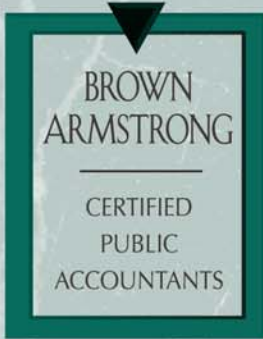


COUNTY OF KERN, CALIFORNIA
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2018

**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

BAKERSFIELD OFFICE (MAIN OFFICE)

4200 TRUXTUN AVENUE
SUITE 300
BAKERSFIELD, CA 93309
TEL 661.324.4971
FAX 661.324.4997
EMAIL info@bacpas.com

FRESNO OFFICE

10 RIVER PARK PLACE EAST
SUITE 208
FRESNO, CA 93720
TEL 559.476.3592

LAGUNA HILLS OFFICE

23272 MILL CREEK DRIVE
SUITE 255
LAGUNA HILLS, CA 92653
TEL 949.652.5422

STOCKTON OFFICE

1919 GRAND CANAL BLVD
SUITE C6
STOCKTON, CA 95207
TEL 888.565.1040

WWW.BACPAS.COM

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, 2018, 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 30, 2019.

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*.

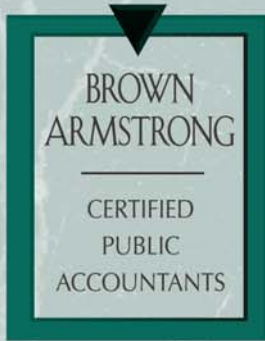
Purpose of this Report

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 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 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 30, 2019



BROWN ARMSTRONG

Certified Public Accountants

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

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

BAKERSFIELD OFFICE (MAIN OFFICE)

4200 TRUXTUN AVENUE
SUITE 300
BAKERSFIELD, CA 93309
TEL 661.324.4971
FAX 661.324.4997
EMAIL info@bacpas.com

FRESNO OFFICE

10 RIVER PARK PLACE EAST
SUITE 208
FRESNO, CA 93720
TEL 559.476.3592

LAGUNA HILLS OFFICE

23272 MILL CREEK DRIVE
SUITE 255
LAGUNA HILLS, CA 92653
TEL 949.652.5422

STOCKTON OFFICE

1919 GRAND CANAL BLVD
SUITE C6
STOCKTON, CA 95207
TEL 888.565.1040

WWW.BACPAS.COM

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) *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, 2018. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 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.

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, 2018.

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 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 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 unit, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated January 30, 2019, 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 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.

