

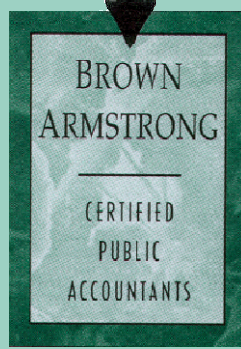
**COUNTY OF KERN, CALIFORNIA**  
**SINGLE AUDIT REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2009**

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

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

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

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 of Kern as of and for the year ended June 30, 2009, which collectively comprise the County of Kern's basic financial statements and have issued our report thereon dated December 28, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the County of Kern's internal control over financial reporting as a basis for designing our auditing procedures 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 of Kern's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County of Kern's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County of Kern's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County of Kern's financial statements that is more than inconsequential will not be prevented or detected by the County of Kern's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 09-01 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County of Kern's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider the significant deficiency described as item 09-01 in the accompanying schedule of findings and questioned costs to be a material weakness.

Compliance and Other Matters

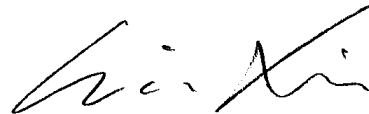
As part of obtaining reasonable assurance about whether the County of Kern's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material 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*.

We noted certain matters that we reported to management of the County of Kern in a separate letter dated December 28, 2009.

The County of Kern's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County of Kern's response and, accordingly, we express no opinion on it.

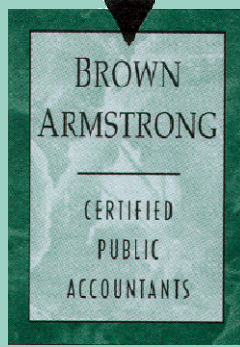
This report is intended solely for the information and use of the Board of Supervisors, management, and Federal Awarding Agencies, Pass-Through Entities and the State Controller's Office and is not intended to be and should not be used by anyone other than these specified parties.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION



Bakersfield, California  
December 28, 2009

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**AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of the County of Kern with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The County of Kern's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County of Kern's management. Our responsibility is to express an opinion on the County of Kern's compliance based on our audit.

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 of Kern'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. Our audit does not provide a legal determination of the County of Kern's compliance with those requirements.

In our opinion, the County of Kern complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the County of Kern is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County of Kern's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 of Kern's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

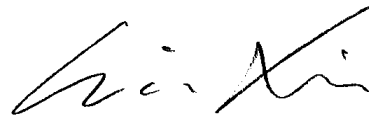
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

#### Schedule of Expenditures of Federal Awards

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 of Kern, as of and for the year ended June 30, 2009, and have issued our report thereon dated December 28, 2009. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the County of Kern's 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 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

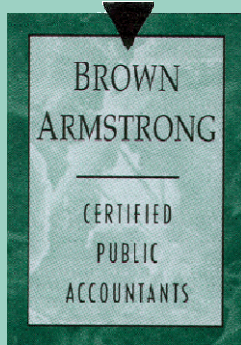
This report is intended for the information of the Board of Supervisors, management, and Federal Awarding Agencies, Pass-Through Entities and the State Controller's Office and is not intended to be and should not be used by anyone other than these specified parties.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION



Bakersfield, California  
December 28, 2009

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**AUDITOR'S REPORT ON COMPLIANCE WITH THE  
COMMON AND SPECIFIC REQUIREMENTS APPLICABLE  
TO THE PASSENGER FACILITIES CHARGES PROGRAM**

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

We have examined management's assertion, included in its representation letter dated December 28, 2009, that the County of Kern complied with the common and specific requirements that are applicable to the Passenger Facility Charges Program during the period July 1, 2008 through June 30, 2009. As discussed in that representation letter, management is responsible for the County of Kern's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the County of Kern's compliance based on our examination.

Our examination was made in accordance with standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the County of Kern's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the County of Kern's compliance with specified requirements.

In our opinion, management's assertion that the County of Kern complied with the common and specific requirements that are applicable to the Passenger Facility Charges Program during the period July 1, 2008 through June 30, 2009, is fairly stated, in all material respects.

