

**COUNTY OF KERN
SINGLE AUDIT REPORT
YEAR ENDED JUNE 30, 2021**



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Board of Supervisors
County of Kern
Bakersfield, California

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Kern (the County), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 23, 2022. Our report includes a reference to other auditors who audited the financial statements of First 5 Kern, Kern County Hospital Authority and Tejon Ranch Public Facilities Financing Authority, as described in our report on County of Kern's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing 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 County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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 entity'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2021-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County’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. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2021-001.

County of Kern’s Response to Findings

County of Kern’s response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. County of Kern’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 County’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 entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Roseville, California
May 23, 2022



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Board of Supervisors
County of Kern
Bakersfield, California

Report on Compliance for Each Major Federal Program

We have audited the County of Kern's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2021. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of First 5 Kern, Kern County Hospital Authority and Tejon Ranch Public Facilities Financing Authority, that have been excluded from the accompanying schedule of expenditures of federal awards because these component units engaged other auditors to perform an audit in accordance with Title 2 U.S. Code of Federal Regulation for Federal Awards, where applicable.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Basis for Qualified Opinion on Epidemiology Laboratory Capacity

As described in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding Assistance Listing Number 93.323 Epidemiology Laboratory Capacity as described in finding number 2021-003 for Allowable Costs/Cost Principles. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

Qualified Opinion on Epidemiology Laboratory Capacity

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Epidemiology Laboratory Capacity for the year ended June 30, 2021.

Unmodified Opinion on Each of the Other Major Federal Program

In our opinion, the County 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 other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2021-002. Our opinion on each major federal program is not modified with respect to these matters.

The County's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's 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 a 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2021-002 and 2021-003 to be material weaknesses.

The County's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated May 23, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Roseville, California
September 29, 2022

**COUNTY OF KERN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed-Through to Subrecipients
<u>U.S. Department of Agriculture</u>				
Passed-through California Department of Food and Agriculture:				
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP20PPQF0000C001	\$ 105,112	\$ -
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP20PPQF0000C010	164,950	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025		77,342	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP20PPQF0000C367	286,562	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025		6,035	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP20PPQF000C550	1,501	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025		403,367	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025		81,195	-
Subtotal - Assistance Listing Number 10.025			1,126,064	-
Passed-through California Department of Health and Human Services:				
School Breakfast Program (Child Nutrition)	10.553		25,067	-
Passed-through California Department of Education:				
National School Lunch Program	10.555		339,616	-
COVID-19 National School Lunch Program	10.555		31,659	-
Subtotal - Child Nutrition Cluster			396,342	-
Passed-through California Department of Health and Human Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	10.561		18,589,494	-
Passed-through California Department of Aging:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	10.561	SP-1920-33	59,727	-
Subtotal - SNAP Cluster			18,649,221	-
Direct Program:				
Schools and Roads - Grants to Counties	10.666		974,940	-
Subtotal - Schools and Roads Cluster			974,940	-
Cooperative Forestry Assistance - Sheriff	10.664		5,239	-
Cooperative Forestry Assistance - Fire	10.664		5,239	-
Subtotal - Assistance Listing Number 14.239			10,478	-
Passed-through California State Water Resources Control Board:				
Water and Waste Disposal Systems for Rural Communities	10.760	C-06-7659-110/ D17-04019	18,670	-
Total U.S. Department of Agriculture			\$ 21,175,715	\$ -
<u>U.S. Department of Defense</u>				
Direct Programs:				
Community Economic Adjustment Assistance for Advance Planning and Economic Divers	12.614		\$ 509,916	\$ -
Total U.S. Department of Defense			\$ 509,916	\$ -