Bakersfield, California
March 25, 2019

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

**COUNTY OF KERN, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	Federal CFDA Number	Supplemental Identifying Number	Passed Through to Subrecipients	Total Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
Passed through California Department of Food and Agriculture				
Plant and Animal Disease, Pest Control, and Animal Care	10.025	17-8506-1211-CA & AP18PPQFO000C048	\$ -	\$ 486,195
Plant and Animal Disease, Pest Control, and Animal Care	10.025	17-8506-1317-CA	-	162,468
Plant and Animal Disease, Pest Control, and Animal Care	10.025	17-8506-0934-GR	-	172,766
Plant and Animal Disease, Pest Control, and Animal Care	10.025	17-8506-0572-CA	-	361
Plant and Animal Disease, Pest Control, and Animal Care	10.025	17-8506-0689-CA	-	10,772
Plant and Animal Disease, Pest Control, and Animal Care	10.025	17-8506-0484-CA & AP18PPQFO000C002	1,134,861	1,400,753
Plant and Animal Disease, Pest Control, and Animal Care	10.025	17-8506-1164-CA	-	5,023
Subtotal			<u>1,134,861</u>	<u>2,238,338</u>
Passed through California Department of Public Health Farmers Market Promotion Program	10.168	16-10138	662,720	1,290,779
Passed through California Health and Human Services School Breakfast Program (Child Nutrition)	10.553	Kern (County 15)	-	21,646
Passed through U.S. Department of Education National School Lunch Program	10.555	Kern (County 15)	-	550,683
Subtotal - Child Nutrition Cluster			<u>-</u>	<u>572,329</u>
Passed through California Health and Human Services State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	10.561	Kern (County 15)	-	257,060
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	10.561	Kern (County 15)	-	13,858,190
Passed through California Department of Aging State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	10.561	SP-1718-33	-	31,161
Subtotal			<u>-</u>	<u>14,146,411</u>
Passed through California Department of Aging Schools and Roads - Grants to Counties	10.666	Kern (County 15)	-	6,044
Direct Program Schools and Roads - Grants to Counties	10.666	Kern (County 15)	-	73,294
Subtotal			<u>-</u>	<u>79,338</u>
<i>Total U.S. Department of Agriculture</i>			<u>1,797,581</u>	<u>18,327,195</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Direct Programs				
Community Development Block Grants/Entitlement Grants (CDBG)	14.218	Kern (County 15)	419,812	4,907,500
Community Development Block Grants/Entitlement Grants (CDBG) - Current Year Loans	14.218	Kern (County 15)	-	65,345
Subtotal			<u>419,812</u>	<u>4,972,845</u>
Emergency Shelter Grants Program	14.231	Kern (County 15)	277,338	624,763
Home Investment Partnerships Program	14.239	Kern (County 15)	-	2,302,742
Home Investment Partnerships Program - Current Year Loans	14.239	Kern (County 15)	-	567,196
Subtotal			<u>-</u>	<u>2,869,938</u>
Passed through California Department of Housing and Community Development Supportive Housing Program - Homeless Management Information Systems	14.235	CA0606L9D041609	-	63,332
Passed through California Department of Public Health Housing Opportunities for Persons with AIDS	14.241	17-10575	-	52,727
Passed through City of Bakersfield Housing Opportunities for Persons with AIDS	14.241	18-055	221,893	308,184
Subtotal			<u>221,893</u>	<u>360,911</u>
<i>Total U.S. Department of Housing and Urban Development</i>			<u>919,043</u>	<u>8,891,789</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, 2018

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	Federal CFDA Number	Supplemental Identifying Number	Passed Through to Subrecipients	Total Expenditures
U.S. DEPARTMENT OF INTERIOR				
Direct Programs				
Payment in Lieu of Taxes	15.226	Kern (County 15)	-	2,897,306
Secure Rural Schools and Community Self-Determination	15.234	Kern (County 15)	-	6,044
Rangeland Resource Management	15.237	Kern (County 15)	-	7,750
<i>Total U.S. Department of Interior</i>			-	2,911,100
U.S. DEPARTMENT OF JUSTICE				
Passed through California Office of Emergency Services (CalOES)				
Crime Victim Assistance	16.575	2015-VA-GX-0058 & 2016-VA-GX-0057	-	1,297,223
Violence Against Women Formula Grants	16.588	Kern (County 15)	-	89,135
Violence Against Women Formula Grants	16.588	2017-WF-AX-0003	24,499	218,000
Subtotal			24,499	307,135
Passed through Board of State and Community Corrections				
Residential Substance Abuse for State Prisoners	16.593	BSCC 526-16	-	152,484
Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.738	Kern (County 15)	-	886,073
Direct Program				
Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.738	Kern (County 15)	-	199,106
Subtotal			-	1,085,179
Direct Program				
DNA Backlog Reduction Program	16.741	2014-DN-BX-0018, 2015-DN-BX-0068, & 2016-DN-BX-0080	-	129,058
Passed through California Office of Emergency Services (CalOES)				
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	2015-CD-BX-0036 & 2016-CD-BX-0039	-	4,153
Direct Program				
Equitable Sharing Program	16.922	Kern (County 15)	-	1,043,207
<i>Total U.S. Department of Justice</i>			24,499	4,018,439
U.S. DEPARTMENT OF LABOR				
Direct Program				
National Farmworker Jobs Program	17.264	AC309478UO	743,320	2,486,325
H-1B Job Training Grants	17.268	Kern (County 15)	-	41,775
Passed through California Department of veterans Affairs				
Workforce Innovation and Opportunity Act (WIOA) - Adult Program	17.258	Kern (County 15)	-	3,321
Passed through California Department of Employment Development				
WIOA - Adult Program	17.258	K7102033/K8106179	1,723,154	4,777,836
WIOA - Youth Program	17.259	K7102033/K8106179	2,170,631	4,081,794
WIOA - Dislocated Workers Formula Grant	17.278	K7102033/K8106179	655,166	3,309,874
WIOA - Dislocated Workers Formula Grant	17.278	K7102033/K8106179	2,789	683,042
WIOA - Dislocated Workers Formula Grant	17.278	Kern (County 15)	-	27,143
WIOA - Dislocated Workers Formula Grant	17.278	K7104067	29,628	75,568

