. Governmental activities increased the Council's net position by \$720,803. The key element of this decrease is the impact between revenues and expenses.

Business-Type Activities. Business-type activities increased the Council's net position by \$235,803. The key element of this increase is the impact between revenues and expenses.

Financial Analysis of Governmental Funds

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

Governmental Funds. The focus of the Council's governmental funds is to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Council's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Council's net resources available for spending at the end of the fiscal year.

As of June 30, 2022, the Council's governmental funds reported combined ending fund balances (deficit) of \$(2,454,323).

The Planning and Administration Fund is the Council's chief operating fund. As of June 30, 2022, unassigned fund balance (deficit) of the Planning and Administration Fund was \$(2,124,405), while total fund balance (deficit) reached \$(2,001,756).

The fund balance of the Council's Planning and Administration Fund decreased by \$40,786 during the fiscal year ended June 30, 2022.

Proprietary Funds. The Council's enterprise fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Kern Motorist Aid Authority Enterprise Fund at the end of the year amounted to \$2,398,354. The total increase in net position for the Kern Motorist Aid Authority Fund was \$235,803. Other factors concerning the finances of this fund have already been addressed in the discussion of the Council business-type activities.

Planning and Administration Fund Budgetary Highlights

The difference between the original budget and the final amended budget amounted to an increase in appropriations of \$28,346, which was related primarily to professional services.

Of the \$48,599 decrease in revenues, federal sources increased by \$472,412 offset by a decrease in state sources of \$307,716 and decrease in local sources by \$168,295. Actual expenditures were less than budgetary estimates due to the reduction in consultant contracts, therefore, revenues were also proportionally lower than budgetary estimates.

Capital Assets

The Council's investment in capital assets for its governmental and business-type activities as of June 30, 2022, amounted to \$442,804 (net of accumulated depreciation/amortization).

KERN COUNCIL OF GOVERNMENTS CAPITAL ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Office furniture	\$ 25,398	\$ 25,398	\$ -	\$ -	\$ 25,398	\$ 25,398
Office equipment	78,143	73,623	-	-	78,143	73,623
Computer equipment	660,827	660,827	-	-	660,827	660,827
Software	60,404	60,404	-	-	60,404	60,404
Traffic counters	10,833	10,833	-	-	10,833	10,833
Right-to-use leased asset	430,531	-	-	-	430,531	-
Message boards	-	-	185,435	185,435	185,435	185,435
Less accumulated depreciation/amortization	(940,774)	(750,622)	(67,993)	(49,449)	(1,008,767)	(800,071)
Total capital assets, net	<u>\$ 325,362</u>	<u>\$ 80,463</u>	<u>\$ 117,442</u>	<u>\$ 135,986</u>	<u>\$ 442,804</u>	<u>\$ 216,449</u>

With the authorization of the Fixing America's Surface Transportation (FAST) Act, the Council continues to carry out various highway, transit, bike, and pedestrian programs and policies. With the increases realized in the California Department of Transportation's Senate Bill (SB) 1 funds, the Council will take the opportunity to advance the State's priorities of fixing roads and highways as well as transit and safety.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Council's finances and to show the Council's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Mr. Ahron Hakimi, Kern Council of Governments Executive Director, 1401 19th Street, Suite 300, Bakersfield, California 93301, and (661) 861-2191.

BASIC FINANCIAL STATEMENTS

**KERN COUNCIL OF GOVERNMENTS
STATEMENT OF NET POSITION
JUNE 30, 2022**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 1,784,267	\$ 2,632,724	\$ 4,416,991
Due from Other Governments	1,467,844	-	1,467,844
Prepays	122,649	-	122,649
Capital Assets (Net of Accumulated Depreciation/Amortization)	325,362	117,442	442,804
TOTAL ASSETS	3,700,122	2,750,166	6,450,288
DEFERRED OUTFLOWS OF RESOURCES			
OPEB	106,024	-	106,024
Pension	1,319,982	-	1,319,982
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,426,006	-	1,426,006
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 5,126,128	\$ 2,750,166	\$ 7,876,294
LIABILITIES			
Accounts Payable and Accrued Liabilities	\$ 429,081	\$ 72,999	\$ 502,080
Internal Balances	4,581,229	161,371	4,742,600
Salaries Payable	69,544	-	69,544
Unearned Revenue	749,229	-	749,229
Lease Liability, Current	142,113	-	142,113
Net Pension Liability	841,505	-	841,505
Net OPEB Liability	1,428,514	-	1,428,514
Lease Liability, Non-Current	146,517	-	146,517
Compensated Absences	470,818	-	470,818
TOTAL LIABILITIES	8,858,550	234,370	9,092,920
DEFERRED INFLOWS OF RESOURCES			
OPEB	290,679	-	290,679
Pension	872,012	-	872,012
TOTAL DEFERRED INFLOWS OF RESOURCES	1,162,691	-	1,162,691
NET POSITION (DEFICIT)			
Net Investment in Capital Assets	325,362	117,442	442,804
Unrestricted	(5,220,475)	2,398,354	(2,822,121)
TOTAL NET POSITION (DEFICIT)	(4,895,113)	2,515,796	(2,379,317)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (DEFICIT)	\$ 5,126,128	\$ 2,750,166	\$ 7,876,294

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

**KERN COUNCIL OF GOVERNMENTS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	
PRIMARY GOVERNMENT						
GOVERNMENTAL ACTIVITIES:						
Transportation Planning	\$ 4,533,751	\$ -	\$ 3,219,164	\$ (1,314,587)	\$ -	\$ (1,314,587)
BUSINESS-TYPE ACTIVITIES:						
Public Safety - Call Boxes	531,042	786,900	-	-	255,858	255,858
Total	\$ 5,064,793	\$ 786,900	\$ 3,219,164	(1,314,587)	255,858	(1,058,729)
GENERAL REVENUES:						
Investment Income				23,539	23,902	47,441
Miscellaneous				666,404	-	666,404
Transfers from Custodial Funds				1,301,490	-	1,301,490
Transfers - Interfund				43,957	(43,957)	-
Total General Revenues				2,035,390	(20,055)	2,015,335
Change in Net Position				720,803	235,803	956,606
Net Position - Beginning				(5,615,916)	2,279,993	(3,335,923)
Net Position - Ending				\$ (4,895,113)	\$ 2,515,796	\$ (2,379,317)

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

**KERN COUNCIL OF GOVERNMENTS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Planning and Administration	State Subvention	Regional Early Action Planning	California Transit Security Grant Program	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 850,734	\$ 171,417	\$ 762,019	\$ 97	\$ 1,784,267
Due from Other Governments	1,350,992	116,852	-	-	1,467,844
Due from Other Funds	915,142	-	-	-	915,142
Prepaid Expense	122,649	-	-	-	122,649
Total Assets	<u>\$ 3,239,517</u>	<u>\$ 288,269</u>	<u>\$ 762,019</u>	<u>\$ 97</u>	<u>\$ 4,289,902</u>
LIABILITIES AND FUND BALANCES (DEFICIT)					
Liabilities:					
Accounts Payable and Accrued Liabilities	\$ 429,081	\$ -	\$ -	\$ -	\$ 429,081
Due to Other Funds	4,742,648	299,591	454,132	-	5,496,371
Salaries Payable	69,544	-	-	-	69,544
Unearned Revenue	-	-	749,229	-	749,229
Total Liabilities	<u>5,241,273</u>	<u>299,591</u>	<u>1,203,361</u>	<u>-</u>	<u>6,744,225</u>
Fund Balances (Deficit):					
Nonspendable	122,649	-	-	-	122,649
Assigned	-	-	-	97	97
Unassigned	<u>(2,124,405)</u>	<u>(11,322)</u>	<u>(441,342)</u>	<u>-</u>	<u>(2,577,069)</u>
Total Fund Balances (Deficit)	<u>(2,001,756)</u>	<u>(11,322)</u>	<u>(441,342)</u>	<u>97</u>	<u>(2,454,323)</u>
Total Liabilities and Fund Balances (Deficit)	<u>\$ 3,239,517</u>	<u>\$ 288,269</u>	<u>\$ 762,019</u>	<u>\$ 97</u>	<u>\$ 4,289,902</u>

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

**KERN COUNCIL OF GOVERNMENTS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2022**

Total Fund Balances (Deficit) - Total Governmental Funds **\$ (2,454,323)**

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

Capital Assets: In Governmental Funds, only current assets are reported. In the Statement of Net Position, all assets are reported, including capital assets and accumulated depreciation/amortization.

Capital Assets at Historical Cost	\$ 1,266,136	
Accumulated Depreciation/Amortization	<u>(940,774)</u>	325,362

Deferred inflows of resources and deferred outflows of resources: Deferred outflows of resources are not current assets or financial resources and deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the Governmental Funds.

Deferred Outflows of Resources - Pension	1,319,982	
Deferred Outflows of Resources - OPEB	106,024	
Deferred Inflows of Resources - Pension	(872,012)	
Deferred Inflows of Resources - OPEB	<u>(290,679)</u>	263,315

Long-term liabilities are not due and payable in the current period and, therefore, they are not reported in the Governmental Funds Balance Sheet. Long-term liabilities at year-end consist of:

Net Pension Liability		(841,505)
Net OPEB Liability		(1,428,514)
Lease Liability		(288,630)
Compensated Absences		<u>(470,818)</u>

Net Position of Governmental Activities **\$ (4,895,113)**

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

**KERN COUNCIL OF GOVERNMENTS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (DEFICIT)
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Planning and Administration	State Subvention	Regional Early Action Planning	California Transit Security Grant Program	Total Governmental Funds
REVENUES					
Federal	\$ 2,186,474	\$ -	\$ -	\$ -	\$ 2,186,474
State	416,262	299,591	316,837	-	1,032,690
Local	666,404	-	-	-	666,404
Interest	9,624	3,722	10,192	1	23,539
Total Revenues	3,278,764	303,313	327,029	1	3,909,107
EXPENDITURES					
Transportation Planning and Administration:					
Professional Services	1,636,197	-	376,312	-	2,012,509
Salaries and Wages	1,809,985	-	-	-	1,809,985
Employee Benefits	1,311,843	-	-	-	1,311,843
Rents and Leases	11,547	-	-	-	11,547
Transportation and Travel	33,740	-	-	-	33,740
Data Processing	63,815	-	-	-	63,815
Office	20,735	-	-	-	20,735
Insurance	27,552	-	-	-	27,552
Debt Service - Lease Principal	141,901	-	-	-	141,901
Debt Service - Lease Interest	659	-	-	-	659
Capital Outlay	435,051	-	-	-	435,051
Mileage Reimbursement	4,010	-	-	-	4,010
Memberships	17,835	-	-	-	17,835
Publications and Notices	35,663	-	-	-	35,663
Communications	16,987	-	-	-	16,987
Maintenance	19,361	-	-	-	19,361
Training and Development	75	-	-	-	75
Total Expenditures	5,586,956	-	376,312	-	5,963,268
Excess (Deficiency) of Revenues over (under) Expenditures	(2,308,192)	303,313	(49,283)	1	(2,054,161)
OTHER FINANCING SOURCES (USES)					
Lease Proceeds	430,531	-	-	-	430,531
Transfers In	1,836,875	-	-	-	1,836,875
Transfers Out	-	(299,591)	(191,837)	-	(491,428)
Total Other Financing Sources (Uses)	2,267,406	(299,591)	(191,837)	-	1,775,978
Net Change in Fund Balances (Deficit)	(40,786)	3,722	(241,120)	1	(278,183)
Fund Balances (Deficit) at Beginning of Year	(1,960,970)	(15,044)	(200,222)	96	(2,176,140)
Fund Balances (Deficit) at End of Year	\$ (2,001,756)	\$ (11,322)	\$ (441,342)	\$ 97	\$ (2,454,323)

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

**KERN COUNCIL OF GOVERNMENTS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (DEFICIT) OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Net Change in Fund Balances (Deficit) - Total Governmental Funds	\$	(278,183)
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Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental Funds report capital outlays as expenditures. However, in the Government-Wide Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation/amortization expense. This is the amount of capital assets recorded in the current period.

435,051

Depreciation/amortization expense on capital assets is reported in the Government-Wide Statement of Activities, but it does not require the use of current financial resources. Therefore, depreciation/amortization expense is not reported as an expenditure in the Governmental Funds.

(190,152)

Lease proceeds provide current financial resources to Governmental Funds, but increase long-term liabilities in the Statement of Net Position. Governmental Funds report the effect of leases when first issued, whereas these amounts are deferred and amortized in the Statement of Activities. Principal is an expenditure in the Governmental Funds, but repayment reduces long-term liabilities in the Statement of Net Position.

Lease Proceeds		(430,531)
Debt Service - Lease Principal		141,901

Changes in other liabilities reported as expenses in the Statement of Activities not requiring the use of current financial resources in the Governmental Funds are as follows:

Certain pension expenses in the Statement of Activities are recognized on the accrual basis of accounting in accordance with GASB Statement No. 68.		1,134,525
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OPEB		(28,832)
Compensated Absences		(62,976)

Change in Net Position of Governmental Activities	\$	720,803
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The accompanying notes are an integral part of these financial statements.