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF KERN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed-Through to Subrecipients
<u>U.S. Department of Housing and Urban Development</u>				
Direct Programs:				
Community Development Block Grants/Entitlement Grants (CDBG)	14.218		\$ 4,788,083	\$ 1,383,335
COVID-19 Community Development Block Grants/Entitlement Grants (CDBG)	14.218		161,968	161,968
Community Development Block Grants/Entitlement Grants (CDBG) - Current Year Loans	14.218		630,320	-
Community Development Block Grants/Entitlement Grants (CDBG) - Outstanding Loans	14.218		17,100,195	-
Subtotal - CDBG Cluster			<u>22,680,566</u>	<u>1,545,303</u>
Homeless Management Information Systems Technical Assistance	14.261		108,168	-
Emergency Shelter Grants Program	14.231		310,651	273,928
COVID-19 Emergency Shelter Grants Program	14.231		843,932	681,731
Emergency Shelter Grants Program	14.231		17,584	-
Subtotal - Assistance Listing Number 14.231			<u>1,172,167</u>	<u>955,659</u>
Home Investment Partnership Program	14.239		756,603	560,606
Home Investment Partnership Program - Current Year Loans	14.239		3,626,000	-
Home Investment Partnership Program - Outstanding Loans	14.239		40,817,962	-
Subtotal - Assistance Listing Number 14.239			<u>45,200,565</u>	<u>560,606</u>
Passed-through California Department of Housing and Community Development:				
Supportive Housing Program - Homeless Management Information Systems	14.235	CA0606L9D041609	63,268	-
Passed through City of Bakersfield:				
Housing Opportunities for Persons with AIDS	14.241	18-055 & 2020-102	<u>481,725</u>	<u>376,096</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 69,706,459</u>	<u>\$ 3,437,664</u>
<u>U.S. Department of Interior</u>				
Direct Programs:				
Rangeland Resource Management	15.237		<u>6,129</u>	<u>-</u>
Total U.S. Department of Interior			<u>\$ 6,129</u>	<u>\$ -</u>
<u>U.S. Department of Justice</u>				
Passed through California Office of Emergency Services (CalOES):				
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034		\$ 221,475	\$ -
Crime Victim Assistance	16.575	VW19 37 0150; VW20 38 0150; XE19 02 0150;XE20 03 0150; FJ 18 01 0150; xc 19 02 0150;XC 20 03 0150	1,636,974	-
Violence Against Women Formula Grants	16.588		100,000	-
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	COVERDELL 19& CQ19-15-0150	63,959	-
Passed-through Board of State and Community Corrections:				
Residential Substance Abuse for State Prisoners	16.593	BSCC 526-20	84,344	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF KERN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed-Through to Subrecipients
<u>U.S. Department of Justice (Continued)</u>				
Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.738	2016-DJ-BX-0319;2017-DJ-BX-0768;2019-DJ-BX-0696	\$ 72,998	\$ -
Direct Programs:				
Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.738		17,198	-
Subtotal - Assistance Listing Number 16.738			<u>90,196</u>	<u>-</u>
Bulletproof Vest Program	16.607		61,225	-
DNA Backlog Reduction Program	16.741	2018-DN-BX-0015; 2019-DN-BX-0101	588,750	-
Equitable Sharing Program	16.922		15,245	-
Total U.S. Department of Justice			<u>\$ 2,862,168</u>	<u>\$ -</u>
<u>U.S. Department of Labor</u>				
Direct Programs:				
National Farmworker Jobs Program	17.264		\$ 1,553,537	\$ 467,288
Passed-through California Department of Employment Development:				
Workforce Innovation and Opportunity Act (WIOA) - Adult Program	17.258		4,949,379	2,617,420
WIOA - Youth Activities	17.259		3,249,833	1,237,000
WIOA - Dislocated Workers Formula Grant	17.278		2,668,683	858,643
WIOA - Dislocated Workers Formula Grant	17.278		12,000	-
WIOA - Dislocated Workers Formula Grant	17.278		47,265	15,214
WIOA - Dislocated Workers Formula Grant	17.278		444,539	356,004
WIOA - Dislocated Workers Formula Grant(Underserved COVID-19 Impacted Individual)	17.278		32,979	26,726
Passed-through La Cooperativa Campesina de California:				
WIOA - Dislocated Workers Formula Grant	17.278	La Coop - Housing	15,076	-
WIOA - Dislocated Workers Formula Grant	17.278	La Coop - Rapid Response 541	3,054,208	2,774,180
WIOA - Dislocated Workers Formula Grant	17.278	La Coop - EERE 1134	11,534	-
Subtotal - WIOA Cluster			<u>14,485,496</u>	<u>7,885,187</u>
Passed-through California Department of Employment Development:				
WIOA - National Dislocated Worker Grants/WIA National Emergency Grants	17.277		18,188	5,358
Passed-through La Cooperativa Campesina de California:				
WIOA - National Dislocation Worker Grants/WIA National Emergency Grants	17.277	LaCoop - Housing #167	51,804	43,876
WIOA - National Dislocation Worker Grants/WIA National Emergency Grants	17.277	LaCoop - COVID-19 Temporary Job Programs #1195	12,358	5,815
Subtotal - Assistance Listing Number 20.106			<u>82,350</u>	<u>55,049</u>