(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, 2018**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	Federal CFDA Number	Supplemental Identifying Number	Passed Through to Subrecipients	Total Expenditures
U.S. DEPARTMENT OF LABOR (Continued)				
Passed through La Coop				
WIOA - Dislocated Workers Formula Grant	17.278	WIOA-DS-01-01-16-ETR	19,532	164,777
WIOA - Dislocated Workers Formula Grant	17.278	MH-29529-16-60-8-6	51,826	70,434
WIOA - Dislocated Workers Formula Grant	17.278	WIOA LA COOP - Drought	9,923	74,893
WIOA - Dislocated Workers Formula Grant	17.278	K7104067	-	58,509
Subtotal - WIOA Cluster			4,662,649	13,327,191
Passed through California Department of Employment Development Disability Employment Policy Development	17.720	K7102033	95,964	160,952
<i>Total U.S. Department of Labor</i>			5,501,933	16,016,243
U.S. DEPARTMENT OF TRANSPORTATION				
Direct Programs				
Airport Improvement Program	20.106	Kern (County 15)	-	10,143,822
Airport Improvement Program - FAA/Passenger Facility Charge	20.106	Kern (County 15)	-	476,417
Subtotal			-	10,620,239
Passed through California Department of Transportation Highway Planning and Construction	20.205	06-5959R	-	14,304,758
Passed through California Department of Transportation Formula Grants for Rural Areas	20.509	Kern (County 15)	-	2,044,886
Passed through California Office of Traffic Safety State and Community Highway Safety	20.600	PS1703	-	4,951
National Priority Safety Programs	20.616	18X920405DCA17 & 18X920405DCA18	-	313,230
Subtotal - Highway Safety Cluster			-	318,181
Passed through California Office of Traffic Safety Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	Kern (County 15)	-	128,728
<i>Total U.S. Department of Transportation</i>			-	27,416,792
U.S. NATIONAL ENDOWMENT FOR THE HUMANITIES				
Passed through California State Library Grants to States	45.310	40-8517	-	7,500
<i>Total U.S. National Endowment for the Humanities</i>			-	7,500
U.S. DEPARTMENT OF EDUCATION				
Passed through California Department of Rehabilitation Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	29953	-	144,984
<i>Total U.S. Department of Education</i>			-	144,984
U.S. ELECTION ASSISTANCE COMMISSION				
Passed through California Secretary of State Help America Vote Act Requirements Payments	90.401	16G30107	-	858,639
<i>Total U.S. Election Assistance Commission</i>			-	858,639
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through California Department of Aging				
Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	AP-1718-33	9,738	9,738
Title VII, Chapter 2 - Long-Term Care Ombudsman Services for Older Individuals	93.042	AP-1718-33	35,893	35,893
Title III, Part D - Disease Prevention and Health Promotion Services	93.043	AP-1718-33	-	40,734
Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	AP-1718-33	248,626	328,821
Title III, Part C - Nutrition Services	93.045	AP-1718-33	413,726	1,572,238
Nutrition Services Incentive Program	93.053	AP-1718-33	48,094	282,771
Subtotal - Aging Cluster			710,446	2,183,830