This report is intended solely for the information and use of the Board of Supervisors, management, and the Federal Aviation Administration and is not intended to be and should not be used by anyone other than these specified parties.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

Bakersfield, California  
December 28, 2009

**COUNTY OF KERN, CALIFORNIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2009**

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>Federal CFDA Number</u>	<u>Supplemental Identifying Number</u>	<u>Total Expenditures</u>
<b>U.S. DEPARTMENT OF AGRICULTURE:</b>			
Glassy Winged Sharp Shooter Grants	10.025	08-8500-0654-CA	\$ 461,335
USDA Title 3	10.XXX	N/A	27,800
Federal Forest Reserve- Schools and Roads	10.666	N/A	157,533
Rexland Acres Sewer Improvement	10.760	N/A	347,149
<b>Passed through California Department of Social Services</b>			
Non Assistance Food Stamps	10.551	Kern (County 15)	145,733,917
State Dministrative Matching Grants for Food Stamps Program	10.561	Kern (County 15)	8,166,949
<b>Passed through U.S. Forest Service</b>			
U.S. Forest Service-Cooperative Forestry Assistance	10.664	Kern (County 15)	21,141
<b>Passed through U.S. Department of Education</b>			
School Lunch Reimbursements	10.553	Kern (County 15)	<u>36,842</u>
<b>Total U.S. Department of Agriculture</b>			<u>154,952,666</u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</b>			
Community Development Block Grant	14.218	N/A	4,789,244
Emergency Shelter Grant	14.231	HUD	243,425
HUD Grant Assistance and Plus Project	14.235	CA16B704-008	339,896
HUD Grant Assistance and Plus Project	14.235	CA16B704-004	116,388
HOME Investment Partnership Program	14.239 *	HUD	3,416,237
<b>Passed through California Department of Public Health</b>			
Housing Opportunities for People with AIDS	14.241	07-65528	<u>521,007</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<u>9,426,197</u>
<b>U.S. DEPARTMENT OF JUSTICE:</b>			
FBI- Joint Terrorism Task Force	16.000	N/A	14,617
US Marshall-Fed Prisoners	16.000	N/A	3,071,861
FBI- Violent Gangs Task Force	16.000	N/A	6,138
CASOM Grant	16.203	42 USC 13941	44,336
Federal COPS Grant	16.710	N/A	412,354
Forensic DNA	16.741	2007-CN-BX-K124 and 2008-DN--BX-K023	249,420
<b>Passed through Stanislaus County Sheriff</b>			
H.I.D.T.A	16.000	15PVCP501	248,443
<b>Passed through California Emergency Management Agency</b>			
Violence Against Women Vertical Prosecution	16.588	2008-WF-AX-0036	110,000
Anti-Drug Abuse Enforcement Program	16.738	2006-DJ-BX-0018	317,752
Paul Coverdell Forensic Science Improvement Program	16.742	2007-CD-BX-0051 and 2008-CD-BX-0011	<u>33,896</u>
<b>Total U.S. Department of Justice</b>			<u>4,508,817</u>
<b>U.S. DEPARTMENT OF LABOR:</b>			
Veterans	17.802	N/A	166,851
<b>Passed through La Cooperative Campesina de California</b>			
WIA Dislocated Workers	17.260 *	Kern (County 15)	222,447
Migrant and Seasonal Farmworkers	17.264	Kern (County 15)	1,938,555

\* Major Program

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, 2009**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	Federal CFDA Number	Supplemental Identifying Number	Total Expenditures
U.S. DEPARTMENT OF LABOR (Continued):			
Passed through State Department of Employment Development			
WIA Adult Program	17.258 *	Kern (County 15)	4,062,717
ARRA - WIA Adult Program	17.258 *	Kern (County 15)	76,252
WIA Youth Activities	17.259 *	Kern (County 15)	4,378,983
ARRA - WIA Youth Activities	17.259 *	Kern (County 15)	789,948
WIA Dislocated Workers	17.260 *	Kern (County 15)	3,154,291
ARRA - WIA Dislocated Workers	17.260 *	Kern (County 15)	97,972
WIA Rapid Response	17.260 *	Kern (County 15)	342,205
ARRA - Rapid Response	17.260 *	Kern (County 15)	1,066
WIA Incentive	17.266	Kern (County 15)	36,186
<b>Total U.S. Department of Labor</b>			<b>15,267,473</b>
FEDERAL AVIATION ADMINISTRATION:			
Airport Improvement Program	20.106 *	N/A	2,028,281
Passenger Facility Charge	20.106 *	N/A	1,024,024
ARRA - Federal Aviation Administration	20.106 *	3-06-0017-032-2009	105,385
<b>Total Federal Aviation Administration</b>			<b>3,157,690</b>
U.S. DEPARTMENT OF TRANSPORTATION:			
Passed through California Department of Transportation			
Highway Planning and Construction	20.205 *	06-5950R	26,518,139
Highway Planning and Construction	20.205 *	647232	842,282
CMAQ	20.509	647424 & 647425	946,497
<b>Total U.S. Department of Transportation</b>			<b>28,306,918</b>
U.S. INSTITUTE OF MUSEUM & LIBRARY SERVICES:			
LSTA Grant	45.310	40-7067 and 40-7147	40,500
<b>Total U.S. Institute of Museum and Library Services</b>			<b>40,500</b>
U.S. DEPARTMENT OF EDUCATION:			
Passed through California Department of Rehabilitation			
Rehab OTES Case Services	84.126	26794	483,752
<b>Total U.S. Department of Education</b>			<b>483,752</b>
U.S. ELECTION ASSISTANCE COMMISSION:			
Passed through Secretary of State			
Help America Vote Act 301 Voting Systems Program	90.401	Sect. 30107G30109	165,795
<b>Total Election Assistance Commission</b>			<b>165,795</b>
* Major Program			