Total U.S. Department of Labor			<u>\$ 16,121,383</u>	<u>\$ 8,407,524</u>
<u>U.S. Department of Transportation</u>				
Direct Programs:				
COVID-19 Airport Improvement Program	20.106		\$ 9,154,020	\$ -
COVID-19 Airport Improvement Program	20.106		875,308	-
Subtotal - Assistance Listing Number 20.106			<u>10,029,328</u>	<u>-</u>
Passed-through the California Department of Transportation:				
Highway Planning and Construction	20.205	06-5959R	12,342,855	-
Highway Planning and Construction	20.205	06-5959R	152,476	-
Subtotal - Highway Planning and Construction Cluster			<u>12,495,331</u>	<u>-</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF KERN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed-Through to Subrecipients
<u>U.S. Department of Transportation (Continued)</u>				
Formula Grants for Rural Areas and Tribal Transit Program	20.509		\$ 2,879,887	\$ -
Passed-through California Office of Traffic Safety:				
National Priority Safety Programs	20.616	DI20027 & DI21002	253,985	-
Subtotal - Highway Safety Cluster			<u>253,985</u>	<u>-</u>
Passed-through California Office of Traffic Safety				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608		147,710	-
Total U.S. Department of Transportation			<u>\$ 25,806,241</u>	<u>\$ -</u>
<u>U.S. Department of the Treasury</u>				
Direct Programs:				
COVID-19 Coronavirus Relief Fund	21.019		\$ 102,028,286	\$ 7,644,015
COVID-19 Coronavirus Relief Fund	21.019		21,120,124	-
COVID-19 Coronavirus Relief Fund			15,768	-
Subtotal - Assistance Listing Number 20.019			<u>\$ 123,164,178</u>	<u>\$ 7,644,015</u>
COVID-19 Emergency Rental Assistance Program	21.023		\$ 3,037,000	\$ 3,037,000
Total U.S. Department of the Treasury			<u>\$ 126,201,178</u>	<u>\$ 10,681,015</u>
<u>U.S. Department of Health and Human Services</u>				
Passed-through California Department of Aging:				
Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	AP-1921-33	\$ 45,114	\$ -
Title VII, Chapter 2 - Long-Term Care Ombudsman Services for Older Individuals	93.042	AP-1921-33	9,540	-
Title VII, Chapter 2 - Long-Term Care Ombudsman Services for Older Individuals	93.042	AP-1920-33	36,447	-
Subtotal - Assistance Listing Number 93.042			<u>45,987</u>	<u>-</u>
Title III, Part D - Disease Prevention and Health Promotion Services	93.043	AP-1921-33	53,477	-
Title III, Part B - Grants for Supportive Services and Senior Centers				
COVID-19 Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	AP-1920-33	411,443	-
	93.044	AP-1921-33	354,780	-
Title III, Part C - Nutrition Services	93.045	AP-1718-33	1,610,242	-
COVID-19 Title III, Part C - Nutrition Services	93.045	AP-1921-33	851,434	-
Nutrition Services Incentive Program	93.053	AP-1718-33	285,303	-
Subtotal - Aging Cluster			<u>3,513,202</u>	<u>-</u>
National Family Caregiver Support, Title III, Part E	93.052	AP-1921-33	297,618	-
COVID-19 National Family Caregiver Support, Title III, Part E	93.052	AP-1921-33	175,307	-
Subtotal - Assistance Listing Number 93.052			<u>472,925</u>	<u>-</u>
Medicare Enrollment Assistance Program	93.071	MI-1921-33	53,437	-
Passed-through California Department of Public Health:				
COVID-19 Global AIDS (PHEP) Aligned Cooperative Agreements	93.067	CRWC 25133	54,862	47,421
	93.074	17-10161	865,931	-
Passed through California Department of Health Care Services:				
Guardianship Assistance - Kin Gap & Kin Gap IVE	93.090		95,746	-
Guardianship Assistance - Kin Gap	93.090		2,545,628	-
Subtotal - Assistance Listing Number 93.090			<u>2,641,374</u>	<u>-</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF KERN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed-Through to Subrecipients
U.S. Department of Health and Human Services (Continued)				
Passed-through California Department of Public Health: Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	5NU52PS004656	\$ 56,627	\$ -
Passed-through California Department of Health Care Services: Projects for Assistance in Transition from Homelessness	93.150		188,208	-
Passed-through California Department of Public Health: Family Planning Services - Essential Access Health	93.217	498-2020	63,012	-
Immunization Cooperative Agreements	93.268	17-10321	407,273	-
Direct Program				
Cooperative Agreement to Support Navigators in Federally-Facilitated Exchanges	93.332		379,484	-
Mandatory and Matching Funds of the Child Care and Development Fund	93.596		33,790	-
Subtotal - CCDF Cluster			<u>33,790</u>	<u>-</u>
Passed-through California Department of Health and Human Services: COVID-19 Epidemiology Laboratory Capacity	93.323		7,135,846	-
MaryLee Allen Promoting Safe and Stable Families Program	93.556		1,066,836	-
Passed-through California Department of Health and Human Services: Education and Prevention Grants to Reduce Sexual Abuse of Runaway, Homeless Teen Youth	93.557		96,934	-