**KERN COUNCIL OF GOVERNMENTS
STATEMENT OF NET POSITION
ENTERPRISE FUND
JUNE 30, 2022**

	<u>Kern Motorist Aid Authority</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 2,632,724
Total Current Assets	<u>2,632,724</u>
Noncurrent Assets:	
Capital Assets (Net of Accumulated Depreciation/Amortization)	<u>117,442</u>
TOTAL ASSETS	<u><u>\$ 2,750,166</u></u>
LIABILITIES	
Accounts Payable	\$ 72,999
Due to Other Funds	<u>161,371</u>
Total Liabilities	<u>234,370</u>
NET POSITION	
Net Investment in Capital Assets	117,442
Unrestricted	<u>2,398,354</u>
Total Net Position	<u>2,515,796</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 2,750,166</u></u>

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

**KERN COUNCIL OF GOVERNMENTS
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Kern Motorist Aid Authority
OPERATING REVENUES	
Registration Fees	<u>\$ 786,900</u>
Total Operating Revenues	<u>786,900</u>
OPERATING EXPENSES	
Professional and Special Services	453,887
Insurance	5,197
Communications Charges	113
Publication and Notices	53,301
Depreciation/Amortization	<u>18,544</u>
Total Operating Expenses	<u>531,042</u>
Operating Income	<u>255,858</u>
NONOPERATING REVENUES (EXPENSES)	
Interest	<u>23,902</u>
Total Nonoperating Revenues (Expenses)	<u>23,902</u>
Income Before Transfers	<u>279,760</u>
TRANSFERS	
Transfers Out	<u>(43,957)</u>
Change in Net Position	235,803
Net Position, Beginning	<u>2,279,993</u>
Net Position, Ending	<u><u>\$ 2,515,796</u></u>

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

**KERN COUNCIL OF GOVERNMENTS
STATEMENT OF CASH FLOWS
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Kern Motorist Aid Authority
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Receipts from Customers	\$ 786,900
Cash Payments to Suppliers of Goods or Services	<u>(405,856)</u>
Net Cash Provided by Operating Activities	<u>381,044</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Operating Transfers to Other Funds	<u>(43,957)</u>
Net Cash Used by Non-Capital Financing Activities	<u>(43,957)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	<u>23,902</u>
Net Cash Provided by Investing Activities	<u>23,902</u>
Net Increase in Cash and Cash Equivalents	360,989
Cash and Cash Equivalents, Beginning of Year	<u>2,271,735</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 2,632,724</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating Income	\$ 255,858
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation/Amortization	18,544
Changes in Assets and Liabilities:	
Increase in Accounts Payable	62,685
Increase in Due to Other Funds	<u>43,957</u>
Net Cash Provided by Operating Activities	<u><u>\$ 381,044</u></u>

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

**KERN COUNCIL OF GOVERNMENTS
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2022**

	<u>Custodial Funds</u>
ASSETS	
Cash and Cash Equivalents	\$ 162,984,792
Due from Other Governments, Net	2,727,835
Due from Other Funds	<u>4,742,600</u>
TOTAL ASSETS	<u><u>\$ 170,455,227</u></u>
LIABILITIES AND NET POSITION	
LIABILITIES	
Unearned Revenue	<u>\$ 2,516</u>
TOTAL LIABILITIES	<u>2,516</u>
NET POSITION	
Unassigned	<u>170,452,711</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 170,455,227</u></u>

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

**KERN COUNCIL OF GOVERNMENTS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Custodial Funds</u>
ADDITIONS	
Sales Tax	\$ 61,569,331
Interest	<u>1,402,627</u>
 TOTAL ADDITIONS	 <u>62,971,958</u>
 DEDUCTIONS	
Claims Disbursements	<u>26,049,243</u>
 Excess of Additions over Deductions	 36,922,715
 OTHER FINANCING USES	
Transfers Out	<u>(1,301,490)</u>
 Change in Net Position	 35,621,225
 Net Position at Beginning of Year	 <u>134,831,486</u>
 Net Position at End of Year	 <u><u>\$ 170,452,711</u></u>

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

**KERN COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Organization

The Kern Council of Governments (Council), the regional transportation planning agency for the County of Kern (County), was created pursuant to Title 3 of Government Code Section 29535. The Council is a joint powers authority governed by an elected chairman and a 12-member Board of Directors (the Board). The Council is responsible for transportation planning activities as well as administration of the Local Transportation Fund (LTF) and the State Transit Assistance Fund (STA). The LTF was created under the Transportation Development Act (TDA) to collect $\frac{1}{4}$ cent of the State's 7 $\frac{1}{4}$ percent retail sales tax collected statewide. The $\frac{1}{4}$ cent is returned by the State Board of Equalization to each county based on the amount of the tax collected in the county. The STA is a second source of TDA funding for transportation planning and mass transportation purposes as specified by California legislation. TDA funds are apportioned, allocated, and paid in accordance with the Council's allocation instructions.

Blended Component Unit

The Council follows the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units—an Amendment of GASB Statement No. 14*. This statement sets forth accountability of a government's elected officials to their constituents as the basic criteria for inclusion of an organization in a governmental reporting entity. The governmental reporting entity consists of the Council (primary government) and organizations for which the Council is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and (i) either the Council's ability to impose its will on the organization or (ii) the potential for the organization to provide a financial benefit to, or impose a financial burden on, the Council. GASB Statement No. 39 sets forth criteria to be used in determining how individual governmental unit data should be presented by the component units of a reporting entity.

The basic financial statements include legally separate component units, which are so financially intertwined with the Council that they are, in substance, part of the Council. The component unit discussed below is included in the Council's reporting entity because of the significance of its operational or financial relationships with the Council.

The Kern Motorist Aid Authority (KMAA) was established in 1988 by the Council's Board. The Council's Board serves as the KMAA Board of Directors. The KMAA was established to administer funds collected by the State of California Department of Motor Vehicles (DMV). The DMV collects a registration fee from the County motorists in addition to the fees required by the State. The Council then uses these funds to purchase and maintain call boxes located on Kern County roadways. The KMAA does not issue separate financial statements.

B. New Accounting Pronouncements

The following GASB Statements have been implemented in the current financial statements:

GASB Statement No. 87 – Leases. The requirements of this statement are effective for fiscal years beginning after June 15, 2021, and all reporting periods thereafter. The Council has implemented this statement and these financial statements include the impact, where applicable.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Pronouncements (Continued)

GASB Statement No. 89 – *Accounting for Interest Cost Incurred Before the End of a Construction Period*. There was no effect on the Council's accounting and financial reporting as a result of implementing this standard.

GASB Statement No. 91 – *Conduit Debt Obligations*. There was no effect on the Council's accounting and financial reporting as a result of implementing this standard.

GASB Statement No. 92 – *Omnibus 2020*. There was no effect on the Council's accounting and financial reporting as a result of implementing this standard.

GASB Statement No. 93 – *Replacement of Interbank Offered Rates*. There was no effect on the Council's accounting and financial reporting as a result of implementing this standard.

GASB Statement No. 97 – *Certain Component Units Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an Amendment to GASB Statements No. 14 and 84 and a Supersession of GASB Statement No. 32*. There was no effect on the Council's accounting and financial reporting as a result of implementing this standard.

C. Future Accounting Pronouncements

The GASB Statements listed below will be implemented in future financial statements.

GASB Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The requirements of this statement are effective for reporting periods beginning after June 15, 2022. The Council has not fully judged the impact of implementation of GASB Statement No. 94 on the financial statements.

GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements*. The requirements of this statement are effective for reporting periods beginning after June 15, 2022. The Council has not fully judged the impact of implementation of GASB Statement No. 96 on the financial statements.

GASB Statement No. 99 – *Omnibus 2022*. The requirements of this statement are effective as follows:

- The requirements related to extension of the use of the London Interbank Offered Rate (LIBOR), accounting for Supplemental Nutrition Assistance Program (SNAP) distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in GASB Statement No. 34, as amended, and terminology updates related to GASB Statement No. 53 and GASB Statement No. 63 are effective upon issuance.
- The requirements related to leases, public-private and public-public partnerships (PPPs), and subscription-based information technology arrangements (SBITAs) are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of GASB Statement No. 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

Earlier application is encouraged and is permitted by topic. The Council has not fully judged the impact of implementation of GASB Statement No. 99 on the financial statements.

GASB Statement No. 100 – *Accounting Changes and Error Corrections—an Amendment of GASB Statement No. 62*. For fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. The Council has not fully judged the impact of implementation of GASB Statement No. 100 on the financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Future Accounting Pronouncements (Continued)

GASB Statement No. 101 – *Compensated Absences*. The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. The Council has not fully judged the impact of implementation of GASB Statement No. 101 on the financial statements.

D. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. *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 and charges for support.

The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and a major enterprise fund are reported as separate columns in the fund financial statements.

E. Measurement Focus, Basis of Accounting, and Financial Statement Approach

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered *available* when they are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments are recorded only when payment is due.

The Council reports the following major governmental funds:

The *Planning and Administration Fund* is the Council's primary operating fund. It accounts for all financial resources of the Council, except those required to be accounted for in another fund.

The *State Subvention Fund* accounts for the State Subvention Grant.

The *Regional Early Action Planning Fund* accounts for planning activities related to the regional housing need assessment.

The *California Transit Security Grant Program* accounts for the transit grants.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Measurement Focus, Basis of Accounting, and Financial Statement Approach

The Council reports the following major proprietary fund:

The *Kern Motorist Aid Authority Fund* accounts for operations associated with installation and maintenance of call boxes in the County that are financed and operated in a manner similar to a private business enterprise where the costs (expenses, including depreciation) of services to the general public on a continuing basis is financed through user charges paid through fees assessed by the DMV.

Additionally, the Council reports the following fiduciary fund type:

The *Custodial Funds* account for the following:

- ¼ cent sales tax revenues collected by the State in the County and administered by the Council under the TDA. The Council's Custodial Funds are the Local Transportation Fund and State Transit Assistance Fund. These funds are allocated to eligible claimants for transit, street and road, and pedestrian/bicycle facilities, as well as regional transportation planning and TDA administration.
- The Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA). These funds are allocated to eligible claimants for PTMISEA related expenditures.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided and 2) operating grants and contributions. Other resources, such as investment earnings and miscellaneous revenues, are reported as *general revenues* rather than as program revenues.

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 fund's principal ongoing operations. The principal operating revenues of the Council enterprise fund are registration fees. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Council's policy to use restricted resources first, then unrestricted resources as they are needed.

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosures of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. As such, actual results could differ from those estimates.

F. Assets, Liabilities, and Net Position or Fund Balance

1. Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents have been defined as cash and pooled cash and investments invested by the County.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Assets, Liabilities, and Net Position or Fund Balance (Continued)

2. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered and transfers of resources between funds. These receivables and payables are classified as “due from other funds” or “due to other funds” on the Balance Sheet/Statement of Net Position.

3. Capital Assets

Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date of donation. The extent to which capital asset values are estimated is insignificant. Depreciation and accumulated depreciation for governmental activities are accounted for in the Statement of Activities and Statement of Net Position, while depreciation/amortization and accumulated depreciation/amortization for business-type activities are also recorded in the Enterprise Fund Financial Statements.

The Council capitalizes all equipment over \$3,500 in value having a useful life over one year. Office furniture and equipment, including computer equipment, are depreciated/amortized utilizing the straight-line method over a useful life of three years. Call boxes are depreciated/amortized utilizing the straight-line method over a useful life of ten years.

4. Leases

The Council is a lessee for a noncancellable building lease. The Council recognizes a lease liability and an intangible right-to-use leased asset (leased asset) in the government-wide financial statements. The Council recognizes lease liabilities with an initial, individual value of \$3,500 or more.

At the commencement of a lease, the Council initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the leased asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Council determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Council uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Council generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Council is reasonably certain to exercise.

The Council monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the leased asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Leased assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Assets, Liabilities, and Net Position or Fund Balance (Continued)

5. Compensated Absences

Vested or accumulated vacation leave that is due and payable at fiscal year-end is reported as an expenditure and a fund liability of the governmental fund that will pay it. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as “terminal leave” prior to retirement. Changes in compensated absences during the current year are as follows:

<u>July 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2022</u>
\$ 407,842	\$ 123,602	\$ (60,626)	\$ 470,818

6. Fund Balance/Net Position

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned, or unassigned based primarily on the extent to which the Council is bound to honor constraints on how specific amounts can be spent.

