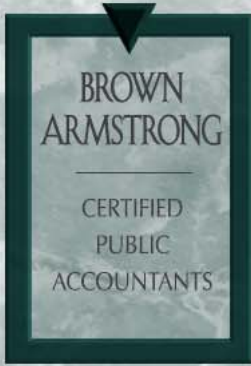


COUNTY OF KERN, CALIFORNIA
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2015

**COUNTY OF KERN, CALIFORNIA
SINGLE AUDIT REPORT**

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BROWN ARMSTRONG

Certified Public Accountants

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

To the Honorable Members of
the Board of Supervisors
County of Kern, California

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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 unit, 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, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated January 28, 2016.

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) to determine 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 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. 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of 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 determination of financial statement amounts. 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*.

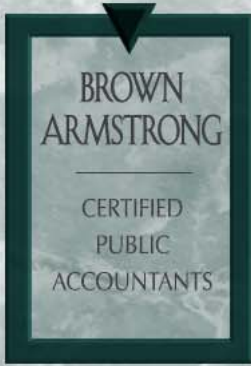
Purpose of this Report

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 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 County'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
January 28, 2016



BROWN ARMSTRONG
Certified Public Accountants

INDEPENDENT AUDITOR’S 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 OMB CIRCULAR A-133

To the Honorable Members of
the Board of Supervisors
County of Kern, California

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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 U.S. Office of Management and Budget (OMB) Circular A-133 *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, 2015. The County’s major federal programs are identified in the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor’s 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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.

Opinion on Each 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 major federal programs for the year ended June 30, 2015.

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 OMB Circular A-133, 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 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.

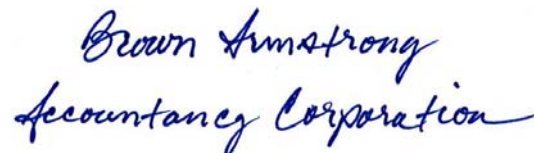
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all the deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated January 28, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 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.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation".

Bakersfield, California
March 25, 2016

**COUNTY OF KERN, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015**

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>Federal CFDA Number</u>	<u>Supplemental Identifying Number</u>	<u>Total Expenditures</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Passed through California Department of Social Services			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	10.561	Kern (County 15)	\$ 399,969
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	10.561	Kern (County 15)	12,347,805
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	10.561	Kern (County 15)	112
Passed through California Department of Aging			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	10.561	Kern (County 15)	<u>60,842</u>
Subtotal			<u>12,808,728</u>
Direct Programs			
Cooperative Forestry Assistance	10.664	Kern (County 15)	<u>6,838</u>
Schools and Roads - Grants to Counties	10.666	Kern (County 15)	6,838
Schools and Roads - Grants to Counties	10.666	Kern (County 15)	<u>82,971</u>
Subtotal			<u>89,809</u>
Passed through U.S. Department of Education			
School Breakfast Program (Child Nutrition)	10.553	Kern (County 15)	30,601
National School Lunch Program (Child Nutrition)	10.555	Kern (County 15)	<u>661,403</u>
Subtotal - Child Nutrition Cluster			<u>692,004</u>
Passed through California Department of Food and Agriculture			
Comprehensive Obesity Prevention	10.168	13-20529	<u>1,593,069</u>
Passed through California Department of Food and Agriculture			
Plant and Animal Disease, Pest Control, and Animal Care	10.025	13-8506-1211-CA	228,084
Plant and Animal Disease, Pest Control, and Animal Care	10.025	13-8506-1317-CA	191,131
Plant and Animal Disease, Pest Control, and Animal Care	10.025	13-8506-0484-CA	461,800
Plant and Animal Disease, Pest Control, and Animal Care	10.025	13-8506-1164-CA	1,715
Plant and Animal Disease, Pest Control, and Animal Care	10.025	13-8506-0572-CA	15,207
Plant and Animal Disease, Pest Control, and Animal Care	10.025	15-8506-1211-CA	195,594
Plant and Animal Disease, Pest Control, and Animal Care	10.025	15-8506-1317-CA	38,162
Plant and Animal Disease, Pest Control, and Animal Care	10.025	15-8506-0484-CA	880,447
Plant and Animal Disease, Pest Control, and Animal Care	10.025	2013-37	14,186
Plant and Animal Disease, Pest Control, and Animal Care	10.025	13-8506-1399-CA	92,181
Plant and Animal Disease, Pest Control, and Animal Care	10.025	14-8506-0689-CA	<u>6,908</u>
Subtotal			<u>2,125,415</u>
<i>Total U.S. Department of Agriculture</i>			<u>17,315,863</u>
			<i>(Continued)</i>