(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, 2018

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	Federal CFDA Number	Supplemental Identifying Number	Passed Through to Subrecipients	Total Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
Passed through California Department of Aging National Family Caregiver Support, Title III, Part E	93.052	AP-1718-33	255,686	303,752
Passed through California Health Care Services Medicare Enrollment Assistance Program	93.071	HI-1718-33	-	45,826
Passed through California Department of Public Health (PHEP) Aligned Cooperative Agreements	93.074	17-10161	-	874,831
Passed through California Department of Health and Human Services Guardianship Assistance - Kin Gap & Kin Gap IVE	93.090	Kern (County 15)	-	88,186
Guardianship Assistance - Kin Gap	93.090	Kern (County 15)	-	1,804,679
Subtotal			-	1,892,865
Direct Program				
Food and Drug Administration - Research	93.103	1U18FD004680	-	17,417
Passed through California Department of Public Health Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	5NU52PS004656	-	115,261
Passed through California Department of Health Care Services Projects for Assistance in Transition from Homelessness	93.150	Kern (County 15)	-	210,043
Passed through California Department of Public Health Immunization Cooperative Agreements	93.268	17-10072	-	591,052
Direct Program				
Drug-Free Communities Support Program Grants	93.276	5H79SP020979-03	-	100,876
Passed through California Department of Aging State Health Insurance Assistance Program	93.324	HI-1720-33	-	100,309
Passed through California Department of Public Health Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	15-10159	-	374,568
Passed through California Department of Health and Human Services Act's (ACA) Exchange	93.525	Kern (County 15)	-	70,982
Passed through California Department of Health and Human Services Promoting Safe and Stable Families	93.556	Kern (County 15)	-	855,155
Passed through California Department of Health and Human Services Temporary Assistance for Needy Families (TANF)	93.558	Kern (County 15)	-	42,814,927
Temporary Assistance for Needy Families (TANF)	93.558	Kern (County 15)	-	2,767,901
Temporary Assistance for Needy Families (TANF)	93.558	Kern (County 15)	-	39,241
Temporary Assistance for Needy Families (TANF)	93.558	Kern (County 15)	-	44,237,513
Temporary Assistance for Needy Families (TANF)	93.558	Kern (County 15)	-	4,747
Temporary Assistance for Needy Families (TANF)	93.558	Kern (County 15)	-	1,157,186
Subtotal			-	91,021,515
Passed through California Department of Child Support Services Child Support Enforcement	93.563	Kern (County 15)	-	13,205,827
Passed through California Department of Health and Human Services Refugee and Entrant Assistance - State Administered Programs	93.566	Kern (County 15)	-	79,873
Passed through California Department of Public Health Refugee and Entrant Assistance - Discretionary Grants	93.576	17-15-90899-00	-	1,500
Passed through California Department of Health and Human Services Stephanie Tubbs Jones Child Welfare Services Program	93.645	Kern (County 15)	-	961,279
Foster Care - Title IV-E	93.658	Kern (County 15)	-	195,861
Foster Care - Title IV-E	93.658	Kern (County 15)	-	18,194,392
Foster Care - Title IV-E	93.658	Kern (County 15)	-	767,862
Foster Care - Title IV-E	93.658	Kern (County 15)	-	2,265,441
Foster Care - Title IV-E	93.658	Kern (County 15)	-	8,657,127
Foster Care - Title IV-E	93.658	Kern (County 15)	-	149,181
Passed through California Department of Social Services Foster Care - Title IV-E	93.658	Kern (County 15)	-	1,197,567
Foster Care - Title IV-E	93.658	Kern (County 15)	-	121,955
Foster Care - Title IV-E	93.658	Kern (County 15)	-	205,112
Subtotal			-	31,754,498