- *Nonspendable fund balance* – amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.
- *Restricted fund balance* – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed fund balance* – amounts that can only be used for specific purposes determined by formal action of the Council’s highest level of decision-making authority and that remain binding unless removed in the same manner. Committed fund balance does not lapse at year-end. The formal action must occur prior to the end of the reporting period. However, the amount which will be subject to the constraint may be determined in the subsequent period. The formal action required to commit fund balance shall be Board resolution.
- *Assigned fund balance* – amounts that are constrained by the Council’s *intent* to be used for specific purposes. The intent can be established at either the highest level of decision-making authority, or by a body or an official designated for that purpose.
- *Unassigned fund balance* – the residual classification that includes amounts not contained in the other classifications. The unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

When both restricted and unrestricted resources are available for use, it is the Council’s policy to use restricted resources first, followed by the unrestricted committed, assigned, and unassigned resources as they are needed.

The Enterprise 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 into one component of net position. Accumulated depreciation/amortization reduces the balance in this category.
- *Restricted Net Position* – This category presents net position with external restrictions imposed by creditors, grantors, contributors, or 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 Council, not restricted for any project or other purpose.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**F. Assets, Liabilities, and Net Position or Fund Balance** (Continued)7. Pensions

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the California Public Employees Retirement System (CalPERS) Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

As of June 30, 2022, expenditures exceeded final appropriations in individual funds as follows:

<u>Fund</u>	<u>Expenditures</u>
Planning and Administration Fund	
Employee Benefits	\$ 103,339
Insurance	9,552
Debt Service - Lease Principal	141,901
Debt Service - Lease Interest	659
Capital Outlay	418,051
Maintenance	5,361
Early Regional Action Planning Fund	
Professional Services	376,312

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP) except for reimbursements of expenditures received from other funds, which are reported as reductions to expenditures on a GAAP basis but as transfers in on a budgetary basis. Annual appropriated budgets are adopted for the Planning and Administration Fund and the Kern Motorist Aid Authority Fund. The State Subvention Fund, Regional Early Action Planning Fund, and California Transit Security Grant Program are not budgeted for. All annual appropriations lapse at the fiscal year-end. Any amendments to the budget must be approved by the Board. The legal level of budgetary control is at the major object level. The major object levels include personnel, subcontractor, services and supplies, and capital outlay.

NOTE 3 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2022, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Primary Government:

Cash in County Treasury	\$ 4,416,991
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Fiduciary Funds:

Cash in County Treasury	162,984,792
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Total Cash and Cash Equivalents	<u>\$ 167,401,783</u>
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NOTE 3 – CASH AND CASH EQUIVALENTS (Continued)

Cash and cash equivalents as of June 30, 2022, consist of the following:

County Investment Pool	<u>\$ 167,401,783</u>
Total Cash and Cash Equivalents	<u><u>\$ 167,401,783</u></u>

Investments Authorized by the California Government Code and the Council's Investment Policy

The table below identifies the **investment types** that are authorized for the Council by the California Government Code (or the Council's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the Council's investment policy, where more restrictive) that address **interest rate risk**, **credit risk**, and **concentration of credit risk**.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	N/A	N/A
U.S. Treasury Obligations	5 years	N/A	N/A
State of California Obligations	5 years	N/A	N/A
CA Local Agency Obligations	5 years	N/A	N/A
U.S. Agencies	5 years	N/A	N/A
Bankers Acceptances	180 days	40%	N/A
Commercial Paper	270 days	25%	N/A
Negotiable Certificates of Deposit	5 years	30%	N/A
Medium Term Notes	5 years	30%	N/A
Mutual Funds	N/A	20%	N/A
Money Market Mutual Funds	N/A	20%	N/A
Collateralized Bank Deposit	5 years	N/A	N/A
Time Deposit	5 years	N/A	N/A
County Pooled Investment Funds	N/A	N/A	N/A
Local Agency Investment Fund (LAIF)	N/A	N/A	N/A

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in 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. None of the Council's cash and cash equivalents, as shown below, are affected by changes in interest rates.

Investment Type	Amount	Remaining Maturity			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
County Investment Pool	\$ 167,401,783	\$ 167,401,783	\$ -	\$ -	\$ -
Totals	<u>\$ 167,401,783</u>	<u>\$ 167,401,783</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

None of the Council's investments are highly sensitive to interest rate fluctuations.

NOTE 3 – CASH AND CASH EQUIVALENTS (Continued)**Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation 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 (where applicable) the California Government Code, the Council's investment policy, or debt agreements, and the actual rating as of year-end for each investment type:

Investment Type	Amount	Minimum Legal Rating	Exempt from Disclosure	Rating as of Year-End	
				AAA	Unrated
County Investment Pool	\$ 167,401,783	N/A	\$ 167,401,783	\$ -	\$ 167,401,783
Total	<u>\$ 167,401,783</u>	<u>N/A</u>	<u>\$ 167,401,783</u>	<u>\$ -</u>	<u>\$ 167,401,783</u>

NOTE 4 – DUE FROM OTHER GOVERNMENTAL ENTITIES AND ACCOUNTS RECEIVABLE

Individual receivables from other governmental entities for services rendered at June 30, 2022, consist of the following:

Governmental Funds:

Federal

Formula Allocation PL (Planning)	\$ 356,888
Discretionally Grant - CMAQ	85,926
Discretionally Grant - RSTP	54,697
Discretionally Grant - SRTS	12,903
Discretionally Grant - SP&R	62,285
Discretionally Grant - SHA	1,636
Urban Technical Studies (FTA 5303 and 5304)	98,410
Senate Bill 1	39,521
HCD and HSIP	311,693
Other	307,795

State

Caltrans SHA	44,113
State Transportation Improvement Program	<u>91,977</u>

Total	<u>\$ 1,467,844</u>
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NOTE 5 – INTERFUND TRANSACTIONS

Interfund transactions are reported as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables or payables, 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 among governmental funds are netted as part of the reconciliation to the government-wide financial statements.

NOTE 5 – INTERFUND TRANSACTIONS (Continued)Interfund Receivables/Payables (Due From/Due To)

As of June 30, 2022, interfund receivables and payables were as follows:

<u>Funds</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental Funds:		
Planning and Administration Fund	\$ 915,142	\$ 4,742,648
State Subvention Fund	-	299,591
Regional Early Action Planning Fund	-	454,132
Enterprise Funds:		
Kern Motorist Aid Authority Fund	-	161,371
Custodial Funds:		
Local Transportation Fund	4,742,600	-
Total	<u>\$ 5,657,742</u>	<u>\$ 5,657,742</u>

Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving revenue to funds through which the resources are to be expended. Interfund transfers for the June 30, 2022 fiscal year were as follows:

<u>Funds</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:		
Planning and Administration Fund	\$ 1,836,875	\$ -
State Subvention Fund	-	299,591
Regional Early Action Planning Fund	-	191,837
Enterprise Funds:		
Kern Motorist Aid Authority Fund	-	43,957
Custodial Funds:		
Local Transportation Fund	-	1,301,490
Total	<u>\$ 1,836,875</u>	<u>\$ 1,836,875</u>

Transfer of \$299,591 from the State Subvention Fund to the Planning and Administration Fund for planning and administration expenditures related to the State Subvention grant.

Transfer of \$191,837 from the Regional Early Action Planning Fund to the Planning and Administration Fund for planning and administration expenditures.

Transfer of \$43,957 from the Kern Motorist Aid Authority Fund to the Planning and Administration Fund for planning and administration expenditures.

Transfer of \$1,301,442 from the Local Transportation Fund to the Planning and Administration Fund for the local matching requirement of federal funds to cover planning and administration expenditures.

NOTE 6 – CAPITAL ASSETS

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2022:

	Balance June 30, 2021	Additions	Deductions	Balance June 30, 2022
Governmental Activities				
Capital Assets, Being Depreciated/Amortized				
Office Furniture	\$ 25,398	\$ -	\$ -	\$ 25,398
Office Equipment	73,623	4,520	-	78,143
Computer Equipment	660,827	-	-	660,827
Software	60,404	-	-	60,404
Traffic Counters	10,833	-	-	10,833
Right-to-Use Leased Asset	-	430,531	-	430,531
Total Capital Assets, Being Depreciated/Amortized	831,085	435,051	-	1,266,136
Less Accumulated Depreciation/Amortization	(750,622)	(190,152)	-	(940,774)
Capital Assets, Being Depreciated/Amortized, Net	\$ 80,463	\$ 244,899	\$ -	\$ 325,362
Business-Type Activities				
Capital Assets, Being Depreciated/Amortized				
Message Boards	\$ 185,435	\$ -	\$ -	\$ 185,435
Total Capital Assets, Being Depreciated/Amortized	185,435	-	-	185,435
Less Accumulated Depreciation/Amortization	(49,449)	(18,544)	-	(67,993)
Capital Assets, Being Depreciated/Amortized, Net	\$ 135,986	\$ (18,544)	\$ -	\$ 117,442

Depreciation/amortization expense charged to governmental activities transportation planning and administration function was \$190,152 and for business-type activities public safety – message boards was \$18,544 for the fiscal year ended June 30, 2022.

NOTE 7 – PROPOSITION 1B PTMISEA

In November 2006, California voters passed a bond measure enacting the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. Of the \$19.925 billion of State general obligation bonds authorized, \$4 billion was set aside by the State as instructed by statute as the PTMISEA. These funds are available to the California Department of Transportation for intercity rail projects and to transit operators in California for rehabilitation, safety, or modernization improvements; capital service enhancements or expansions; new capital projects; bus rapid transit improvements; or for rolling stock procurement, rehabilitation, or replacements.

NOTE 7 – PROPOSITION 1B PTMISEA (Continued)

During the fiscal year ended June 30, 2022, the Council received \$0 in funds and received \$25 in interest on funds. The Council expended \$0 in PTMISEA related expenses for the TDA during the current year. PTMISEA funds are as follows:

Schedule of PTMISEA Proposition 1B Funds For the Fiscal Year Ended June 30, 2022	
Description	PTMISEA
Balance - Beginning of Year	\$ 2,491
Receipts:	
Interest Accrued July 1, 2021 Through June 30, 2022	25
Expenses:	
Related Expenses/Disbursements	-
Balance - End of Year	<u>\$ 2,516</u>

NOTE 8 – UNEARNED REVENUE

Under Section 50515.02, Subdivision (a), of the Health and Safety Code, the State of California Department of Housing and Community Development (HCD) has made available \$125 million in local governmental planning support grants to regional entities and working groups as outlined by the statute. On June 26, 2020, the San Joaquin Valley Regional Early Action Planning Committee for Housing (the Committee), which the Council is a member of, approved submission of an application for a grant funding to HCD by Fresno Council of Governments (FCOG) as the fiscal agent on behalf of the Committee. On August 20, 2020, HCD approved the application and an allocation of \$10,218,831. On August 20, 2020, FCOG and HCD executed grant funding agreement number 19-REAP-14029. The Council was allocated and received \$1,001,371 as an advance payment of this funding to provide planning activities. During the fiscal year ended June 30, 2022, the Council expended \$0 of the funding. The remaining \$749,229 has been recorded as unearned revenue as of June 30, 2022.

NOTE 9 – PENSION PLANPlan Description

The Council contributes to the California Public Employees Retirement System (CalPERS), a cost-sharing multiple-employer public employee defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and CalPERS resolution. A separate report for the Council's plan within CalPERS is not available; however, a copy of CalPERS' annual financial report may be obtained from its Executive Office – 400 P Street, Sacramento, California 95814.

NOTE 9 – PENSION PLAN (Continued)

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost-of-living adjustments (COLAs), and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The COLAs for each plan are applied as specified by the California Public Employees' Retirement Law (PERL).

Contribution Description

Section 20814(c) of the 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 the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the plan's actuarially determined rate is based on the estimated amount necessary to pay the plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contributions rates may change if plan contracts are amended. 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.

General Information about the Pension Plan

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ending June 30, 2021 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2020 total pension liability. Both the June 30, 2020 total pension liability and the June 30, 2021 total pension liability were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.00% for June 30, 2021 and 7.25% for June 30, 2020, Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality Rate Table ¹	Derived using CalPERS Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

¹ The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvement using Society of Actuaries 90 percent of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found at the CalPERS website.

NOTE 9 – PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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 (PERF). 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.

According to Paragraph 30 of GASB Statement No. 68, the long-term discount rate should be determined without reduction for pension plan administrative expenses. The 7.00 percent investment return assumption used in this accounting valuation is excluding administrative expenses. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. This difference was deemed immaterial to the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of 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 staff took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. 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 (11-60 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 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 equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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. These geometric rates of return are net of administrative expenses.

Asset Class¹	New Strategic Allocation	Real Return Years 1-10^{2,4}	Real Return Years 11+^{3,4}
Public Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%

¹ In the Basic Financial Statements, Liquidity is included in Short-Term Investments;

² An expected inflation of 2.00% used for this period.

³ An expected inflation of 2.92% used for this period.

⁴ Figures are based on the previous CalPERS Asset Liability Management (ALM) of 2017.

NOTE 9 – PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

Pension Plan Fiduciary Net Position

The plan fiduciary net position disclosed in the GASB Statement No. 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance, and other postemployment benefits (OPEB) expense included in fiduciary net position. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early financial reporting closing and final reconciled reserves.