Temporary Assistance for Needy Families (TANF)	93.558		2,770,563	-
Temporary Assistance for Needy Families (TANF)	93.558		45,622,325	-
Temporary Assistance for Needy Families (TANF)	93.558		49,030	-
Temporary Assistance for Needy Families (TANF)	93.558		54,198,511	-
Temporary Assistance for Needy Families (TANF)	93.558		1,377,085	-
Subtotal - TANF Cluster			<u>104,017,514</u>	<u>-</u>
Passed-through California Department of Child Support Services Child Support Enforcement	93.563		13,514,116	-
Passed-through California Department of Health and Human Services: Stephanie Tubbs Jones Child Welfare Services Program	93.645		733,435	-
COVID-19 Stephanie Tubbs Jones Child Welfare Services Program	93.645		113,587	-
Subtotal - Assistance Listing Number 93.645			<u>847,022</u>	<u>-</u>
Foster Care - Title IV-E	93.658		115,307	-
Foster Care - Title IV-E	93.658		12,250	-
Foster Care - Title IV-E	93.658		826,851	-
Foster Care - Title IV-E	93.658		3,719,667	-
Foster Care - Title IV-E	93.658		10,519,663	-
Foster Care - Title IV-E	93.658		17,081,009	-
COVID-19 Foster Care - Title IV-E	93.658		13,009	-
COVID-19 Foster Care - Title IV-E	93.658		1,166,894	-
Passed-through California Department of Social Services: Foster Care - Title IV-E	93.658		91,399	-
Foster Care - Title IV-E	93.658		880,502	-
Foster Care - Title IV-E	93.658		272,124	-
Subtotal - Assistance Listing Number 93.658			<u>34,698,675</u>	<u>-</u>
Passed-through California Department of Health and Human Services: Adoption Assistance	93.659		19,012,504	-
COVID-19 Adoption Assistance	93.659		2,896,649	-
Adoption Assistance	93.659		1,699,274	-
Subtotal - Assistance Listing Number 93.659			<u>23,608,427</u>	<u>-</u>
Social Services Block Grant	93.667		1,994,860	-
Social Services Block Grant	93.667		1,570,786	-
Subtotal - Assistance Listing Number 93.667			<u>3,565,646</u>	<u>-</u>
Chafee Foster Care Independence Program	93.674		230,042	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF KERN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed-Through to Subrecipients
<u>U.S. Department of Health and Human Services (Continued)</u>				
Passed-through California Department of Health Care Services:				
Medical Assistance Program	93.778	201715 BIH	\$ 207,366	\$ -
Medical Assistance Program	93.778	CHDP Program / HCPCFC Program / CHDP Program	620,443	-
Medical Assistance Program	93.778	DHCS Admin Claiming Local & Schools	2,450	-
Medical Assistance Program	93.778	CA Health Care Svs	217,135	-
Medical Assistance Program	93.778	TCM	2,200,000	-
Passed-through California Department of Health and Human Services:				
Medical Assistance Program	93.778		18,663,188	-
Medical Assistance Program	93.778		5,733,427	-
Subtotal - Medicaid Cluster			27,644,009	-
Passed-through California Emergency Medical Services Authority (EMSA):				
National Bioterrorism Hospital Preparedness Program	93.889	C17-001	115,410	-
Passed-through California Department of Public Health:				
HIV Care Formula Grants	93.917	15-11057 & 16-10848	660,399	297,840
HIV Prevention Activities - Health Department Based	93.940	15-10941	117,117	-
Passed-through California Department of Health Care Services:				
Block Grants for Community Mental Health Services	93.958		1,728,738	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959		4,207,812	-
Passed-through California Department of Aging:				
Health Insurance Counseling & Advocacy (HICAP)	93.779	HI-1720-33	68,894	-
Passed-through California Department of Public Health:				
Preventive Health Services - Sexually Transmitted Diseases Control Grant	93.977	15-10255	59,184	-
Maternal, Infant, and Early Childhood Home Visiting Cluster	93.870	15-10159	513,647	-
Maternal and Child Health Services Block Grant to the States	93.994	201715 MCAH	304,634	-
Maternal and Child Health Services Block Grant to the States	93.994	201715 BIH	182,522	-
Subtotal - Assistance Listing Number 93.994			487,156	-
Total U.S. Department of Health and Human Services			\$ 233,258,127	\$ 345,261
<u>U.S. Executive Office of the President</u>				
Direct Programs:				
High Intensity Drug Trafficking Areas Program	95.001		\$ 165,596	\$ -
Total U.S. Executive Office of the President			\$ 165,596	\$ -
<u>U.S. Department of Homeland Security</u>				
Passed-through the California Office of Emergency Services (CalOES):				
Emergency Management Performance Grant	97.042	Cal EMA ID #029-00000	\$ 141,595	\$ -
Homeland Security Grant Program	97.067	Cal EMA ID #029-00000	243,805	-
Direct Programs:				
Assistance to Firefighters Grant	97.044		2,647,273	-
Transportation Security Administration LEO Program	97.090		73,698	-
Total U.S. Department of Homeland Security			\$ 3,106,371	\$ -
Total Expenditures of Federal Awards			\$ 498,919,283	\$ 22,871,464