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, 2009**

<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:			
Refugee Cash Assistance	13.787	N/A	64,005
Chlamydia Screening Project	13.978	05-45680	77,976
Passed through California Department of Health and Human Services			
T.B. Housing Award	93.116	Kern (County 15)	22,074
T.B. Subvention Award	93.116	Kern (County 15)	247,574
Childhood Lead and Poisoning	93.197	08-85060	184,513
Immunization Project Subdivision	93.268	08-85296	545,542
Pandemic Flu	93.283	EPO-CDC 07-16	21,983
Medi-Cal Assistance Program	93.778 *	200815	753,492
Medi-Cal Assistance Program	93.778 *	04-35092	136,250
ARRA - Prop 10-Children and Fam Comm	93.778 *	ARRA Stimulus Funds	1,124
ARRA - Prop 10-Children and Fam Comm	93.778 *	2000.1.9	44,979
Medical Assistance Program	93.778 *	15-0712	106,210
State Mandate Chapter	93.778 *	15-0712	228,066
ARRA - State Mandate Chapter	93.778 *	ARRA Stimulus Funds	9,472
Nurse Family Partnership Grant	93.778 *	2008-244	19,232
ARRA - Nurse Family Partnership Grant	93.778 *	ARRA Stimulus Funds	2,007
Medi-Cal Assistance Program	93.778 *	06-55367	1,342
Medi-Cal Assistance Program	93.778 *	07-65053	17,479
Medi-Cal Assistance Program	93.778 *	07-65673	344,564
Medi-Cal Assistance Program	93.778 *	Health & Safety Code Article 5-Sect 123800 to 123955	2,929,390
Medi-Cal Assistance Program	93.778 *	Health & Safety Code Article 5-Sect 123800 to 123956	455,589
Medi-Cal Assistance Program	93.778 *	Health & Safety Code Article 10- Sect 123800 to 123955	635,944
Medi-Cal Assistance Program	93.778 *	Kern (County 15)	15,366,657
Medi-Cal Assistance Program	93.778 *	DHS APS / IHSS-Mandated Programs	2,691,793
AIDS Case Management Project	93.917	06-55754	325,029
Ryan Whittle PCRS/PWP	93.938	06-55754	28,644
HIV Testing	93.941	07-65053	244,986
Black Infant Perinatal Project	93.994	200815	638,775
HIV Care Formula Grants	93.917	AIDS Early Intervention Project	72,394
Substance Abuse and Mental Health Services Projects of National Significance	93.243	5H79T117307-03	190,499
Passed through California Department of Aging			
OAA Title VII-B Elder Abuse	93.041	AP-0809-33	10,328
OAA Title VII-A Ombudsman	93.042	AP-0809-33	34,380
OAA Title III-D Disease Prevention	93.043	AP-0809-33	26,051
OAA Title III-B Supportive Services	93.044	AP-0809-33	295,489
OAA Title III-C Senior Nutrition	93.045	AP-0809-33	1,393,375
OAA Title III-E Caregiver Support	93.052	AP-0809-33	321,919
Nutrition Services Incentive Program	93.053	AP-0809-33	265,214
ARRA - Home-Delivered Nutrition Stimulus	93.705	NS-0809-33/ARRA Stimulus Funds	21,067
ARRA - Congregate Nutrition Stimulus	93.707	NS-0809-33/ARRA Stimulus Funds	42,796
Multipurpose Senior Services Program	93.778 *	MS-0809-33	392,500
Health Insurance Counseling and Advocacy Program	93.779	HI-0809-33	99,349