Allocation of Net Pension Liability and Pension Expense to Individual Plans

A key aspect of GASB Statement No. 68 pertaining to cost-sharing employers is the establishment of an approach to allocate the net pension liability and pension expense to the individual employers within the risk pool. Paragraph 49 of GASB Statement No. 68 indicates that for pools where contribution rates within the pool are based on separate relationships, the proportional allocation should reflect those relationships. The allocation method utilized by CalPERS determines the employer's share by reflecting these relationships through the plans they sponsor within the risk pool. Plan liability and asset-related information are used where available, and proportional allocations of individual plan amounts as of the valuation date are used where not available.

- (1) In determining a cost-sharing plan's proportionate share, total amounts of liabilities and assets are first calculated for the Miscellaneous Risk Pool (risk pool) as a whole on the valuation date (June 30, 2020). The risk pool's fiduciary net position (FNP) subtracted from its total pension liability (TPL) determines the net pension liability (NPL) at the valuation date.

Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2021). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date.

- (2) For purposes of FNP in this step (2) and any later reference thereto, the risk pool's FNP at the measurement date denotes the aggregate risk pool's FNP at June 30, 2021, less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2020-21).
- (3) The individual plan's TPL, FNP, and NPL are also calculated at the valuation date.
- (4) Two ratios are created by dividing the plan's individual TPL and FNP as of the valuation date from (3) by the amounts in step (1), the risk pool's total TPL and FNP, respectively.
- (5) The plan's TPL as of the measurement date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4).

The plan's FNP as of the measurement date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.

- (6) The plan's NPL at the measurement date is the difference between the TPL and FNP calculated in (5).

Please refer to the CalPERS Public Agency Cost-Sharing Allocation Methodology Report that can be obtained at CalPERS' website under the GASB Statement No. 68 section, and see Appendix D of the CalPERS report for the calculation of the plan's proportionate share of TPL and FNP.

The plan's proportion of aggregate employer contributions is equal to the plan's proportion of FNP calculated in (4).

NOTE 9 – PENSION PLAN (Continued)General Information about the Pension Plan (Continued)**Allocation of Net Pension Liability and Pension Expense to Individual Plans** (Continued)

The plan's proportionate share of risk pool pension expense is developed as the sum of the related proportionate shares of the components of the aggregate pension expense.

The following table shows the plan's proportionate share of the risk pool collective net pension liability over the measurement period:

	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2020 (Measurement Date)	\$ 13,454,323	\$ 10,603,343	\$ 2,850,980
Balance at June 30, 2021 (Measurement Date)	15,135,159	14,293,654	841,505
Net Changes During 2020-21	<u>\$ 1,680,836</u>	<u>\$ 3,690,311</u>	<u>\$ (2,009,475)</u>

Recognition of Gains and Losses

Under GASB Statement No. 68, gains and losses related to changes in TPL and FNP 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:

Difference between projected and actual earnings	5 year straight-line amortization.
All other amounts	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) is calculated by dividing the total future service years by the total number of participants (active, inactive, and retired) in PERF C.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

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.

NOTE 9 – PENSION PLAN (Continued)General Information about the Pension Plan (Continued)***Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources***
(Continued)

As of June 30, 2022, the Council reports other amounts for the plan as deferred outflows and deferred inflows of resources related to pensions as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 94,366	\$ -
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	734,589
Adjustments due to Differences in Proportions	-	137,423
Change in Difference Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	438,967	-
Deferred Outflows due to Employer Contributions Made After the Measurement Date	<u>786,649</u>	<u>-</u>
Total	<u><u>\$ 1,319,982</u></u>	<u><u>\$ 872,012</u></u>

The \$786,649 reported as deferred outflows of resources related to pensions results from pension contributions made subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2023.

Amounts reported as deferred outflows and deferred inflows of resources related to pensions, other than the employer-specific item, will be recognized in future pension expense as follows:

<u>Fiscal Year Ended June 30</u>	
2023	\$ 18,404
2024	(37,057)
2025	(117,024)
2026	<u>(203,002)</u>
Total	<u><u>\$ (338,679)</u></u>

NOTE 9 – PENSION PLAN (Continued)General Information about the Pension Plan (Continued)***Sensitivity of the Net Pension Liability to Changes in the Discount Rate***

The following presents the net pension liability of the plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	Discount Rate - 1% (6.15%)	Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Plan's Net Pension Liability	\$ 2,839,813	\$ 841,505	\$ (810,469)

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

In addition to providing pension benefits, the Council provides certain healthcare benefits for its retired employees. Substantially all of the Council's employees may become eligible for those benefits if they reach normal retirement age while working for the Council.

Plan Description

Following is a description of the current retiree benefit plan:

All Employees

Benefit Types Provided	Medical only
Duration of Benefits	Lifetime
Required Service	5 years
Minimum Age	50
Dependent Coverage	Yes
Council Contribution %	100%
Council Cap	\$500 per month

Employees Covered By Benefits

At the OPEB liability measurement date of June 30, 2022, the following employees were covered by the benefit term:

	<u>June 30, 2022</u>
Inactive Employees Currently Receiving Benefit Payments	8
Participating Active Employees	<u>17</u>
Total Number of Participants	<u><u>25</u></u>

Funding Policy

The Council's funding policy is to continue to pay healthcare premiums for retirees as they fall due. The Council has not elected to establish an irrevocable trust at this time. The Board reserves the authority to review and amend this funding policy from time to time, in order to ensure that the funding policy continues to best suit the circumstances of the Council.

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**Net OPEB Liability**

At June 30, 2022, Council reported a net OPEB liability of \$1,428,514. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry age
Inflation Rate	2.5% per year
Investment Return/Discount Rate	3.54%, net of expenses. Based on Bond Buyer 20 Bond Index.
Healthcare Cost Trend Rate	4.00% per year
Payroll Increase	2.75% per year. Since benefits do not depend on salary (as they do for pension), using an aggregate payroll assumption for the purpose of calculating the service cost results in a negligible error.
Fiduciary Net Position (FNP)	Not applicable as the Council's OPEB plan does not have any assets or investments.
Mortality Rates	2017 CalPERS Mortality for Miscellaneous and Schools Employees 2017 CalPERS Retiree Mortality for All Employees
Retirement Rates	2017 CalPERS 2.0%@62 Rates for Miscellaneous Employees 2017 CalPERS 2.5%@55 Rates for Miscellaneous Employees
Turnover Rates	2017 CalPERS Turnover for Miscellaneous Employees
Costs for Retiree Coverage	Retiree liabilities are based on actual retiree costs

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

The following presents the net OPEB liability of the Council if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for the measurement period ended June 30, 2022:

	Discount Rate 1% Lower (2.54%)	Valuation Discount Rate (3.54%)	Discount Rate 1% Higher (4.54%)
Net OPEB Liability	\$ 1,613,714	\$ 1,428,514	\$ 1,275,040

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability of the Council if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for the measurement period ended June 30, 2022:

	Trend 1% Lower (3.0%)	Healthcare Cost Trend (4.0%)	Trend 1% Higher (5.0%)
Net OPEB Liability	\$ 1,416,928	\$ 1,428,514	\$ 1,441,724

Changes in the Net OPEB Liability

The table below shows the changes in the total OPEB liability, the Plan Fiduciary Net Position (i.e., fair value of the OPEB Plan assets, which is not applicable to the Council as the Council's OPEB plan has no assets), and the net OPEB liability during the measurement period ended June 30, 2022.

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)Changes in the Net OPEB Liability (Continued)

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at 6/30/2021 Measurement Date	\$ 1,722,852	\$ -	\$ 1,722,852
Changes Recognized for the Measurement Period:			
Service Cost	74,534	-	74,534
Interest on Total OPEB Liability	37,416	-	37,416
Employer Contributions	-	55,758	(55,758)
Benefit Payments	(55,758)	(55,758)	-
Experience (Gains)/Losses	(84,906)	-	(84,906)
Changes in Assumptions	(265,624)	-	(265,624)
Net Changes During 2021-22	(294,338)	-	(294,338)
Actual Balance at 6/30/2022 Measurement Date	\$ 1,428,514	\$ -	\$ 1,428,514

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources

For the fiscal year ended June 30, 2022, the Council recognized OPEB expense of \$84,590. OPEB expense represents the change in the net OPEB liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, and actuarial assumptions or method. At June 30, 2022, the Council reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ (74,245)
Changes in Assumptions	106,024	(216,434)
Total Deferred Outflows and Inflows of Resources	\$ 106,024	\$ (290,679)

Amounts reported as deferred outflows and inflows of resources related to changes in assumptions will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30,</u>	
2023	\$ (27,360)
2024	(27,360)
2025	(40,072)
2026	(63,903)
2027	(25,960)
Total	\$ (184,655)

NOTE 11 – LEASES

Lease Payable

During the current fiscal year, the Council entered into a three-year facilities lease agreement as lessee. An initial lease liability was recorded in the amount of \$430,531 during the current fiscal year. As of June 30, 2022, the value of the lease liability was \$288,630. The Council is required to make monthly principal and interest payments of \$11,880. The lease has an interest rate of 0.20%. The value of the right-to-use leased asset as of the end of the current fiscal year was \$287,021 and had accumulated amortization of \$143,510.

The future principal and interest lease payments as of June 30, 2022, were as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 142,113	\$ 447	\$ 142,560
2024	146,517	159	146,676
Total	<u>\$ 288,630</u>	<u>\$ 606</u>	<u>\$ 289,236</u>

NOTE 12 – RISK MANAGEMENT

The Council 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. Additionally, a complaint for declaratory and injunctive relief under Title II of the Americans with Disabilities Act, the Rehabilitation Act of 1973, and California Government Code Section 11135 has been made to compel the Council to make the motorist aid system call boxes under the KMAA accessible to deaf motorists. The complaint was dismissed without prejudice on July 11, 2005, but can be reinstated if the Council fails to act on the stipulated agreement. The Council is presently evaluating alternatives to be compliant. The amount of loss related to this complaint cannot be estimated. The Council reports all of its risk management activities in its Planning and Administration Fund. The Council purchases commercial insurance through an insurance agent, who obtains the appropriate insurance coverage needed by the Council from insurance companies.

The Council's deductibles and maximum coverages follow:

<u>Coverage</u>	<u>Deductible</u>	<u>Maximum per Occurrence</u>
Personal Property	\$ 2,500	\$ 260,300
Personal and Advertising Injury	2,500	2,000,000
Medical Expenses	2,500	10,000
Damage to Premises Rented	2,500	300,000
Products - Completed Operations	2,500	2,000,000
Employee Benefits	-	1,000,000

The Council obtains insurance coverage relating to workers' compensation claims through the State Compensation Insurance Fund. The Council makes quarterly payments based on a percentage of payroll. There is no deductible paid by the Council regarding workers' compensation.

To date, there have been no significant reductions in any of the Council's insurance coverages, and no settlement amounts have exceeded commercial insurance coverage for the last three fiscal years.

NOTE 13 – DEFICIT FUND BALANCE

Planning and Administration Fund

The Planning and Administration Fund reported a deficit fund balance due to the carry forward balance and due to the fact that it spent in excess of the revenue allocated. The excess was funded by borrowing monies from other Council funds. The Council plans on using future revenues to eliminate the deficit fund balance.

State Subvention Fund

The State Subvention Fund reported a deficit fund balance due to the carry forward balance that was spent in excess of the revenue allocated from prior years. The excess was funded by borrowing monies from other Council funds. The Council plans on using future revenues to eliminate the deficit fund balance.

Regional Early Action Planning Fund

The Regional Early Action Planning Fund reported a deficit fund balance due to the carry forward balance and that it spent in excess of the revenue allocated. The excess was funded by borrowing monies from other Council funds. The Council plans on using future revenues to eliminate the deficit fund balance.

NOTE 14 – CONTINGENCIES

The Council is a party to various claims and litigation in the normal course of business. In the opinion of management and outside counsel, any ultimate losses have been adequately provided for in the financial statements.