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF KERN, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2015

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>Federal CFDA Number</u>	<u>Supplemental Identifying Number</u>	<u>Total Expenditures</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Direct Programs			
Community Development Block Grants (CDBG)/Entitlement Grants	14.218	Kern (County 15)	<u>3,711,393</u>
Emergency Shelter Grants Program	14.231	Kern (County 15)	<u>391,404</u>
Home Investment Partnerships Program	14.239	Kern (County 15)	<u>1,871,381</u>
Passed through Department of Housing and Urban Dev			
Supportive Housing Program	14.235	#CA0606B90041003	43,255
Supportive Housing Program	14.235	#CA1007L90041202	<u>17,376</u>
Subtotal			<u>60,631</u>
Passed through California Department of Public Health			
Housing Opportunities for Persons with AIDS	14.241	13-20420	<u>368,343</u>
<i>Total U.S. Department of Housing and Urban Development</i>			<u>6,403,152</u>
<u>U.S. DEPARTMENT OF INTERIOR</u>			
Direct Programs			
Payment in Lieu of Taxes	15.226	Kern (County 15)	<u>2,455,396</u>
Rangeland Resource Management	15.237	Kern (County 15)	2,000
Rangeland Resource Management	15.237	Kern (County 15)	<u>5,750</u>
Subtotal			<u>7,750</u>
<i>Total U.S. Department of Interior</i>			<u>2,463,146</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct Programs			
Joint Law Enforcement Operations	16.111	Kern (County 15)	71,493
Joint Law Enforcement Operations	16.111	Kern (County 15)	<u>883,416</u>
Subtotal			<u>954,909</u>
Crime Victim Assistance/Discretionary Grants	16.582	Kern (County 15)	<u>4,802</u>
State Criminal Alien Assistance Program	16.606	Kern (County 15)	<u>202,822</u>
Public Safety Partnership and Community Policing Grants	16.710	Kern (County 15)	<u>25,179</u>
DNA Backlog Reduction Program	16.741	2013-DN-BX-0086	<u>187,325</u>
			<i>(Continued)</i>

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF KERN, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2015

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>Federal CFDA Number</u>	<u>Supplemental Identifying Number</u>	<u>Total Expenditures</u>
<u>U.S. DEPARTMENT OF JUSTICE (Continued)</u>			
Direct Programs (Continued)			
Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.738	Kern (County 15)	170,463
Passed through Dept of Justice - Office of Justice Programs Gang)	16.738	2014-DJ-BX-0626	81,668
Passed through California Office of Emergency Services (CalOES) Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.738	Kern (County 15)	<u>200,000</u>
Subtotal			<u>452,131</u>
Passed through Board of State and Community Corrections (BSCC) Juvenile Accountability Block Grants	16.523	Kern (County 15)	<u>45,493</u>
Passed through California Office of Emergency Services (CalOES) Crime Victim Assistance	16.575	2013-VA-GX-0004	<u>296,409</u>
Violence Against Women Formula Grants	16.588	2013-WF-AX-0025	212,894
Violence Against Women Formula Grants	16.588		<u>100,067</u>
Subtotal			<u>312,961</u>
<i>Total U.S. Department of Justice</i>			<u>2,482,031</u>
<u>U.S. DEPARTMENT OF LABOR</u>			
Direct Programs			
National Farmworker Jobs Program	17.264	Kern (County 15)	<u>2,133,595</u>
Passed through California Department of Employment Development Workforce Investment Act - Adult Program	17.258	K594762/K491019	3,252,386
Workforce Investment Act - Youth Activities	17.259	K594762/K491019	3,402,772
Workforce Investment Act - Dislocated Workers	17.278	K594762/K491019	3,319,111
Workforce Investment Act - Dislocated Workers	17.278	Kern (County 15)	54,352
Workforce Investment Act - Dislocated Workers	17.278	6/K074142	6,000
Workforce Investment Act - Dislocated Workers	17.278	Kern (County 15)	27,821
Passed through La Cooperativa Campesina de California Workforce Investment Act Dislocated Workers	17.278	WIA-DA-10-01-14-ETR	161,951
Passed through Rapid Response Workforce Investment Act Dislocated Workers	17.278	K594762/K491019	356,720