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF KERN
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards presents the activity of all federal awards programs of the County of Kern for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance. For all awards with the exception of Assistance Listing Number 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 FEDERAL ASSISTANCE LISTING NUMBERS

The program titles and federal assistance listing numbers were obtained from the federal or pass-through grantor. When no federal assistance listing number had been assigned to a program, the two-digit federal agency identifier and the federal contract number were used. When there was no federal contract number, the two-digit federal agency identifier and the word "unknown" were used.

NOTE 4 INDIRECT COST RATE

The County did not elect to use the 10 percent de minimis indirect cost rate as covered in 2 CFR §200.414. Uniform Guidance §200.510(6) requires the County to disclose whether or not it elected to use the 10 percent de minimis cost rate that §200.414(f) allows for nonfederal entities that have never received a negotiated indirect cost rate.

NOTE 5 LOANS WITH CONTINUING COMPLIANCE REQUIREMENTS

Outstanding federally-funded program loans, with a continuing compliance requirement, carried balances as of June 30, 2021 as follows:

CFDA No.	Federal Program	Outstanding Loans June 30, 2021	Loans July 1, 2020	New Loans	Federal Awards Expended June 30, 2021
14.218	Community Development Block Grant/ States Program	\$ 17,689,828	\$ 17,100,195	\$ 630,320	\$ 17,730,515
14.239	Home Investment Partnership Program	44,013,232	40,817,962	3,626,000	44,443,962

**COUNTY OF KERN
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021**

NOTE 6 PASS-THROUGH ENTITIES' IDENTIFYING NUMBER

When federal awards were received from a pass-through entity, the schedule of expenditures of federal awards shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the County determined that no identifying number is assigned for the program or the County was unable to obtain an identifying number from the pass-through entity.