NOTE 15 – SUBSEQUENT EVENTS

The date to which events occurring after June 30, 2022, have been evaluated for possible adjustments to the financial statements or disclosures is February 22, 2023, which is the date that the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

KERN COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) –
BUDGET AND ACTUAL – PLANNING AND ADMINISTRATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Federal	\$ 2,523,835	\$ 2,951,247	\$ 2,186,474	\$ (764,773)
State	3,251,504	2,943,788	416,262	(2,527,526)
Local	2,094,095	1,925,800	666,404	(1,259,396)
Interest	-	-	9,624	9,624
Total Revenues	<u>7,869,434</u>	<u>7,820,835</u>	<u>3,278,764</u>	<u>(4,542,071)</u>
EXPENDITURES				
Transportation Planning and Administration:				
Professional Services	3,940,821	3,968,415	1,636,197	2,332,218
Salaries and Wages	1,886,399	1,887,083	1,809,985	77,098
Employee Benefits	1,208,436	1,208,504	1,311,843	(103,339)
Rents and Leases	150,000	150,000	11,547	138,453
Transportation and Travel	77,178	77,178	33,740	43,438
Data Processing	79,610	79,610	63,815	15,795
Office	55,293	55,293	20,735	34,558
Insurance	18,000	18,000	27,552	(9,552)
Debt Service - Lease Principal	-	-	141,901	(141,901)
Debt Service - Lease Interest	-	-	659	(659)
Capital Outlay	17,000	17,000	435,051	(418,051)
Mileage Reimbursement	15,290	15,290	4,010	11,280
Memberships	39,075	39,075	17,835	21,240
Publications and Notices	40,254	40,254	35,663	4,591
Communications	29,520	29,520	16,987	12,533
Maintenance	14,000	14,000	19,361	(5,361)
County Indirect Costs	3,000	3,000	-	3,000
Bad Debt Expense	6,000	6,000	-	6,000
Training and Development	2,000	2,000	75	1,925
Total Expenditures	<u>7,581,876</u>	<u>7,610,222</u>	<u>5,586,956</u>	<u>2,023,266</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>287,558</u>	<u>210,613</u>	<u>(2,308,192)</u>	<u>(2,518,805)</u>
OTHER FINANCING SOURCES				
Lease Proceeds	-	-	430,531	430,531
Transfers In	-	-	1,836,875	1,836,875
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>2,267,406</u>	<u>2,267,406</u>
Net Change in Fund Balance (Deficit)	<u>\$ 287,558</u>	<u>\$ 210,613</u>	<u>(40,786)</u>	<u>\$ (251,399)</u>
Fund Balance (Deficit) at Beginning of Year			<u>(1,960,970)</u>	
Fund Balance (Deficit) at End of Year			<u>\$ (2,001,756)</u>	

See accompanying note to required supplementary information.

**KERN COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) –
BUDGET AND ACTUAL – STATE SUBVENTION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
State	\$ -	\$ -	\$ 299,591	\$ 299,591
Interest	-	-	3,722	3,722
Total Revenues	-	-	303,313	303,313
EXPENDITURES				
Transportation Planning and Administration:				
Professional Services	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues over Expenditures	-	-	303,313	303,313
OTHER FINANCING USES				
Transfers Out	-	-	(299,591)	(299,591)
Total Other Financing Uses	-	-	(299,591)	(299,591)
Net Change in Fund Balance (Deficit)	<u>\$ -</u>	<u>\$ -</u>	3,722	<u>\$ 3,722</u>
Fund Balance (Deficit) at Beginning of Year			<u>(15,044)</u>	
Fund Balance (Deficit) at End of Year			<u>\$ (11,322)</u>	

See accompanying note to required supplementary information.

**KERN COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) –
BUDGET AND ACTUAL – REGIONAL EARLY ACTION PLANNING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
State	\$ -	\$ -	\$ 316,837	\$ 316,837
Interest	-	-	10,192	10,192
Total Revenues	-	-	327,029	327,029
EXPENDITURES				
Transportation Planning and Administration: Professional Services	-	-	376,312	(376,312)
Total Expenditures	-	-	376,312	(376,312)
Deficiency of Revenues under Expenditures	-	-	(49,283)	(49,283)
OTHER FINANCING USES				
Transfers Out	-	-	(191,837)	(191,837)
Total Other Financing Uses	-	-	(191,837)	(191,837)
Net Change in Fund Balance (Deficit)	<u>\$ -</u>	<u>\$ -</u>	(241,120)	<u>\$ (241,120)</u>
Fund Balance (Deficit) at Beginning of Year			<u>(200,222)</u>	
Fund Balance (Deficit) at End of Year			<u>\$ (441,342)</u>	

See accompanying note to required supplementary information.

**KERN COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – CALIFORNIA TRANSIT SECURITY GRANT PROGRAM
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Interest	\$ -	\$ -	\$ 1	\$ 1
Total Revenues	-	-	1	1
EXPENDITURES				
Transportation Planning and Administration:				
Claims Disbursement	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues over Expenditures	-	-	1	1
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	1	<u>\$ 1</u>
Fund Balance at Beginning of Year			<u>96</u>	
Fund Balance at End of Year			<u>\$ 97</u>	

See accompanying note to required supplementary information.

KERN COUNCIL OF GOVERNMENTS
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net OPEB liability					
Service cost	\$ 74,534	\$ 71,859	\$ 32,903	\$ 29,466	\$ 28,677
Interest on total OPEB liability	37,416	36,673	51,091	48,056	50,852
Changes of benefit terms	-	-	-	-	-
Experience (gains)/losses	(84,906)	-	(10,907)	-	-
Changes of assumptions	(265,624)	9,471	165,856	55,703	-
Benefit payments	<u>(55,758)</u>	<u>(52,374)</u>	<u>(50,047)</u>	<u>(46,387)</u>	<u>(44,603)</u>
Net change in net OPEB liability	(294,338)	65,629	188,896	86,838	34,926
Net OPEB liability - beginning	<u>1,722,852</u>	<u>1,657,223</u>	<u>1,468,327</u>	<u>1,381,489</u>	<u>1,346,563</u>
Net OPEB liability - ending	<u><u>\$ 1,428,514</u></u>	<u><u>\$ 1,722,852</u></u>	<u><u>\$ 1,657,223</u></u>	<u><u>\$ 1,468,327</u></u>	<u><u>\$ 1,381,489</u></u>
Covered payroll	\$ 1,778,605	\$ 1,716,163	\$ 1,670,888	\$ 1,656,626	\$ 1,686,808
Council's net OPEB liability as a percentage of covered payroll	80.32%	100.39%	99.18%	88.63%	81.90%
Measurement date	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018

* Fiscal year 2018 was the first year of implementation; therefore, only five years are shown. Additional years will be presented as they become available.

**KERN COUNCIL OF GOVERNMENTS
SCHEDULE OF THE PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, 2022
LAST TEN YEARS***

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Council's proportion of the net pension liability	0.04432%	0.06759%	0.07154%	0.07428%
Council's proportionate share of the net pension liability	\$ 841,505	\$ 2,850,980	\$ 2,864,755	\$ 2,799,228
Council's covered payroll	\$ 1,778,605	\$ 1,716,163	\$ 1,670,888	\$ 1,656,626
Council's proportionate share of the net pension liability as a percentage of its covered payroll	47.31%	166.13%	171.45%	168.97%
Plan fiduciary net position as a percentage of the total pension liability	90.49%	77.71%	77.73%	77.69%
	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Council's proportion of the net pension liability	0.07306%	0.07126%	0.08079%	0.02533%
Council's proportionate share of the net pension liability	\$ 2,880,110	\$ 2,475,393	\$ 1,996,786	\$ 1,576,468
Council's covered payroll	\$ 1,686,808	\$ 1,623,822	\$ 1,551,298	\$ 1,422,531
Council's proportionate share of the net pension liability as a percentage of its covered payroll	170.74%	152.44%	128.72%	110.82%
Plan fiduciary net position as a percentage of the total pension liability	75.39%	75.87%	77.23%	80.91%

* Fiscal year 2015 was the first year of implementation; therefore, only eight years are shown.

**KERN COUNCIL OF GOVERNMENTS
SCHEDULE OF CONTRIBUTIONS – PENSION
AS OF JUNE 30, 2022
LAST TEN YEARS***

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Actuarially determined contribution for the fiscal year	\$ 469,787	\$ 447,732	\$ 460,978	\$ 425,358
Less the contributions in relation to the actuarially determined contribution	<u>(469,787)</u>	<u>(447,732)</u>	<u>(460,978)</u>	<u>(425,358)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Council's covered payroll	\$ 1,778,605	\$ 1,716,163	\$ 1,670,888	\$ 1,656,626
Contributions as a percentage of covered payroll	26.41%	26.09%	27.59%	25.68%

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Actuarially determined contribution for the fiscal year	\$ 452,089	\$ 321,585	\$ 404,667	\$ 235,005
Less the contributions in relation to the actuarially determined contribution	<u>(452,089)</u>	<u>(321,585)</u>	<u>(234,241)</u>	<u>(235,005)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 170,426</u>	<u>\$ -</u>
Council's covered payroll	\$ 1,686,808	\$ 1,623,822	\$ 1,551,298	\$ 1,422,531
Contributions as a percentage of covered payroll	26.80%	19.80%	15.10%	16.52%

* Fiscal year 2015 was the first year of implementation; therefore, only eight years are shown.

Notes to Schedule:

For the measurement period ending June 30, 2021 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2020 total pension liability. The total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	7.15% (2021), 7.15% (2020)
Inflation	2.50% (2021) 2.50% (2020)
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.00% (2021) 7.25% (2020) Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract Cost-of-Living Adjustment (COLA) up to 2.5% (2021) 2.5% (2020) until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.5% (2021) 2.5% (2020)

See accompanying note to required supplementary information.

**KERN COUNCIL OF GOVERNMENTS
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 – BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America except for reimbursements of expenditures received from other funds, which are reported as reductions to expenditures on accounting principles generally accepted in the United States of America (GAAP) basis of accounting but as transfers in on a budgetary basis of accounting. Annual appropriated budgets are adopted for the Planning and Administration Fund and the Kern Motorist Aid Authority Fund. The State Subvention Fund, Regional Early Action Planning Fund, and California Transit Security Grant Program are not budgeted for. All annual appropriations lapse at the fiscal year-end. Any amendments to the budget must be approved by the Board of Directors. The legal level of budgetary control is at the major object level. The major object levels include personnel, subcontractor, services and supplies, and capital outlay.

SUPPLEMENTARY INFORMATION

**KERN COUNCIL OF GOVERNMENTS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2022**

	State Transit Assistance	Local Transportation	PTMISEA	State of Good Repair	Total
ASSETS					
Cash and Cash Equivalents	\$ 17,353,937	\$ 144,418,395	\$ 2,516	\$ 1,209,944	\$ 162,984,792
Due from Other Governments, Net	2,487,137	-	-	240,698	2,727,835
Due from Other Funds	-	4,742,600	-	-	4,742,600
TOTAL ASSETS	\$ 19,841,074	\$ 149,160,995	\$ 2,516	\$ 1,450,642	\$ 170,455,227
LIABILITIES AND NET POSITION					
LIABILITIES					
Unearned Revenue	\$ -	\$ -	\$ 2,516	\$ -	\$ 2,516
TOTAL LIABILITIES	-	-	2,516	-	2,516
NET POSITION					
Unassigned	19,841,074	149,160,995	-	1,450,642	170,452,711
TOTAL LIABILITIES AND NET POSITION	\$ 19,841,074	\$ 149,160,995	\$ 2,516	\$ 1,450,642	\$ 170,455,227

**KERN COUNCIL OF GOVERNMENTS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	State Transit Assistance	Local Transportation	PTMISEA	State of Good Repair	Total
ADDITIONS					
Sales Tax	\$ 8,755,404	\$ 51,382,573	\$ -	\$ 1,431,354	\$ 61,569,331
Interest	143,205	1,244,845	-	14,577	1,402,627
TOTAL ADDITIONS	8,898,609	52,627,418	-	1,445,931	62,971,958
DEDUCTIONS					
Claims Disbursement - Arvin	547,104	54,860	-	-	601,964
Claims Disbursement - Bakersfield	-	1,073,117	-	-	1,073,117
Claims Disbursement - Delano	-	-	-	105,078	105,078
Claims Disbursement - Maricopa	-	41,457	-	-	41,457
Claims Disbursement - McFarland	222,222	1,883,286	-	-	2,105,508
Claims Disbursement - Ridgecrest	116,741	57,411	-	-	174,152
Claims Disbursement - Shafter	171,406	105,493	-	33,343	310,242
Claims Disbursement - Taft	-	-	-	27,873	27,873
Claims Disbursement - Tehachapi	133,751	787,296	-	51,808	972,855
Claims Disbursement - Wasco	-	3,000	-	-	3,000
Claims Disbursement - Kern County	1,465,697	8,892,364	-	453,319	10,811,380
Claims Disbursement - GET	-	7,870,875	-	968,537	8,839,412
Claims Disbursement - NOR	-	983,205	-	-	983,205
TOTAL DEDUCTIONS	2,656,921	21,752,364	-	1,639,958	26,049,243
Excess (Deficiency) of Additions over (under) Deductions	6,241,688	30,875,054	-	(194,027)	36,922,715
OTHER FINANCING USES					
Transfers Out	-	(1,301,490)	-	-	(1,301,490)
Change in Net Position	6,241,688	29,573,564	-	(194,027)	35,621,225
Net Position at Beginning of Year	13,599,386	119,587,431	-	1,644,669	134,831,486
Net Position at End of Year	<u>\$ 19,841,074</u>	<u>\$ 149,160,995</u>	<u>\$ -</u>	<u>\$ 1,450,642</u>	<u>\$ 170,452,711</u>