(Continued)

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF KERN, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2015**

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>Federal CFDA Number</u>	<u>Supplemental Identifying Number</u>	<u>Total Expenditures</u>
<u>U.S. DEPARTMENT OF LABOR (Continued)</u>			
Passed through La Coop Eere Workforce Investment Act Dislocated Workers	17.278	Kern (County 15)	155,993
Passed through CV Back to Work #901 Workforce Investment Act Dislocated Workers	17.278	Kern (County 15)	2,413
Passed through SouthBay Workforce Investment Act Dislocated Workers	17.278	11-W110	<u>11,339</u>
Subtotal - Workforce Investment Act Cluster			<u>10,750,858</u>
<i>Total U.S. Department of Labor</i>			<u>12,884,453</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Direct Programs			
Airport Improvement Program	20.106	Kern (County 15)	1,472,131
Airport Improvement Program	20.106	Kern (County 15)	<u>935,143</u>
Subtotal			<u>2,407,274</u>
Passed through California Department of Transportation Highway Planning and Construction	20.205	06-5959R	<u>6,213,660</u>
Formula Grants for Rural Areas	20.509	Kern (County 15)	<u>1,732,171</u>
Passed through California Office of Traffic Safety Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	Kern (County 15)	<u>137,121</u>
National Priority Safety Programs	20.616	18X920405DCA15 and 18X92045DOCA14	<u>491,157</u>
<i>Total U.S. Department of Transportation</i>			<u>10,981,383</u>
<u>U.S. NATIONAL ENDOWMENT FOR THE HUMANITIES</u>			
Passed through California State Library			
Grants to States	45.310	40-8396	5,000
Grants to States	45.310	40-8425	<u>31,500</u>
Subtotal			<u>36,500</u>
<i>Total U.S. National Endowment for the Humanities</i>			<u>36,500</u> (Continued)

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF KERN, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2015

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>Federal CFDA Number</u>	<u>Supplemental Identifying Number</u>	<u>Total Expenditures</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Passed through California Department of Rehabilitation Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	28862	<u>748,103</u>
<i>Total U.S. Department of Education</i>			<u>748,103</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed through California Department of Social Services Food and Drug Administration - Research	93.103	1U18FD004680-01	<u>32,031</u>
Community Transformation Grants and National Dissemination and Support for Community Transformation Grants	93.531	5U58DP003616	<u>119,239</u>
Guardianship Assistance	93.090	Kern (County 15)	43,428
Guardianship Assistance	93.090	Kern (County 15)	<u>1,473,167</u>
Subtotal			<u>1,516,595</u>
Promoting Safe and Stable Families	93.556	Kern (County 15)	<u>883,572</u>
Temporary Assistance for Needy Families (TANF)	93.558	Kern (County 15)	163,578
Temporary Assistance for Needy Families (TANF)	93.558	Kern (County 15)	36,392,602
Temporary Assistance for Needy Families (TANF)	93.558	Kern (County 15)	7,447
Temporary Assistance for Needy Families (TANF)	93.558	Kern (County 15)	2,760,808
Temporary Assistance for Needy Families (TANF)	93.558	Kern (County 15)	1,251,218
Temporary Assistance for Needy Families (TANF)	93.558	Kern (County 15)	<u>39,272,717</u>
Subtotal			<u>79,848,370</u>
Family Support Payments to State - Assistance Payments	93.560	Kern (County 15)	<u>1,607,950</u>
Refugee and Entrant Assistance - State Administered Programs	93.566	Kern (County 15)	768
Refugee and Entrant Assistance - State Administered Programs	93.566	Kern (County 15)	<u>25,846</u>
Subtotal			<u>26,614</u>
Community-Based Child Abuse Prevention Grants	93.590	Kern (County 15)	<u>41,297</u>
Stephanie Tubbs Jones Child Welfare Services Program	93.645	Kern (County 15)	<u>990,485</u>