\* Major Program

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, 2009**

<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 Secretary of State Help America Vote Act	93.617	Sect. 261 07G26109	30,542
Passed through California Department of Child Support Services Child Support Enforcement	93.563 *	Kern (County 15)	12,988,114
ARRA - Child Support Enforcement	93.563 *	15 KERN/ARRA #1004CA4002	1,986,265
Passed through California Department of Social Services Promoting Safe and Stable Families	93.556	Kern (County 15)	883,569
Cal WORKS - TANF	93.558	Kern (County 15)	106,804,653
Refugee Resettl. Pgm. and Ref. Cash Assistance	93.566	Kern (County 15)	148
Community Based Child Abuse Prevention	93.590	Kern (County 15)	46,363
Child Welfare Services IVB	93.645	Kern (County 15)	916,282
Foster Care - Title IV-E	93.658 *	Kern (County 15)	32,245,267
ARRA - Foster Care - Title IV-E	93.658 *	Kern (County 15)	1,031,159
Adoption Assistance	93.659	Kern (County 15)	9,991,096
ARRA - Adoption Assistance	93.659	Kern (County 15)	878,022
CalWORKS Title XX	93.667	Kern (County 15)	4,982,314
Independent Living Skills Program	93.674	Kern (County 15)	338,456
Medi-cal Assistance Program	93.778 *	Public Authority-Mandated Programs 1999 AB # 1682	1,623,726
Passed through California Department of Mental Health Projects for Assistance in Transition from Homelessness	93.150	ID #1946001347J5	251,753
Substance Abuse and Mental Health Services Administration Block Grant	93.958	ID #1946001347J5	1,022,210
Passed through California Department of Public Health National Bioterrorism Hospital Preparedness Program	93.889	EPO 06-65//epo HPP 07-65/EPO 08-65	188,012
Passed through California Department of Alcohol and Drug Programs SAPT Block Grant	93.959	09B1CASAPT	<u>4,100,434</u>
Total U.S. Department of Health and Human Services			<u>209,618,437</u>
DEPARTMENT OF HOMELAND SECURITY:			
Passed through State Office of Emergency Services Emergency Management Performance	97.042	CA-OES	246,733
Metropolitan Medical Response System	97.071	CA-OES	224,344
State Homeland Security Program	97.073	CA-OES	113,439
Law Enforcement Terrorism Prevention	97.074	CA-OES	<u>124,310</u>
Total Department of Homeland Security			<u>708,826</u>
TOTAL FEDERAL AWARDS EXPENDED			<u><u>\$426,637,071</u></u>

\* Major Program

See Accompanying Notes to Schedule of Expenditures of Federal Awards

**COUNTY OF KERN, CALIFORNIA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2009**

**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 of Kern'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 Statements No. 14 and No. 39. 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, and Kern County Tobacco Funding Corporation. Each blended component unit has a June 30, year-end. Management also determined that the following component units should be discretely presented: First 5 Kern, Housing Authority of the County of Kern, and Tejon Ranch Public Facilities Financing Authority. All Federal financial assistance received directly from Federal agencies as well as Federal financial assistance passed through other government agencies is included in the 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 – FOOD DISTRIBUTION**

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2009 the County had food stamps totaling \$0 in inventory.

**NOTE 5 – OFFICE OF EMERGENCY SERVICES DISCLOSURE**

The following is the detail of total revenues and expenditures, including all federal, state, and local funding sources, related to County of Kern Office of Emergency Services, Corrections Standard Authority, and Office of Justice Grants:

Grant Award Number	Program Description	Audit Period	Grant Period	Personnel Services	Operating Expense	Equipment	Total Allowable Expenditures	Total Revenue Earned
VB08060150	Vertical Prosecution Block Grant	7/1/2008 - 6/30/2009	7/1/2008 - 6/30/2009	\$ 343,656	\$ 15,624	\$ -	\$ 359,280	\$ 359,280
DC08190150	Anti-Drug Abuse Enforcement Program	7/1/2008 - 6/30/2009	7/1/2008 - 6/30/2009	57,400	260,352	-	317,752	317,752
CQ07050150	Paul Coverdell National Forensic Sciences Improvement Act	1/1/2008 - 2/28/2009	1/1/2008 - 2/28/2009	-	31,073	-	31,073	31,073
CQ08060150	Paul Coverdell National Forensic Sciences Improvement Act	10/1/2008 - 6/30/2009	10/1/2008 - 9/30/2009	-	18,188	-	18,188	18,188
VV08040150	Violence Against Women Vertical Prosecution	7/1/2008 - 6/30/2009	7/1/2008 - 6/30/2009	146,667	-	-	146,667	146,667
MH08080150	CAL - MMET	8/1/2008 - 6/30/2009	7/1/2008 - 6/30/2009	344,238	182,811	-	527,049	527,049
RU08100150	Central Valley Rural Crime Prevention Program	7/1/2008 - 6/30/2009	7/1/2008 - 6/30/2009	398,829	15,024	-	413,853	413,853
CSA 135-08	Juvenile Accountability Block Grants Program: Graffiti Intervention Program	7/1/2008 - 6/30/2009	7/1/2008 - 6/30/2009	63,096	-	-	63,096	63,096
RT07040150	Residential Substance Abuse Treatment Program	10/1/2007 - 6/30/2009	10/1/2007 - 6/30/2009	148,879	-	-	148,879	148,879
PU08060150	Probation Special Units Program - Violence Against Women	10/1/2008 - 6/30/2009	10/1/2008 - 9/30/2009	111,084	-	-	111,084	111,084
SE08180150	Kern County Special Emphasis Victim Assistance Program	10/1/2008 - 6/30/2009	10/1/2008 - 9/30/2009	116,875	-	-	116,875	116,875
VW08260150	Kern County Victim/Witness Assistance Center	7/1/2008 - 6/30/2009	7/1/2008 - 6/30/2009	421,554	-	-	421,554	421,554