KERN COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES BY WORK ELEMENT BY FUNDING SOURCE
BUDGET AND ACTUAL – PLANNING AND ADMINISTRATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budget	FTA Sec. 5303	FTA 5303 Carryover	FHWA PL
101.1 Air Quality Planning	\$ 73,512	\$ 34,460	\$ 4,269	\$ 33,030
102.1 Environmental Review Program	34,648	15,964	-	15,724
201.1 Inventory Mapping	338,317	104,309	19,463	145,456
201.2 Mapping Services and Technical Support	131,185	47,515	-	44,889
203.1A Sustainable Communities Public Participation	65,907	-	-	-
203.2A Sustainable Communities Performance Measures	53,435	46,300	-	-
203.3A Sustainable Communities Mobility Innovations and Incentives Planning	186,855	-	-	-
203.4A Sustainable Communities Strategy Forecast and Travel Model Activity Program	128,881	-	-	-
203.5 Regional Housing Need Allocation Plan	922,655	-	-	-
203.6 SJV Household Travel Survey	152,342	-	-	-
601.1 Regional Transportation Plan/CMS	418,248	78,430	-	89,658
601.2 RTP/CIP-Financial Element	87,812	-	-	67,621
601.3 Regional Transportation Community Survey & Outreach	149,249	-	-	17,217
601.4 Performance Measures	520,553	-	-	18,643
602.1 Transportation Improvement Program	345,615	-	-	162,101
602.2 Local Assistance for Federal Aid Projects	271,559	-	-	246,338
603.1 Transportation System Monitoring and Coordination	52,182	-	-	41,929
603.2 Traffic Count Program	93,315	-	-	-
603.3 Mobility Innovations and Incentives	41,768	-	-	-
603.4 Kern Electric Vehicle (EV) Blueprint	639,227	-	-	-
603.5 MD & HD Zero-Emission Vehicle Infrastructure	122,325	-	-	-
604.1 Regional Travel Demand Model Maintenance	331,650	-	-	165,349
604.2 Growth Forecast Model	58,306	-	-	28,978
604.3 Regional Travel Demand Model	33,910	-	-	20,831
605.1 Corridor/Major Investment/Impact Fee	3,090	-	-	-
606.1 Transit Planning	149,098	10,216	42,067	67,417
608.1 Active Transportation and Complete Streets Program	60,058	-	-	3,850
608.2 Safe Routes for Bicyclists in Disadvantaged Communities	104,295	-	-	-
609.1 Transportation Demand Management	237,627	-	-	-
610.1 Freight Planning	66,949	-	-	40,895
610.2 Phase II KARGO Sustainability Study	313,364	-	-	-
610.3 I-5 Freight ZERO Pilot Study	170,169	-	-	-
801.1 Grant Writing	30,190	-	-	-
902.1 Regional Technical Assistance	356,445	-	-	822
903.1 Information and Data Management	48,179	-	-	22,780
904.1 Interregional Transportation Coordination	142,496	-	-	45,118
904.2 Local Clearinghouse Review Program	2,958	-	-	-
1001.1 Local Reimbursements	109,287	-	-	-
1001.2 Legislative Program	42,231	-	-	-
1001.3 Transportation Development Act (TDA) Program	266,802	-	-	-
1001.4 Information Services	109,973	-	-	29,489
1001.5 OWP Development and Monitoring	269,434	-	-	-
2001.1 KMAA System Implementation & Operation	17,931	-	-	-
2002.1 KMAA Administration	41,803	-	-	-
TOTAL	\$ 7,795,835	\$ 337,194	\$ 65,799	\$ 1,308,135

KERN COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES BY WORK ELEMENT BY FUNDING SOURCE
BUDGET AND ACTUAL – PLANNING AND ADMINISTRATION FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	FHWA PL Carryover	FHWA RSTP	FHWA CMAQ	FHWA SPR
101.1 Air Quality Planning	\$ -	\$ -	\$ -	\$ -
102.1 Environmental Review Program	-	-	-	-
201.1 Inventory Mapping	3,845	-	-	-
201.2 Mapping Services and Technical Support	-	-	-	-
203.1A Sustainable Communities Public Participation	-	-	-	-
203.2A Sustainable Communities Performance Measures	-	-	-	-
203.3A Sustainable Communities Mobility Innovations and Incentives Planning	-	-	-	-
203.4A Sustainable Communities Strategy Forecast and Travel Model Activity Program	-	-	-	-
203.5 Regional Housing Need Allocation Plan	-	-	-	-
203.6 SJV Household Travel Survey	-	-	-	-
601.1 Regional Transportation Plan/CMS	-	-	-	-
601.2 RTP/CIP-Financial Element	-	-	-	-
601.3 Regional Transportation Community Survey & Outreach	-	-	-	-
601.4 Performance Measures	-	-	-	-
602.1 Transportation Improvement Program	34,096	-	-	-
602.2 Local Assistance for Federal Aid Projects	-	-	-	-
603.1 Transportation System Monitoring and Coordination	-	-	-	-
603.2 Traffic Count Program	-	85,477	-	-
603.3 Mobility Innovations and Incentives	-	-	-	-
603.4 Kern Electric Vehicle (EV) Blueprint	-	-	-	-
603.5 MD & HD Zero-Emission Vehicle Infrastructure	-	-	-	-
604.1 Regional Travel Demand Model Maintenance	-	-	-	-
604.2 Growth Forecast Model	-	-	-	-
604.3 Regional Travel Demand Model	-	-	-	-
605.1 Corridor/Major Investment/Impact Fee	-	-	-	-
606.1 Transit Planning	5,778	-	-	-
608.1 Active Transportation and Complete Streets Program	-	-	-	-
608.2 Safe Routes for Bicyclists in Disadvantaged Communities	-	-	-	-
609.1 Transportation Demand Management	-	-	201,906	-
610.1 Freight Planning	-	-	-	-
610.2 Phase II KARGO Sustainability Study	-	-	-	53,752
610.3 I-5 Freight ZERO Pilot Study	119,730	-	-	-
801.1 Grant Writing	-	-	-	-
902.1 Regional Technical Assistance	320	-	-	-
903.1 Information and Data Management	-	-	-	-
904.1 Interregional Transportation Coordination	-	-	-	-
904.2 Local Clearinghouse Review Program	-	-	-	-
1001.1 Local Reimbursements	-	-	-	-
1001.2 Legislative Program	-	-	-	-
1001.3 Transportation Development Act (TDA) Program	-	-	-	-
1001.4 Information Services	-	-	-	-
1001.5 OWP Development and Monitoring	-	-	-	-
2001.1 KMAA System Implementation & Operation	-	-	-	-
2002.1 KMAA Administration	-	-	-	-
TOTAL	\$ 163,769	\$ 85,477	\$ 201,906	\$ 53,752

KERN COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES BY WORK ELEMENT BY FUNDING SOURCE
BUDGET AND ACTUAL – PLANNING AND ADMINISTRATION FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	STIP PPM	SHA	SB-1 & ATP	Local Contracts
101.1 Air Quality Planning	\$ -	\$ -	\$ -	\$ -
102.1 Environmental Review Program	-	-	-	-
201.1 Inventory Mapping	-	-	-	-
201.2 Mapping Services and Technical Support	-	-	-	-
203.1A Sustainable Communities Public Participation	-	-	56,487	-
203.2A Sustainable Communities Performance Measures	-	-	-	-
203.3A Sustainable Communities Mobility Innovations and Incentives Planning	-	-	165,422	-
203.4A Sustainable Communities Strategy Forecast and Travel Model Activity Program	-	-	108,152	-
203.5 Regional Housing Need Allocation Plan	-	-	-	-
203.6 SJV Household Travel Survey	-	-	-	-
601.1 Regional Transportation Plan/CMS	116,852	-	-	-
601.2 RTP/CIP-Financial Element	-	-	-	-
601.3 Regional Transportation Community Survey & Outreach	79,574	-	-	-
601.4 Performance Measures	-	-	-	44,484
602.1 Transportation Improvement Program	-	-	-	-
602.2 Local Assistance for Federal Aid Projects	-	-	-	-
603.1 Transportation System Monitoring and Coordination	-	-	-	-
603.2 Traffic Count Program	-	-	-	-
603.3 Mobility Innovations and Incentives	-	-	-	-
603.4 Kern Electric Vehicle (EV) Blueprint	-	-	-	-
603.5 MD & HD Zero-Emission Vehicle Infrastructure	-	-	-	-
604.1 Regional Travel Demand Model Maintenance	-	-	-	-
604.2 Growth Forecast Model	-	-	-	-
604.3 Regional Travel Demand Model	-	-	-	-
605.1 Corridor/Major Investment/Impact Fee	-	-	-	-
606.1 Transit Planning	-	-	-	-
608.1 Active Transportation and Complete Streets Program	-	-	-	-
608.2 Safe Routes for Bicyclists in Disadvantaged Communities	-	-	36,467	-
609.1 Transportation Demand Management	-	-	-	-
610.1 Freight Planning	-	-	-	-
610.2 Phase II KARGO Sustainability Study	-	-	-	-
610.3 I-5 Freight ZERO Pilot Study	-	4,572	-	14,019
801.1 Grant Writing	-	-	-	-
902.1 Regional Technical Assistance	20,839	-	-	-
903.1 Information and Data Management	-	-	-	-
904.1 Interregional Transportation Coordination	82,326	-	-	-
904.2 Local Clearinghouse Review Program	-	-	-	-
1001.1 Local Reimbursements	-	-	-	-
1001.2 Legislative Program	-	-	-	-
1001.3 Transportation Development Act (TDA) Program	-	-	-	-
1001.4 Information Services	-	-	-	-
1001.5 OWP Development and Monitoring	-	-	-	-
2001.1 KMAA System Implementation & Operation	-	-	-	-
2002.1 KMAA Administration	-	-	-	-
TOTAL	\$ 299,591	\$ 4,572	\$ 366,528	\$ 58,503

**KERN COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES BY WORK ELEMENT BY FUNDING SOURCE
BUDGET AND ACTUAL – PLANNING AND ADMINISTRATION FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	KMAA	HCD	HSIP	CARB
101.1 Air Quality Planning	\$ -	\$ -	\$ -	\$ -
102.1 Environmental Review Program	-	-	-	-
201.1 Inventory Mapping	-	-	-	-
201.2 Mapping Services and Technical Support	-	-	-	-
203.1A Sustainable Communities Public Participation	-	-	-	-
203.2A Sustainable Communities Performance Measures	-	-	-	-
203.3A Sustainable Communities Mobility Innovations and Incentives Planning	-	-	-	-
203.4A Sustainable Communities Strategy Forecast and Travel Model Activity Program	-	-	-	-
203.5 Regional Housing Need Allocation Plan	-	191,837	-	-
203.6 SJV Household Travel Survey	-	-	-	-
601.1 Regional Transportation Plan/CMS	-	-	-	-
601.2 RTP/CIP-Financial Element	-	-	-	-
601.3 Regional Transportation Community Survey & Outreach	-	-	-	-
601.4 Performance Measures	-	-	400,458	-
602.1 Transportation Improvement Program	-	-	-	-
602.2 Local Assistance for Federal Aid Projects	-	-	-	-
603.1 Transportation System Monitoring and Coordination	-	-	-	-
603.2 Traffic Count Program	-	-	-	-
603.3 Mobility Innovations and Incentives	-	-	-	-
603.4 Kern Electric Vehicle (EV) Blueprint	-	-	-	-
603.5 MD & HD Zero-Emission Vehicle Infrastructure	-	-	-	-
604.1 Regional Travel Demand Model Maintenance	-	-	-	-
604.2 Growth Forecast Model	-	-	-	-
604.3 Regional Travel Demand Model	-	-	-	-
605.1 Corridor/Major Investment/Impact Fee	-	-	-	-
606.1 Transit Planning	-	-	-	-
608.1 Active Transportation and Complete Streets Program	-	-	-	13,729
608.2 Safe Routes for Bicyclists in Disadvantaged Communities	-	-	-	-
609.1 Transportation Demand Management	-	-	-	-
610.1 Freight Planning	-	-	-	-
610.2 Phase II KARGO Sustainability Study	-	-	-	-
610.3 I-5 Freight ZERO Pilot Study	-	-	-	-
801.1 Grant Writing	-	-	-	-
902.1 Regional Technical Assistance	-	-	-	-
903.1 Information and Data Management	-	-	-	-
904.1 Interregional Transportation Coordination	-	-	-	-
904.2 Local Clearinghouse Review Program	-	-	-	-
1001.1 Local Reimbursements	-	-	-	-
1001.2 Legislative Program	-	-	-	-
1001.3 Transportation Development Act (TDA) Program	-	-	-	-
1001.4 Information Services	-	-	-	-
1001.5 OWP Development and Monitoring	-	-	-	-
2001.1 KMAA System Implementation & Operation	15,256	-	-	-
2002.1 KMAA Administration	28,701	-	-	-
TOTAL	\$ 43,957	\$ 191,837	\$ 400,458	\$ 13,729