(Continued)

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF KERN, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2015

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>Federal CFDA Number</u>	<u>Supplemental Identifying Number</u>	<u>Total Expenditures</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)</u>			
Passed through California Department of Social Services (Continued)			
Foster Care - Title IV-E	93.658	Kern (County 15)	7,919
Foster Care - Title IV-E	93.658	Kern (County 15)	15,288,421
Foster Care - Title IV-E	93.658	Kern (County 15)	546,286
Foster Care - Title IV-E	93.658	Kern (County 15)	9,214,364
Foster Care - Title IV-E	93.658	Kern (County 15)	109,952
Foster Care - Title IV-E	93.658	Kern (County 15)	141,574
Foster Care - Title IV-E	93.658	Kern (County 15)	792,988
Foster Care - Title IV-E	93.658	Kern (County 15)	<u>105,524</u>
Subtotal			<u>26,207,028</u>
Adoption Assistance	93.659	Kern (County 15)	1,186,971
Adoption Assistance	93.659	Kern (County 15)	<u>13,211,771</u>
Subtotal			<u>14,398,742</u>
Social Services Block Grant	93.667	Kern (County 15)	4,186,876
Social Services Block Grant	93.667	Kern (County 15)	1,570,786
Social Services Block Grant	93.667	Kern (County 15)	<u>1,994,860</u>
Subtotal			<u>7,752,522</u>
Chafee Foster Care Independence Program	93.674	Kern (County 15)	<u>288,071</u>
Medical Assistance Program	93.778	Kern (County 15)	19,062,584
Passed through California Department of Human Services			
Medical Assistance Program	93.778	Kern (County 15)	3,954,016
Medical Assistance Program	93.778	Kern (County 15)	495,698
Passed through California Department of Health Care Services			
Medical Assistance Program	93.778	Kern (County 15)	634,710
Medical Assistance Program	93.778	Kern (County 15)	136,619
Medical Assistance Program	93.778	Kern (County 15)	561,213
Medical Assistance Program	93.778	Kern (County 15)	582,506
Medical Assistance Program	93.778	Kern (County 15)	2,764,788
Medical Assistance Program	93.778	Kern (County 15)	162,242
Passed through California Department of Public Health			
Medical Assistance Program	93.778	Kern (County 15)	<u>464,236</u>
Subtotal			<u>28,818,612</u>
Passed through California Health Care Services			
Children's Health Insurance Program	93.767	Kern (County 15)	<u>373,561</u>

(Continued)

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF KERN, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2015

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>Federal CFDA Number</u>	<u>Supplemental Identifying Number</u>	<u>Total Expenditures</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)			
Passed through California Department of Aging			
Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	AP-1415-35	<u>9,487</u>
Title VII, Chapter 2 - Long-Term Care Ombudsman Services for Older Individuals	93.042	AP-1415-34	<u>34,474</u>
Title III, Part D - Disease Prevention and Health Promotion Services	93.043	AP-1415-33	<u>20,648</u>
National Family Caregiver Support, Title III, Part E	93.052	AP-1415-33	<u>294,645</u>
Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	AP-1415-33	312,574
Title III, Part C - Nutrition Services	93.045	AP-1415-33	1,663,661
Nutrition Services Incentive Program	93.053	AP-1415-36	<u>270,285</u>
Subtotal - Aging Cluster			<u>2,246,520</u>
Medicare Enrollment Assistance Program	93.071	AP-1415-33	14,608
Medicare Enrollment Assistance Program	93.071	AP-1314-33	<u>7,960</u>
Subtotal			<u>22,568</u>
Centers for Medicare and Medicaid Services Research, Demonstrations, and Evaluations	93.779	AP-1415-33	<u>111,920</u>
Passed through California Department of Public Health			
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	EPO 14-10509	78,998
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	14-10509	291,816
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	EPO 14-10509	220,753
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	14-10509	<u>321,608</u>
Subtotal			<u>913,175</u>
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	Kern (County 15)	<u>136,595</u>
Immunization Cooperative Agreements	93.268	13-20293	<u>351,414</u>
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	201415	<u>938,980</u>
Refugee and Entrant Assistance - Discretionary Grants	93.576	13-15-90840-00	<u>3,750</u>