NOTE 7 DEPARTMENT OF AGING FEDERAL/STATE SHARE

Beginning with the fiscal year ended June 30, 2005, the California Department of Aging (CDA) required agencies that receive CDA funding to display State-funded expenditures discreetly along with Federal expenditures. The County expended the following State and Federal Amounts under these grants:

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Number	State Expenditures	Federal Expenditures
Source: California Department of Aging			
Supplemental Assistance Program - Education (SNAP-Ed)	10.561	\$ -	\$ 59,727
Special Programs for the Aging-Title VII-B Elder Abuse, Neglect, and Exploitation Prevention	93.041	-	45,114
Special Programs for the Aging-Title VII-A Long Term Care Ombudsman Services	93.042	-	9,540
Special Programs for the Aging-Title VII-A Long Term Care Ombudsman Services (COVID-19)	93.042	-	36,447
Special Programs for the Aging-Title III-D Disease Prevention	93.043	-	53,477
Special Programs for the Aging-Title III-B Supportive Services	93.044	181,680	411,443
Special Programs for the Aging-Title III-B Supportive Services (COVID-19)	93.044	-	354,780
Special Programs for the Aging-Title III-C, Senior Nutrition Services	93.045	551,414	1,610,242
Special Programs for the Aging-Title III-C, Senior Nutrition Services (COVID-19)	93.045	-	851,434
National Family Caregiver Support-Title III-E	93.052	-	297,618
National Family Caregiver Support-Title III-E (COVID-19)	93.052	-	175,307
Nutrition Services Incentive Program	93.053	-	285,303
Medicare Enrollment Assistance Program	93.071	-	53,437
Health Insurance Counseling and Advocacy Program (HICAP)	93.779	221,476	68,894
Long-Term Care Ombudsman - Public Health L&C Program Fund (PHL&C)	N/A	7,752	-
Long-Term Care Ombudsman - State Health Facilitated Citation Penalties (SHF CIT PEN)	N/A	34,244	-
Long-Term Care Ombudsman - Skilled Nursing Facility Quality and Accountability Fund (SNFQAF)	N/A	36,824	-
Source: California Department of Human Services			
Medical Assistance Program -MEDI-CAL	93.778	-	5,733,427
Totals		<u>\$ 1,033,390</u>	<u>\$ 10,046,190</u>

**COUNTY OF KERN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? x yes no
 - Significant deficiency(ies) identified? yes x none reported
3. Noncompliance material to financial statements noted? yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? x yes no
 - Significant deficiency(ies) identified? yes x none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified for all major federal programs except for the Epidemiology Laboratory Capacity ALN 93.323 which was qualified.
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? x yes no

Identification of Major Federal Programs

Assistance Listing Number(s)

Name of Federal Program or Cluster

10.561
20.106
20.205
21.019
21.023
93.044 / 93.045 / 93.053

93.323
93.658

Supplemental Nutrition Assistance Program
COVID-19 Airport Improvement Program
Highway Planning and Construction
COVID-19 Coronavirus Relief Fund
Emergency Rental Assistance
Special Programs for the Aging, Title II, Part B,
Grants for Supportive Services and Senior Centers
Epidemiology Laboratory Capacity
Foster Care Title IV-E

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 3,000,000

Auditee qualified as low-risk auditee?

 x yes no

COUNTY OF KERN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Section II – Financial Statement Findings

2021 – 001 SEFA Preparation

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: During our review of the preliminary Schedule and testing over the major programs, we noted that it was necessary to record material adjustments to the Schedule for the following programs: Plants, and Animal Disease, Pest Control, and Animal Care; the Airport Improvement Program; Highway Planning and Construction; and the Coronavirus Relief Fund. The County's total federal expenditures reported on the Schedule were reduced by \$10,825,769.

Criteria or Specific Requirement: The Auditee's responsibility per the Uniform Guidance, Section 200.508 Part B, is to "prepare appropriate financial statements, including the Schedule of Expenditures of Awards". This includes determining the correct amount of expenditures that need to be reported for the Schedule of Expenditures of Federal Awards.

The Schedule, while not part of the Basic Financial Statements, is audited in relation to the basic financial statements, in accordance with the requirements of the Uniform Guidance. The Uniform Guidance requires auditors to determine major programs and perform risk assessments based on information reported on the SEFA.