KERN COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES BY WORK ELEMENT BY FUNDING SOURCE
BUDGET AND ACTUAL – PLANNING AND ADMINISTRATION FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	CEC	TDA	Total Expenditures	Variance
101.1 Air Quality Planning	\$ -	\$ -	\$ 71,759	\$ 1,753
102.1 Environmental Review Program	-	-	31,688	2,960
201.1 Inventory Mapping	-	23,259	296,332	41,985
201.2 Mapping Services and Technical Support	-	-	92,404	38,781
203.1A Sustainable Communities Public Participation	-	7,318	63,805	2,102
203.2A Sustainable Communities Performance Measures	-	5,999	52,299	1,136
203.3A Sustainable Communities Mobility Innovations and Incentives Planning	-	21,432	186,854	1
203.4A Sustainable Communities Strategy Forecast and Travel Model Activity Program	-	14,012	122,164	6,717
203.5 Regional Housing Need Allocation Plan	-	-	191,837	730,818
203.6 SJV Household Travel Survey	-	352	352	151,990
601.1 Regional Transportation Plan/CMS	-	92,843	377,783	40,465
601.2 RTP/CIP-Financial Element	-	20,161	87,782	30
601.3 Regional Transportation Community Survey & Outreach	-	52,433	149,224	25
601.4 Performance Measures	-	23,524	487,109	33,444
602.1 Transportation Improvement Program	-	149,361	345,558	57
602.2 Local Assistance for Federal Aid Projects	-	25,219	271,557	2
603.1 Transportation System Monitoring and Coordination	-	1,680	43,609	8,573
603.2 Traffic Count Program	-	11,074	96,551	(3,236)
603.3 Mobility Innovations and Incentives	-	23,396	23,396	18,372
603.4 Kern Electric Vehicle (EV) Blueprint	63,813	291	64,104	575,123
603.5 MD & HD Zero-Emission Vehicle Infrastructure	74,492	-	74,492	47,833
604.1 Regional Travel Demand Model Maintenance	-	136,418	301,767	29,883
604.2 Growth Forecast Model	-	20,776	49,754	8,552
604.3 Regional Travel Demand Model	-	2,923	23,754	10,156
605.1 Corridor/Major Investment/Impact Fee	-	-	-	3,090
606.1 Transit Planning	-	13,948	139,426	9,672
608.1 Active Transportation and Complete Streets Program	-	-	17,579	42,479
608.2 Safe Routes for Bicyclists in Disadvantaged Communities	-	1,567	38,034	66,261
609.1 Transportation Demand Management	-	26,159	228,065	9,562
610.1 Freight Planning	-	-	40,895	26,054
610.2 Phase II KARGO Sustainability Study	-	14,701	68,453	244,911
610.3 I-5 Freight ZERO Pilot Study	-	27,980	166,301	3,868
801.1 Grant Writing	-	53,080	53,080	(22,890)
902.1 Regional Technical Assistance	-	7,895	29,876	326,569
903.1 Information and Data Management	-	7,739	30,519	17,660
904.1 Interregional Transportation Coordination	-	15,002	142,446	50
904.2 Local Clearinghouse Review Program	-	4,143	4,143	(1,185)
1001.1 Local Reimbursements	-	74,352	74,352	34,935
1001.2 Legislative Program	-	34,458	34,458	7,773
1001.3 Transportation Development Act (TDA) Program	-	314,352	314,352	(47,550)
1001.4 Information Services	-	17,327	46,816	63,157
1001.5 OWP Development and Monitoring	-	51,716	51,716	217,718
2001.1 KMAA System Implementation & Operation	-	-	15,256	2,675
2002.1 KMAA Administration	-	-	28,701	13,102
TOTAL	\$ 138,305	\$ 1,296,890	\$ 5,030,402	\$ 2,765,433

**KERN COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES BY WORK ELEMENT BY FUNDING SOURCE
RECONCILIATION TO TOTAL PLANNING AND ADMINISTRATION EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

July 1, 2021 through June 30, 2022

Total Expenditures by Work Element by Funding Source	\$ 5,030,402
Plus Non-Allowable Personnel	10,800
Plus Non-Allowable Services/Supplies	16,567
Allocated Under/(Over)	<u>529,187</u>
Adjusted Allocated Costs / Total Planning and Administration	<u><u>\$ 5,586,956</u></u>

**KERN COUNCIL OF GOVERNMENTS
SCHEDULE OF DIRECT AND INDIRECT COSTS –
PLANNING AND ADMINISTRATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Allocations	Per Fiscal Year 2022 Actual to Date	Total Direct	Total Indirect	Total Non- Allowable	Fiscal Year 2022 Total	Variance	Notes
PERSONNEL							
July 1, 2021 through June 30, 2022	\$ 1,809,985	\$ 947,579	\$ 851,606	\$ 10,800	\$ 1,809,985	\$ -	
Fringe Benefits	1,293,654	693,302	600,352	-	1,293,654	-	
SERVICES AND SUPPLIES							
Professional Services	1,636,201	1,587,249	46,473	2,479	1,636,201	-	
Rents and Leases	154,107	-	154,107	-	154,107	-	
Transportation and Travel	33,741	27,676	65	6,000	33,741	-	
Data Processing	63,815	10,881	52,934	-	63,815	-	
Office	20,737	10,596	10,141	-	20,737	-	
Insurance	26,099	-	26,099	-	26,099	-	
Mileage Reimbursement	4,157	1,347	342	2,468	4,157	-	
Memberships	17,835	16,531	1,304	-	17,835	-	
Publications and Notices	35,662	35,404	258	-	35,662	-	
Communications	16,987	840	14,947	1,100	16,887	100	
Maintenance	19,361	15,079	4,282	-	19,361	-	
Training and Development	75	-	75	-	75	-	
Depreciation Expense	-	-	69,265	-	69,265	(69,265)	(a)
Capital Outlays	4,520	-	-	4,520	4,520	-	
TOTALS	<u>\$ 5,136,936</u>	<u>\$ 3,346,484</u>	<u>\$ 1,832,250</u>	<u>\$ 27,367</u>	<u>\$ 5,206,101</u>	<u>\$ (69,165)</u>	
ALLOCATION BASE	<u>\$ 1,640,881</u>						
INDIRECT COST ALLOCATION	<u>\$ 1,688,467</u>						

NOTES:

(a) Cost allocation recovers asset costs through depreciation charges not recorded in special revenue fund per accounting principles generally accepted in the United States of America.

**KERN COUNCIL OF GOVERNMENTS
SCHEDULE OF ALLOCATIONS, DISBURSEMENTS, AND OPERATING TRANSFERS
LOCAL TRANSPORTATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	PUC 99233.1 Admin.	PUC 99234 Ped/Bike Facilities	PUC 99260 Transit Operations	PUC 99262 Regional Planning	PUC 99275 Social Service
ALLOCATIONS					
North of the River Recreation and Park District	\$ -	\$ -	\$ -	\$ -	\$ 983,205
City of Arvin	-	-	54,860	26,089	-
City of Bakersfield	-	222,002	909,635	-	-
City of California City	-	-	-	17,043	-
City of Delano	-	-	-	63,825	-
City of Maricopa	-	-	28,458	1,356	-
City of McFarland	-	-	201,469	17,316	-
City of Ridgecrest	-	-	-	35,323	-
City of Shafter	-	-	105,493	24,601	-
City of Taft	-	68,900	-	10,446	-
City of Tehachapi	-	120,063	16,297	15,354	-
City of Wasco	-	-	-	34,762	-
County of Kern	-	-	8,083,399	250,002	-
Bakersfield to GET	-	-	-	472,486	-
Kern County to GET	-	-	-	135,682	-
Golden Empire Transit	-	-	18,680,896	-	-
Total Allocations	-	410,965	28,080,507	1,104,285	983,205
EXPENDITURES					
North of the River Recreation and Park District	-	-	-	-	983,205
City of Arvin	-	-	843,825	26,089	-
City of Bakersfield	-	596,635	476,482	-	-
City of California City	-	-	-	17,043	-
City of Delano	-	-	-	63,825	-
City of Maricopa	-	-	57,069	1,356	-
City of McFarland	-	-	201,469	17,316	-
City of Ridgecrest	-	57,411	-	35,323	-
City of Shafter	-	-	105,493	24,601	-
City of Taft	-	-	-	10,446	-
City of Tehachapi	-	262,743	22,014	15,354	-
City of Wasco	-	-	-	34,762	-
County of Kern	-	20,000	8,083,399	250,002	-
Bakersfield to GET	-	-	3,689,270	472,486	-
Kern County to GET	-	-	4,181,605	135,682	-
Golden Empire Transit	-	-	-	-	-
Total Expenditures	-	936,789	17,660,626	1,104,285	983,205
Under/(Over) Expended Allocation	\$ -	\$ (525,824)	\$ 10,419,881	\$ -	\$ -

KERN COUNCIL OF GOVERNMENTS
SCHEDULE OF ALLOCATIONS, DISBURSEMENTS, AND OPERATING TRANSFERS (Continued)
LOCAL TRANSPORTATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	CAC 6648 Capital Reserve	PUC 99400(a) Streets and Roads	PUC 99400(c) Contract Transit	PUC 99400(d) Contract Admin.	PUC 99400(e) Contract Capital	Local Transportation Fund Total
ALLOCATIONS						
North of the River Recreation and Park District	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 983,205
City of Arvin	-	-	-	-	-	80,949
City of Bakersfield	-	-	-	-	-	1,131,637
City of California City	-	-	-	-	-	17,043
City of Delano	-	-	-	-	-	63,825
City of Maricopa	-	12,999	-	-	-	42,813
City of McFarland	-	1,681,817	-	-	-	1,900,602
City of Ridgecrest	-	-	-	-	-	35,323
City of Shafter	-	-	-	-	-	130,094
City of Taft	-	-	-	-	-	79,346
City of Tehachapi	-	502,539	-	-	-	654,253
City of Wasco	-	-	-	-	-	34,762
County of Kern	-	-	-	-	-	8,333,401
Bakersfield to GET	-	-	-	-	-	472,486
Kern County to GET	-	-	-	-	-	135,682
Golden Empire Transit	-	-	-	-	-	18,680,896
Total Allocations	-	2,197,355	-	-	-	32,776,317
EXPENDITURES						
North of the River Recreation and Park District	-	-	-	-	-	983,205
City of Arvin	-	-	-	-	-	54,860
City of Bakersfield	-	-	-	-	-	1,073,117
City of California City	-	-	-	-	-	-
City of Delano	-	-	-	-	-	-
City of Maricopa	-	25,887	-	-	-	41,457
City of McFarland	-	1,681,817	-	-	-	1,883,286
City of Ridgecrest	-	-	-	-	-	57,411
City of Shafter	-	-	-	-	-	105,493
City of Taft	-	-	-	-	-	-
City of Tehachapi	-	869,625	-	-	-	787,296
City of Wasco	-	-	-	-	-	3,000
County of Kern	-	1,232,257	-	-	-	8,892,364
Bakersfield to GET	-	-	-	-	-	3,689,270
Kern County to GET	-	-	-	-	-	4,181,605
Golden Empire Transit	-	-	-	-	-	-
Total Expenditures	-	3,809,586	-	-	-	21,752,364
Under/(Over) Expended Allocation	\$ -	\$ (1,612,231)	\$ -	\$ -	\$ -	\$ 11,023,953

**KERN COUNCIL OF GOVERNMENTS
SCHEDULE OF ALLOCATIONS, DISBURSEMENTS, AND OPERATING TRANSFERS
STATE TRANSIT ASSISTANCE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	PUC 99313.3 Population Basis	PUC 99314.4 Revenue Basis	State Transit Assistance Fund Total
ALLOCATIONS			
North of the River Recreation and Park District	\$ -	\$ -	\$ -
City of Arvin	547,104	-	547,104
City of Bakersfield	-	-	-
City of California City	-	-	-
City of Delano	-	-	-
City of Maricopa	-	-	-
City of McFarland	22,222	-	22,222
City of Ridgecrest	116,741	-	116,741
City of Shafter	197,920	-	197,920
City of Taft	-	-	-
City of Tehachapi	139,468	-	139,468
City of Wasco	-	-	-
County of Kern	1,491,777	-	1,491,777
Bakersfield to GET	-	-	-
Kern County to GET	-	-	-
Golden Empire Transit	3,772,472	-	3,772,472
Total Allocations	6,287,704	-	6,287,704
EXPENDITURES			
North of the River Recreation and Park District	-	-	-
City of Arvin	529,916	17,188	547,104
City of Bakersfield	-	-	-
City of California City	-	-	-
City of Delano	-	-	-
City of Maricopa	-	-	-
City of McFarland	220,323	1,899	222,222
City of Ridgecrest	116,741	-	116,741
City of Shafter	160,734	10,672	171,406
City of Taft	-	-	-
City of Tehachapi	125,599	8,152	133,751
City of Wasco	-	-	-
County of Kern	1,397,229	68,468	1,465,697
Bakersfield to GET	-	-	-
Kern County to GET	-	-	-
Golden Empire Transit	-	-	-
Total Expenditures	2,550,542	106,379	2,656,921
Under/(Over) Expended Allocation	\$ 3,737,162	\$ (106,379)	\$ 3,630,783

**KERN COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Assistance Listing (AL) Number	Grant Number	Expenditures
<u>U.S. Department of Transportation</u>			
Passed through the State of California, Department of Transportation:			
Federal Highway Administration:			
Formula Allocation PL (Planning)	20.205	74A0810	\$ 1,488,645
Discretionary Grant - CMAQ	20.205	CMLNI-6087(069)	201,906
Discretionary Grant - RSTP	20.205	STPLNI-6087(067)	85,477
SP&R - Blueprint	20.205	74A0810	<u>53,752</u>
Total Federal Highway Administration			<u>1,829,780</u>
Federal Transit Administration (FTA):			
Urban Technical Studies (FTA 5303)	20.505	74A0810	<u>356,694</u>
Total Federal Transit Administration			<u>356,694</u>
Total Expenditures of Federal Awards			<u><u>\$ 2,186,474</u></u>

See accompanying notes to schedule of expenditures of federal awards.