(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, 2018

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	Federal CFDA Number	Supplemental Identifying Number	Passed Through to Subrecipients	Total Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
Passed through California Department of Health and Human Services				
Adoption Assistance	93.659	Kern (County 15)	-	1,258,820
Adoption Assistance	93.659	Kern (County 15)	-	16,285,581
Subtotal			-	17,544,401
Social Services Block Grant	93.667	Kern (County 15)	-	1,967,400
Social Services Block Grant	93.667	Kern (County 15)	-	1,570,786
Subtotal			-	3,538,186
Chafee Foster Care Independence Program	93.674	Kern (County 15)	-	268,028
Passed through California Health Care Services				
Children's Health Insurance Program	93.767	Kern (County 15)	-	342,974
Passed through California Department of Health Care Services				
Medical Assistance Program	93.778	Kern (County 15)	-	4,260,082
Medical Assistance Program	93.778	Kern (County 15)	-	253,048
Medical Assistance Program	93.778	HCPCFC Program	-	321,319
Medical Assistance Program	93.778	HCPCFC Program	-	90,755
Medical Assistance Program	93.778	09-86014	116,730	122,751
Medical Assistance Program	93.778	Kern (County 15)	-	1,920,279
Medical Assistance Program	93.778	Kern (County 15)	-	46,353
Medical Assistance Program	93.778	CHDP Program	-	623,943
Passed through California Department of Health and Human Services				
Medical Assistance Program	93.778	Kern (County 15)	-	20,052,917
Passed through California Department of Public Health				
Medical Assistance Program	93.778	17-10248	-	172,072
Medical Assistance Program	93.778	201715 BIH	-	41,960
Subtotal - Medical Assistance Program			116,730	27,905,479
Passed through California Emergency Medical Services Authority (EMSA)				
National Bioterrorism Hospital Preparedness Program	93.889	C17-001	-	79,335
Passed through California Department of Public Health				
HIV Care Formula Grants	93.917	15-11057 & 16-10848	446,935	898,040
HIV Prevention Activities - Health Department Based	93.940	15-10941	-	207,536
Passed through California Department of Health Care Services				
Block Grants for Community Mental Health Services	93.958	Kern (County 15)	-	1,320,604
Block Grants for Prevention and Treatment of Substance Abuse	93.959	17-94132	1,071,223	3,238,676
Passed through California Department of Public Health				
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	15-10255	-	9,908
Maternal and Child Health Services Block Grant to the States	93.994	201715	-	1,427,246
<i>Total U.S. Department of Health and Human Services</i>			2,646,651	201,628,037
U.S. EXECUTIVE OFFICE OF THE PRESIDENT				
Direct Program				
High Intensity Drug Trafficking Areas Program	95.001	G17CV0004A	-	235,266
<i>Total U.S. Executive Office of the President</i>			-	235,266

(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, 2018

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	Federal CFDA Number	Supplemental Identifying Number	Passed Through to Subrecipients	Total Expenditures
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed through California Office of Emergency Services (CalOES)				
Disaster Grants - Public Assistance	97.036	FEMA-5131-FMAG-CA, Cal OES ID: 029-00000	-	2,035,392
Emergency Management Performance Grants	97.042	Cal EMA ID #029-00000	-	277,094
Homeland Security Grant Program	97.067	Cal EMA ID #029-00000	-	924,033
Direct Program				
Staffing for Adequate Fire and Emergency Response	97.083	EMW-2015-FH-00437	-	954,377
Transportation Security Administration LEO Program	97.090	Kern (County 15)	-	97,702
<i>Total U.S. Department of Homeland Security</i>			-	4,288,598
TOTAL EXPENDITURES OF FEDERAL AWARDS, EXCLUDING FEDERAL LOAN BALANCES CARRIED FORWARD FROM PRIOR YEAR			\$ 10,889,707	\$ 284,744,582
FEDERAL LOAN BALANCES CARRIED FORWARD FROM PRIOR YEAR				
Direct Programs				
Community Development Block Grants/Entitlement Grants (CDBG)	14.218	Kern (County 15)		\$ 2,237,161
CDBG - Neighborhood Stabilization Program Grant (NSP 1)	14.218	Kern (County 15)		10,443,660
CDBG - Neighborhood Stabilization Program Grant (NSP 3)	14.218	Kern (County 15)		4,500,000
Home Investment Partnership Program	14.239	Kern (County 15)		37,815,177
<i>Total Federal Loan Balances Carried Forward from Prior Year</i>				54,995,998
TOTAL EXPENDITURES OF FEDERAL AWARDS, INCLUDING FEDERAL LOAN BALANCES CARRIED FORWARD FROM PRIOR YEAR				\$ 339,740,580