(Continued)

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF KERN, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2015

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>Federal CFDA Number</u>	<u>Supplemental Identifying Number</u>	<u>Total Expenditures</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)</u>			
Passed through California Department of Public Health (Continued)			
National Bioterrorism Hospital Preparedness Program	93.889	Kern (County 15)	33,163
National Bioterrorism Hospital Preparedness Program	93.889	Kern (County 15)	<u>61,628</u>
Subtotal			<u>94,791</u>
HIV Care Formula Grants	93.917	13-20053	590,911
HIV Care Formula Grants	93.917	13-20053	<u>23,065</u>
Subtotal			<u>613,976</u>
HIV Prevention Activities - Health Department Based	93.940	13-20244	<u>204,638</u>
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	Kern (County 15)	<u>30,184</u>
Maternal and Child Health Services Block Grant to the States	93.994	201315	128,061
Maternal and Child Health Services Block Grant to the States	93.994	201315	143,828
Maternal and Child Health Services Block Grant to the States	93.994	13-PO-01673	<u>5,250</u>
Subtotal			<u>277,139</u>
Passed through California Department of Health Care Services			
Projects for Assistance in Transition from Homelessness	93.150	2X6SM016005-14	<u>273,494</u>
Block Grants for Community Mental Health Services	93.958	Kern (County 15)	<u>1,208,332</u>
Block Grants for Prevention and Treatment of Substance Abuse	93.959	14-90062	<u>3,831,638</u>
Passed through California Department of Child Support Services			
Child Support Enforcement	93.563	Kern (County 15)	<u>13,384,537</u>
<i>Total U.S. Department of Health and Human Services</i>			<u>187,907,594</u>
<u>U.S. EXECUTIVE OFFICE OF THE PRESIDENT</u>			
Direct Programs			
High Intensity Drug Trafficking Areas Program	95.001	Kern (County 15)	<u>213,120</u>
<i>Total U.S. Executive Office of the President</i>			<u>213,120</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Direct Programs			
Fire Management Assistance Grant	97.046	Kern (County 15)	<u>381</u>
State Fire Training Systems Grants	97.043	Kern (County 15)	<u>44,485</u>
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	Kern (County 15)	<u>1,401,344</u>
Transportation Security Administration LEO Program	97.090	Kern (County 15)	<u>268,343</u>

(Continued)

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF KERN, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2015

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>Federal CFDA Number</u>	<u>Supplemental Identifying Number</u>	<u>Total Expenditures</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY (Continued)</u>			
Passed through California Office of Emergency Services (CalOES) Emergency Management Performance Grants	97.042	Kern (County 15)	<u>840,976</u>
State Homeland Security Program	97.073	Kern (County 15)	<u>716,377</u>
<i>Total U.S. Department of Homeland Security</i>			<u>3,271,906</u>
TOTAL FEDERAL AWARDS EXPENDED			<u><u>\$ 244,707,251</u></u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF KERN, CALIFORNIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2015

NOTE 1 – GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all Federal financial assistance programs of the County of Kern, California (the County). The County's reporting entity is defined as follows: the County is presented as the primary government and its component units, as required by Governmental Accounting Standards Board Statement No. 61. A component unit is a legally separate organization which is financially accountable to the primary government. Blended component units are, in substance, part of the County's operations so data from these units are combined with data of the County. Management has determined that the following components should be blended: County Service Areas, Golf Courses, Sanitation Districts, Kern Asset Leasing Corporation, Kern County Tobacco Funding Corporation, and Kern Public Services Financing Authority. Each blended component unit has a June 30 year-end. Management has also determined that the following component unit should be discretely presented: First 5 Kern. All Federal financial assistance received directly from Federal agencies as well as Federal financial assistance passed through other government agencies are included in the accompanying schedule.