Effect: The changes made to the Schedule impacted the major program determination and this could lead to programs not being audited in accordance with Uniform Guidance.

Cause: Due to high turnover and in some instances of new funding related to COVID-19, employees reporting expenditures to be included in the Schedule lacked the knowledge or guidance necessary to report amounts accurately.

Repeat Finding: Not a repeat finding.

Recommendation: We recommend the County provides additional training to the departments to understand their grant requirements. As well as increasing the year end training related to compiling the federal expenditures that will be reported on the Schedule.

Views of Responsible Officials and Planned Corrective Actions: There is no disagreement with the audit finding and County will implement our auditor's recommendation.

**COUNTY OF KERN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs

2021 – 002

Federal Agency: Department of Transportation

Federal Program Name: Airport Improvement Program

Assistance Listing Number: 20.106

Award Period: 7/1/2020-6/30/2021

Type of Finding:

- Material Weakness in Internal Control over Compliance
- Other Noncompliance

Criteria or Specific Requirement: Grant compliance requires that Airport Improvement Programs submit financial report SF-425 Federal Financial Report per OMB No. 0348-061 on a regular basis per the grant agreement.

Condition: During our testing of the reporting requirements SF-425 Federal Financial Report for grants 3-06-0017-046-2020 and 3-06-0017-047-2020 were not filled out or submitted to the Federal Aviation Administration. They were 2 of the 16 required reports.

Questioned Costs: N/A

Context: Airport Improvement Program must submit SF-425 Federal Financial Report to report expenditures related to each grant agreement. CLA haphazardly selected 5 of the 16 required reports to test compliance. We found that two of the reports did not have any documentation to show it was filled out and submitted.

Cause: The Department had turnover during the audit period and did not have adequate staffing to know which reports to submit per the grant agreement.

Effect: Not following through on the reporting requirements could result in noncompliance with program requirements.

Repeat Finding: Not a repeat finding.

Recommendation: CLA recommends the County and department to develop training over understanding the grant requirements.

Views of Responsible Officials: There is no disagreement with the audit finding and County will implement our auditor's recommendation.

**COUNTY OF KERN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2021 – 003

Federal Agency: Department of Public Health

Federal Program Name: Epidemiology Laboratory Capacity for Infectious Diseases

Assistance Listing Number: 93.323

Award Period: 7/1/2020-6/30/2021

Type of Finding:

- Material Weakness in Internal Control over Compliance
- Material Noncompliance

Criteria or Specific Requirement: Epidemiology Laboratory Capacity for Infectious Diseases allows a 25% indirect cost rate be applied to allowable costs (Salaries, wages, and benefits). The California Department of Public Health provides a letter to departments stating the indirect cost rate and allowable costs.

Condition: During our testing of indirect cost rate, we noted the County incorrectly calculated the indirect cost rate. They utilized the incorrect allowable costs which led to an overstatement of \$1,003,331 reported on the expenditure reports submitted to the state. The County looked into the calculated indirect cost rate and noted the State contacted them to fix the indirect cost rate amount. The County received a 24% advancement of the total grant amount for COVID-19 ELC Enhancing Detection Funding and COVID-19 ELC Enhancing Detection Expansion Funding. The total expenditures for the programs were below the 25% advancement and no additional funding was requested.

Questioned Costs: Known questioned costs of \$1,003,331.

Context: The COVID-19 ELC Enhancing Detection Funding and COVID-19 ELC Enhancing Detection Expansion Funding indirect costs were incorrectly calculated. CLA haphazardly selected 5 of the 10 expenditure reports submitted to the state to recalculate the indirect costs.

Cause: The department misunderstood the allowable costs that could be utilized to calculate the indirect costs.

Effect: Miscalculating the indirect cost rate could result in reporting the incorrect expenditure amount to the State. In addition, the County could receive more funding than what was actually expended.

Repeat Finding: Not a repeat finding.

Recommendation: CLA recommends the County to work with department to provide training over understanding grant agreement. As well as further reviewing the programs that received COVID funding when compiling the SEFA.

Views of Responsible Officials: There is no disagreement with the audit finding and County will implement our auditor's recommendation.



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