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF KERN, CALIFORNIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2018**

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 component units 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 modified accrual basis of accounting, except that Federal expenditures relating to grants with Kern County Child Support Department are 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 – INDIRECT COST RATE

The County has elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 5 – LOANS WITH CONTINUING COMPLIANCE REQUIREMENTS

The following is a summary of the loan programs maintained by the County and their balances at June 30, 2018:

CFDA	Federal Grant	Outstanding Balance at June 30, 2017	Increase	Decrease	Outstanding Balance at June 30, 2018
14.218	Community Development Block Grants/Entitlement Grants (CDBG)	\$ 2,298,900	\$ 65,345	\$ 61,739	\$ 2,302,506
14.218	CDBG - Neighborhood Stabilization Program Grant (NSP 1)	10,443,660	-	-	10,443,660
14.218	CDBG - Neighborhood Stabilization Program Grant (NSP 3)	4,500,000	-	-	4,500,000
14.239	Home Investment Partnership Program	38,258,858	567,196	443,681	38,382,373
		<u>\$ 55,501,418</u>	<u>\$ 632,541</u>	<u>\$ 505,420</u>	<u>\$ 55,628,539</u>

NOTE 6 – DISCLOSURE FOR CALIFORNIA OFFICE OF EMERGENCY SERVICES (CalOES), CALIFORNIA BOARD OF STATE AND COMMUNITY CORRECTIONS (BSCC), 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 the County's CalOES, BSCC, 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
PU16070150	Probation Specialized Units Program - Violence Against Women	10/1/2016 - 9/30/2017	10/1/2016 - 9/30/2017	\$ 118,847	\$ -	\$ 118,847	\$ 118,847
PU17080150	Probation Specialized Units Program - Violence Against Women	10/1/2017 - 6/30/2018	10/1/2017 - 9/30/2018	118,847	-	118,847	118,847
VV17090150	Violence Against Women Vertical Prosecution Program	7/1/2017 - 6/30/2018	7/1/2017 - 6/30/2018	258,001	32,666	290,667	290,667
2016-DJ-BX-0319	Edward Byrne Memorial Justice Assistance Grant (JAG) Program	10/1/2015 - 6/30/2018	10/1/2015 - 9/30/2019	91,340	77,212	168,552	168,552
2015-DJ-BX-0608	Edward Byrne Memorial Justice Assistance Grant (JAG) Program	10/1/2014 - 6/30/2018	10/1/2014 - 9/30/2018	78,259	69,454	147,713	147,713
2017-DN-BX-0090	DNA Capacity Enhancement and Backlog Reduction Program	1/1/2018 - 6/30/2018	1/1/2018 - 12/31/2019	33,217	29,967	63,184	63,184
2016-DN-BX-0080	DNA Capacity Enhancement and Backlog Reduction Program	1/1/2017 - 6/30/2018	1/1/2017 - 12/31/2018	71,550	65,744	137,294	137,294
2017-BC-BX-0012	Body-Worn Camera and Implementation Project	10/1/2017 - 6/30/2018	10/1/2017 - 9/30/2019	68,088	10,879	78,967	78,967
AL1704	Offenders	10/1/2016 - 9/30/2017	10/1/2016 - 9/30/2017	137,262	2,868	140,130	140,130
AL18012	Offenders	10/1/2017 - 6/30/2018	10/1/2017 - 9/30/2018	88,916	12,401	101,317	101,317
DI18007	Alcohol and Drug Impaired Driver Vertical Prosecution Program	10/1/2017 - 6/30/2018	10/1/2017 - 9/30/2018	165,732	-	165,732	165,732
DI1702	Alcohol and Drug Impaired Driver Vertical Prosecution Program	10/1/2016 - 9/30/2017	10/1/2016 - 9/30/2017	420,851	2,206	423,057	423,057
CQ17130150	Paul Coverdell National Forensic Sciences Improvement Program	1/1/2018 - 6/30/2018	1/1/2018 - 12/31/2018	-	2,164	2,164	2,164
CQ16120150	Paul Coverdell National Forensic Sciences Improvement Program	1/1/2017 - 5/31/2018	1/1/2017 - 5/31/2018	-	16,418	16,418	16,418
VW17350150	Victim Witness Assistance Program	10/1/2017 - 6/30/2018	10/1/2017 - 9/30/2018	611,269	74,688	685,957	685,957
VW16340150	Victim Witness Assistance Program	7/1/2016 - 9/30/2017	7/1/2016 - 9/30/2017	1,028,388	150,242	1,178,630	1,178,630
BSCC 635-17	Edward Byrne Memorial Justice Assistance Grant (JAG) Program	1/1/2017 - 12/31/2017	1/1/2017 - 12/31/2017	287,931	590,767	878,698	878,698
BSCC 526-17	Residential Substance Abuse Treatment (RSAT) Program	7/1/2017 - 6/30/2018	7/1/2017 - 6/30/2018	169,942	56,612	226,554	226,554
XE16010150	Elder Abuse Program	7/1/2016 - 6/30/2018	7/1/2016 - 12/31/2019	245,991	84,570	330,561	330,561
XC16010150	County Victim Services Program	7/1/2016 - 6/30/2018	7/1/2016 - 12/31/2019	246,787	248,968	495,755	495,755
G16-03-25-L01	Law Enforcement Activities Over OHV Program	7/8/2017 - 6/30/2018	7/8/2017 - 7/7/2018	105,053	111,021	216,074	216,074