NOTE 2 – BASIS OF ACCOUNTING

Consistent with the County's method of filing Federal financial reports, the accompanying Schedule of Expenditures of Federal Awards is presented using the cash basis of accounting. Differences, if any, between the schedule and the general purpose financial statements (presented on a modified accrual basis of accounting) are not material.

NOTE 3 – RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related periodic Federal financial reports.

NOTE 4 –DISCLOSURE FOR CALIFORNIA OFFICE OF EMERGENCY SERVICES (CaIOES), CALIFORNIA CORRECTIONS STANDARDS AUTHORITY, CALIFORNIA OFFICE OF TRAFFIC SAFETY, AND DEPARTMENT OF JUSTICE GRANTS

The following is the detail of total revenues and expenditures, including all Federal, state, and local funding sources, related to County of Kern CaIOES, California Corrections Standards Authority, California Office of Traffic Safety, and Department of Justice Grants:

Grant Award Number	Program Description	Audit Period	Grant Period	Personnel Services	Operating Expense	Total Allowable Expenditures	Total Revenue Earned
BSCC 135-14	Juvenile Accountability Block Grants Program: Graffiti Intervention Program	7/1/2014 - 6/30/2015	7/1/2014 - 6/30/2015	\$ 51,048	\$ -	\$ 51,048	\$ 51,048
PU14050150	Probation Special Units Program - Violence Against Women	10/1/2014 - 6/30/2015	10/1/2014 - 9/30/2015	133,151	-	133,151	133,151
VV14060150	Violence Against Women Vertical Prosecution Program	7/1/2014 - 6/30/2015	7/1/2014 - 6/30/2015	246,842	37,021	283,863	283,863
2013-DJ-BX-0725	Edward Byrne Memorial Justice Assistance Grant (JAG) Program	10/1/2012 - 6/30/2015	10/1/2012 - 9/30/2016	133,278	13,899	147,177	147,177
2014-DJ-BX-0626	Edward Byrne Memorial Justice Assistance Grant (JAG) Program	10/1/2013 - 6/30/2015	10/1/2013 - 9/30/2017	112,961	-	112,961	112,961
2013-DN-BX-0086	DNA Backlog Reduction Program	10/1/2013 - 3/31/2015	10/1/2013 - 3/31/2015	186,416	99,291	285,707	285,707
2014-DN-BX-0018	DNA Capacity Enhancement and Backlog Reduction Program	10/1/2014 - 6/30/2015	10/1/2014 - 9/30/2016	50,000	50,000	100,000	100,000
AL1533	Intense Probation Supervision for High-Risk Felony and Repeat DUI Offenders	10/1/2014 - 6/30/2015	10/1/2014 - 9/30/2015	93,090	272	93,362	93,362
DI1403	Alcohol and Drug Impaired Driver Vertical Prosecution Program	10/1/2013 - 9/30/2014	10/1/2013 - 9/30/2014	442,466	4,175	446,641	446,641
DI1506	Alcohol and Drug Impaired Driver Vertical Prosecution Program	10/1/2014 - 6/30/2015	10/1/2014 - 9/30/2015	379,896	2,583	382,479	382,479
CQ14100150	Paul Coverdell National Forensic Sciences Improvement Program	10/1/2014 - 6/30/2015	10/1/2014 - 8/31/2015	-	-	-	-
VW14320150	Victim Witness Assistance Program	7/1/2014 - 6/30/2015	7/1/2014 - 6/30/2015	269,726	26,683	296,409	296,409
BSCC 635-13	Anti-Drug Abuse (ADA) Enforcement Team Program	10/1/2013 - 9/30/2014	10/1/2013 - 9/30/2014	269,699	82,425	352,124	352,124
BSCC 635-14	Edward Byrne Memorial Justice Assistance Grant (JAG) Program	3/1/2015 - 6/30/2015	3/1/2015 - 12/31/2015	80,228	95,568	175,796	175,796
BSCC 526-14	Residential Substance Abuse Treatment Program "Zero Tolerance" Cultures for Sexual Abuse in Local Adult and	7/1/2014 - 6/30/2015	7/1/2014 - 6/30/2015	175,769	81,449	257,218	257,218
2010-RP-BX-K001	Juvenile Detention Facilities Program	4/1/2013 - 9/30/2014	4/1/2013 - 9/30/2014	8,870	90,496	99,366	99,366
2014-23	Domestic Cannabis Eradication/Suppression Program	1/1/2014 - 12/31/2014	1/1/2014 - 12/31/2014	84,729	15,271	100,000	100,000
2015-30	Domestic Cannabis Eradication/Suppression Program	1/1/2015 - 6/30/2015	1/1/2015 - 12/31/2015	385	5,209	5,594	5,594