**NOTE 6 – 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:

<u>Program</u>	<u>CFDA #</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>
Senior Farmer's Market Program	10.576	\$ 25,000	\$ -
Special Programs for the Aging-Title VII-B	93.041	10,328	-
Special Programs for the Aging-Title VII-A	93.042	34,380	-
Special Programs for the Aging-Title III-D	93.043	26,051	-
Special Programs for the Aging-Title III-B	93.044	297,336	-
Special Programs for the Aging-Title III-C	93.045	1,391,528	319,441
Special Programs for the Aging-Title III-E Caregiver Support	93.052	321,919	-
Nutrition Services Incentive Program	93.053	265,214	-
Home Delivered Nutrition Stimulus	93.705	21,067	-
Congregate Nutrition Stimulus	93.707	42,796	-
Multipurpose Senior Services Program	93.778	392,500	392,500
Health Insurance Counseling and Advocacy Program	93.779	99,349	179,318
Community Based Service Program (CBSP):			
ADCRC	N/A	-	69,380
Brown Bag	N/A	-	20,562
Linkages	N/A	-	213,613
Respite POS	N/A	-	1,257
Administration (CBSP)	N/A	-	27,972
Ombudsman Special Deposit	N/A	-	24,485
Totals		<u>\$ 2,927,468</u>	<u>\$ 1,248,528</u>

## **FINDINGS AND QUESTIONED COSTS**

**COUNTY OF KERN, CALIFORNIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
THE YEAR ENDED JUNE 30, 2009**

Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the financial statements of the County of Kern.
2. Material weaknesses that were disclosed by the audit of the financial statements:  
Yes. See item 09-01.

Significant deficiencies:

Yes. See item 09-01.

3. No instances of noncompliance material to the financial statements of the County of Kern were disclosed during the audit.
4. No significant deficiencies or material weaknesses relating to internal control over major federal award programs were disclosed by the audit.
5. The auditor's report on compliance for the major federal award programs for the County of Kern expresses an unqualified opinion on all major federal programs.
6. The audit did not disclose any significant deficiencies or material weaknesses in relation to major federal award programs.
7. The programs tested as major programs included:

Workforce Investment Act Cluster, including ARRA Grant(s) (17.258, 17.259, 17.260)  
Airport Improvement Program, including ARRA Grant(s) (20.106)  
Child Support Enforcement, including ARRA Grant(s) (93.563)  
Foster Care, including ARRA Grant(s) (93.658)  
Medical Assistance, including ARRA Grant(s) (93.778)  
HOME Home Investment Partnership Program (14.239)  
Highway Planning and Construction (20.205)

8. The threshold for distinguishing Types A and B programs was \$3,000,000.
9. The County of Kern was determined to be a low-risk auditee.

Findings Relating to Financial Statements Required Under GAGAS

**09-01**

**Conditions:**

During current year testing of capital assets of the County, we found that the Roads Department reported its infrastructure at the contract price rather than the actual cost, causing material misstatement of County's infrastructure. As a result, the County reported a Prior Period of Adjustment to its infrastructure in the amount of (\$5,154,670) in the CAFR.

**Effect:**

Infrastructure and capital assets were misstated.



**Recommendation:**

We recommend that the County enforce the Departments' compliance over County's capital assets policies and procedures, and improve its oversight on Departments' capital assets reporting.

**Management's Response:**

Management agrees with the recommendation and the department has implemented measures to comply with County policies and procedures.

Findings and Questioned Costs for Federal Awards

None.

Prior Year Findings and Questioned Costs

None.