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:

Program	CFDA #	Federal Expenditures	State Expenditures
Source: California Department of Aging			
Supplemental Nutrition Assistance Program-Education (SNAP-Ed)	10.561	\$ 31,161	\$ -
Special Programs for the Aging-Title VII-B Elder Abuse, Neglect, and Exploitation Prevention	93.041	9,738	-
Special Programs for the Aging-Title VII-A Long Term Care Ombudsman Services	93.042	35,893	-
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	40,734	-
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	328,821	18,960
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	1,572,238	148,943
National Family Caregiver Support, Title III, Part E	93.052	303,752	-
Nutrition Services Incentive Program	93.053	282,771	-
Medicare Enrollment Assistance Program	93.071	45,826	-
Health Insurance Counseling and Advocacy Program (HICAP)	93.324	100,309	195,764
Long-Term Care Ombudsman - Public Health L&C Program Fund (PHL&C)	N/A	-	7,584
Long-Term Care Ombudsman - State Health Facilitated Citation Penalties (SHF CIT PEN)	N/A	-	34,124
Long-Term Care Ombudsman - Skilled Nursing Facility Quality and Accountability Fund (SNFQAF)	N/A	-	36,024
Source: California Department of Human Services			
Medical Assistance Program (9147)	93.778	5,555,213	159,904
	Totals	\$ 8,306,456	\$ 601,303

FINDINGS AND QUESTIONED COSTS

**COUNTY OF KERN, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>No</u>
Noncompliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>No</u>
Type of auditor's report issued on compliance for major programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	<u>No</u>

Identification of major programs:

No.	CFDA Number	Program
1	10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
2	20.106	Airport Improvement Program
3	20.205	Highway Planning and Construction
4	20.509	Formula Grants for Rural Areas
5	93.090	Guardianship Assistance
6	93.658	Foster Care_Title IV-E
7	97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)

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

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

**COUNTY OF KERN, CALIFORNIA
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

None.