NOTE 5 – 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:

Program	CFDA #	Federal Expenditures	State Expenditures
Source: California Department of Aging			
Special Programs for the Aging-Title VII-B Elder Abuse, Neglect, and Exploitation Prevention	93.041	\$ 9,487	\$ -
Special Programs for the Aging-Title VII-A Long-Term Care Ombudsman Services	93.042	34,474	-
Special Programs for the Aging-Title III-D Disease Prevention	93.043	20,684	-
Special Programs for the Aging-Title III-B Supportive Services	93.044	312,574	-
Special Programs for the Aging-Title III-C Senior Nutritional Services	93.045	1,663,661	246,772
Special Programs for the Aging-Title III-E Caregiver Support	93.052	294,645	-
Supplemental Nutrition Assistance Program-Education (SNAP-ED)	10.561	60,842	-
Nutrition Services Incentive Program	93.053	270,285	-
Health Insurance Counseling and Advocacy Program	93.779	111,920	176,738
Long-Term Care Ombudsman Special Deposit Fund (SDF)	N/A	-	17,494
Long-Term Care Ombudsman Skilled Nursing Facility Quality and Accountability Fund (SNF)	N/A	-	33,484
Medicare Enrollment Assistance Program (MIPPA)	93.071	22,568	-
Source: California Department of Human Services			
Medical Assistance Program (5610)	93.778	3,954,016	2,845,292
Medical Assistance Program (9147)	93.778	495,698	505,516
	Totals	<u>\$ 7,250,854</u>	<u>\$ 3,825,296</u>

FINDINGS AND QUESTIONED COSTS

**COUNTY OF KERN, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
THE YEAR ENDED JUNE 30, 2015**

FINANCIAL STATEMENTS

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified 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 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 OMB Circular A-133, Section .510(a)?	No

Identification of major programs:

No.	CFDA Number	Program
1	20.205	Highway Planning and Construction
2	93.558	Temporary Assistance for Needy Families
3	93.658	Foster Care - Title IV-E
4	93.659	Adoption Assistance

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 3,000,000
Auditee qualified as low-risk auditee?	Yes

Findings Relating to Financial Statements Required Under Generally Accepted Government Auditing Standards

None.

Findings and Questioned Costs for Federal Awards

None.

**COUNTY OF KERN, CALIFORNIA
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015**

Findings Relating to Financial Statements Required Under Generally Accepted Government Auditing Standards

Finding 2014-001

Condition

Management did not properly assess and update their indigent receivable estimates at year-end to determine if they were still collectible and properly recorded. This resulted in a decrease in MD SPA revenue and related receivable of \$8.1 million, a decrease in the IGT SPD revenue and the related receivable of \$1.3 million, a decrease in the Hospital Fee revenue and related receivable of \$2.0 million, which was offset by an increase in the DSH SNCP revenue and related receivable of \$6.6 million.

Recommendation

We recommend that the Kern County Medical Center (the Medical Center) engage the consultants to help them update their estimates of indigent receivables and related revenues in a timely manner with updated models and determination of their collectability such that the estimates can be relied upon.

Management Response

The Medical Center agrees with the recommendation and will be engaging with the consultants to review the State receivables on a quarterly basis going forward.

Current Year Status

Implemented.