**KERN COUNCIL OF GOVERNMENTS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 – GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the Kern Council of Governments (Council). The Council's reporting entity is defined in Note 1 of the Council's basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through from other government agencies are included on the Schedule of Expenditures of Federal Awards.

NOTE 2 – BASIS OF ACCOUNTING

The Schedule of Expenditures of Federal Awards reports expenditures on the modified accrual basis of accounting. Accordingly, expenditures represent amounts incurred during the fiscal year, which meet federal grant eligibility requirements.

NOTE 3 – INDIRECT COST RATE

The Council has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

OTHER REPORTS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
AND THE TRANSPORTATION DEVELOPMENT ACT**

To the Board of Directors
Kern Council of Governments
Bakersfield, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the Transportation Development Act, the financial statements of the governmental activities, the business-type activities, and each major fund of the Kern Council of Governments (the Council), as of and for the fiscal year ended June 30, 2022, and the related notes to the basic financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated February 22, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Council's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Council's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. Our audit was further made to determine that allocations made and expended by the Council were made in accordance with the Transportation Development Act as required by Sections 6661, 6664, 6666, and 6751 of Article 5.5 of the California Code of Regulations. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Council is the recipient agency of Public Transportation Modernization, Improvement, and Service Account (PTMISEA) Program funds and State of Good Repair (SGR) funds for the cities of Kern County. As of June 30, 2022, PTMISEA and SGR funds received and claims paid to cities were verified in the course of our audit as follows:

For the Fiscal Year Ended June 30, 2022		
	PTMISEA	SGR
Balance - Beginning of Year	\$ 2,491	\$ 1,644,669
Receipts:		
Allocations	-	1,431,354
Interest Accrued July 1, 2021 Through June 30, 2022	25	14,577
Expenses:		
Related Expenses/Disbursements	-	1,639,958
Balance - End of Year	<u>\$ 2,516</u>	<u>\$ 1,450,642</u>

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
February 22, 2023

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors
Kern Council of Governments
Bakersfield, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Kern Council of Governments' (the Council) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the Council's major federal programs for the year ended June 30, 2022. The Council's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Council and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Council's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or agreements applicable to the Council's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Council's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Council's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Council's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Council's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program, on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
February 22, 2023

FINDINGS AND RECOMMENDATIONS

**KERN COUNCIL OF GOVERNMENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

1. Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weaknesses identified? No
- Significant deficiencies identified that are not considered to be material weaknesses? No

Noncompliance material to financial statements noted? No

Federal Awards:

Internal control over major programs:

- Material weaknesses identified? No
- Significant deficiencies identified that are not considered to be material weaknesses? No

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? No

Identification of major program:

AL# 20.205 Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes

2. Financial Statement Findings

None.

3. Status of Prior Year Findings and Questioned Costs

None.



III. F. KMAA

March 16, 2023

TO: Kern Council of Governments

FROM: Ahron Hakimi,
Executive Director

BY: Becky Napier
Deputy Director – Administration

SUBJECT: KERN MOTORIST AID AUTHORITY ITEM: III. F.
Reimbursable Letter of Agreement with the California Highway Patrol for Additional Safety
Related Enforcement during Inclement Weather

DESCRIPTION:

Staff was contacted by Lieutenant/Commander P. P. Etchebarne of the Fort Tejon Area of the California Highway Patrol (CHP) to provide enforcement dollars for additional safety related enforcement during inclement weather conditions.

DISCUSSION:

During a previous Board Meeting, staff was directed to continue working with the CHP countywide to provide a total of \$25,000 per fiscal year for additional enforcement during inclement weather conditions. Staff is working with Lieutenant/Commander Etchebarne of the Fort Tejon Area of the CHP to provide funding countywide to all four Kern County offices of the CHP.

As of the writing of this staff report the goal is to have one agreement that is managed by the Fort Tejon Area office.

Recently, Kern County received an inordinate amount of snow in the mountain areas. This attracts numerous people from the Los Angeles area to the Frazier Park area to “play” in the snow causing traffic related issues. The CHP is asking for funding assistance to help with overtime costs related to increased traffic control and enforcement. The term of the Agreement is from March 16, 2023 through April 30, 2023.

ACTION:

Motion to approve funding in the amount of \$15,368.08 to provide additional enforcement during inclement weather conditions and authorize the Executive Director to approve and sign the agreement.
ROLL CALL VOTE.

REIMBURSABLE LETTER OF AGREEMENT

CHP 465 (Rev. 12-20) OPI 071

THIS AGREEMENT, Reimbursable Services Control Log # R-22-430-0131 made and entered into this 16th day of March, 2023, by and between the State of California, acting by and through the Department of California Highway Patrol, hereinafter called CHP, and Kern Motorist Aid Authority (KMAA), hereinafter called KMAA.

WORK SHALL COMMENCE ON THE START DATE OR UPON APPROVAL BY BOTH THE CHP AND REQUESTER, WHICHEVER IS LATER. NO SERVICE SHALL BEGIN BEFORE THAT TIME.

1. Reimbursable services are to be provided when ☒ traffic control ☐ security services ☐ vehicle inspections ☐ other details for _____ are required, the CHP agrees to provide uniformed personnel with motorcycles and/or patrol vehicles to assist with the Traffic Control.
2. The term of this Agreement will be 03/18/2023 to 04/30/2023.
3. The CHP coordinator shall be Adriaan Garcia, telephone number (661) 248-6655.
4. In the event of a disaster or unforeseen emergency, this Agreement may be canceled without prior notice by the CHP.
5. KMAA agrees, to the extent permitted by law to indemnify the CHP against and hold the CHP harmless from any and all claims, demands, suits, and actions for personal injury, death, loss, and/or property damage that may arise out of or in connection with the performance of this Agreement, even though such injury, death, loss and/or damage to property may be (or may be alleged to be) attributable in part to the active and/or passive negligence of the CHP and/or its appointees, officers, agents, employees, and servants.
KMAA agrees to defend all such claims, demands, suits, and actions against CHP and/or its appointees, officers, agents, employees, and servants, although the CHP retains the right to conduct the defense at its own expense. KMAA shall reimburse the CHP for all expenses including court costs and reasonable attorney fees, incurred by reason of such claims, demands suits, and actions, or incurred in seeking indemnity or other recovery from KMAA thereunder.
6. No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by all parties and approved as required. No oral understanding or Agreement not incorporated in this Agreement is binding on any of the parties.
7. When one of the contracting parties is a county, city, district, or other local public body, this Agreement shall be accompanied by a copy of the resolution, order, motion, or ordinance of the local governing body, which by law provides the authority to enter into and execution of this Agreement. When performance by the local government entity will be completed before any payment by the CHP, such as a room rental or a one-time event, a resolution is not required.
8. KMAA agrees that additional charges which are directly related to the services provided, maybe assessed for the CHP supplies, additional equipment utilized, damage to uniforms, or property repaired or replaced at the CHP's expense.
9. If the CHP uniformed employee has reported to the assigned location and has worked less than four hours, KMAA agrees to pay every assigned uniform employee a minimum of four hours overtime. Exception: This does not apply to those cases when the hours worked is part of an extended shift. KMAA will not be charged for cancellations made more than 24 hours prior to the scheduled assignment.
10. KMAA agrees that if cancellation is made within 24 hours prior to the scheduled assignment and the assigned CHP uniformed employee(s) **cannot be notified** of such cancellation, a minimum of four hours overtime will be charged for each assigned uniformed employee.

11. KMAA agrees that if cancellation is made within 24 hours prior to the scheduled assignment and the CHP employee is notified of such cancellation, KMAA will only be charged a short notice cancellation fee of \$50.00 per assigned CHP uniformed employee.
12. All cancellation notices to the CHP must be made during normal CHP business hours of 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding legal holidays. Cancellation notices shall only be accepted by the appropriate CHP Division or Area office.
13. The CHP agrees to make reasonable efforts to notify those CHP uniformed employees of the cancellation.
14. No additional gifts, donation, or gratuities may be accepted by the CHP employees on their behalf or on the behalf of the Department, informal squad fund(s), or other local fund(s).
15. The hours and miles indicated in this Agreement are for estimate purposes only. Actual time and vehicle mileage will be charged. This includes travel between the CHP Division/Area command and the service location.
16. The rates indicated in this Agreement are for estimate purposes only. Any increases in overhead, mileage, damaged uniforms, private-owned safety equipment, salaries, and benefits are governed by collective bargaining agreement and/or statute. In the event an officer is not available, a sergeant will be assigned to work in the place of the officer, and KMAA will be charged at the current sergeant's pay. In the event of a rate increase, KMAA agrees to pay the increase rate.
17. In consideration for the above services and upon receipt of an itemized invoice, KMAA agrees to reimburse the CHP for the actual costs incurred at the time services are provided. Rate charged to KMAA shall in no event exceed the actual costs to the CHP to perform the requested services. The following cost information is for estimate purposes only:

Sergeant:	_____ hrs.	@	\$ _____	\$ _____
Officer:	126.00 hrs.	@	\$ 113.58	\$ 14,311.08
Vehicle mileage:	700 miles	@	\$ 1.51	\$ 1,057.00
Motorcycle mileage:	_____ miles	@	\$ _____	\$ _____
Other expenses:	_____			\$ _____
Total estimated cost:				\$ 15,368.08

Note: If total estimated cost exceeds \$50,000, a CHP 465 **CAN NOT** be used. The reimbursable service request must be initiated on a CHP 78R, Reimbursable Services Contract Request, and forwarded to Business Services Section, Contract Services Unit, for processing. (HPM 11.1, Administrative Procedures Manual, Chapter 6, Reimbursable Services)

18. COLLECTION OF ADVANCE DEPOSIT FOR A MOTION PICTURE/FILM.

A form of advance deposit shall be required before services can be performed. The advance deposit shall be made by the requesting party and hand delivered directly to the Statewide Film Media Relations Officer (FMRO) or to the on-scene command officer in-charge. The FMRO or on-scene command officer in-charge will approve, complete a CHP 230, Transmittal Record, and forward the advance deposit to Fiscal Management Section, Accounts Receivable.

- Amount of deposit collected: \$ _____
- Check number: _____
- Cash receipt number: _____
- Federal Tax Identification Number: _____

WITNESSETH: By and in consideration of the covenants and conditions herein contained,
KMAA and the CHP do hereby agree to the above terms and conditions.

STATE OF CALIFORNIA
Department of California Highway Patrol


Commander Signature 03/07/2023
Date

P. P. ETCHEBARNE
Printed Name

LIEUTENANT / COMMANDER
Title

FORT TEJON / 430
Location Code

For use by City/County Clerk, if applicable	
Approved as to form by	Date

REQUESTOR'S NAME

03/07/2023
Signature Date

Ahron Hakimi
Printed Name

Executive Director
Title

1401 19th Street, Suite 300
Address

Bakersfield CA 93301
City State Zip Code

(661) 635-2910
Telephone Number

BILLING INFORMATION

KERN MOTORIST AID AUTHORITY (KMAA)
Company Name

1401 19TH STREET, SUITE 300
Billing Address (The invoice or refund of advance deposit will be sent to this address)

BAKERSFIELD CA 93301
City State Zip Code

BECKY NAPIER (661) 635-2910
Contact Name Telephone Number

BNapier@kerncog.org
E-mail



IV. COG

March 16, 2023

TO: KERN COUNCIL OF GOVERNMENTS

FROM: Ahron Hakimi,
Executive Director

By: Becky Napier
Deputy Director - Administration

SUBJECT: KERN COUNCIL OF GOVERNMENTS AGENDA ITEM: IV.
ELECTION OF OFFICERS

DESCRIPTION:

Each year, the Kern Council of Governments (COG) Board of Directors selects a Chairman and a Vice Chairman for the Kern COG Board.

DISCUSSION:

The Secretary will take nominations for the position of Chairman. Each voting member of the Kern COG Board is eligible to be nominated as Chairman or Vice Chairman. After selection of a Chairman, the gavel will be transferred to the new Chairman who will take nominations for Vice-Chairman.

ACTION

Select a Chairman and a Vice-Chairman for the Kern COG Board of Directors. ROLL CALL VOTE.