

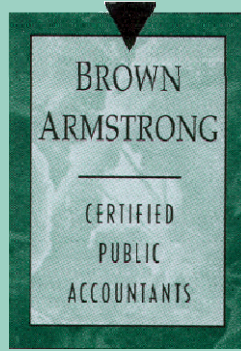
**COUNTY OF KERN, CALIFORNIA**  
**SINGLE AUDIT REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2010**

**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 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, 2010, which collectively comprise the County of Kern's basic financial statements and have issued our report thereon dated December 21, 2010. 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.

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 combination of deficiencies in internal control such that there is a reasonable possibility that material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

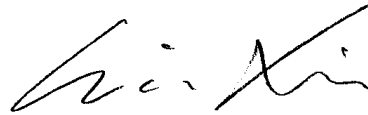
Compliance and Other Matters

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 21, 2010.

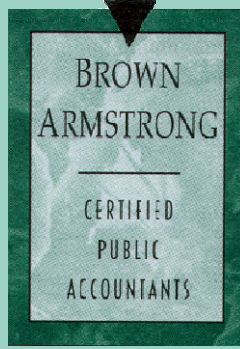
This report is intended solely for the information and use of the Board of Supervisors, management, Federal Awarding Agencies, Pass-Through Entities, and the State Controller's Office and is not intended to be and should not be used by anyone other than these specified parties.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION



Bakersfield, California  
December 21, 2010

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON  
EACH MAJOR PROGRAM AND ON 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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. 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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

### 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 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 of Kern'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 control deficiency, or combination of control, in internal control over compliance, such that there is a reasonable possibility that noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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 deficiencies, 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, 2010, and have issued our report thereon dated December 21, 2010. 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the 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 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 the other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

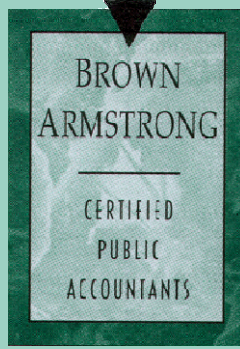
This report is intended for the information of the Board of Supervisors, management, Federal Awarding Agencies, Pass-Through Entities, and the State Controller's Office and is not intended to be and should not be used by anyone other than these specified parties.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION



Bakersfield, California  
December 21, 2010

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**INDEPENDENT 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 21, 2010, 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, 2009, through June 30, 2010. 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, 2009, through June 30, 2010, 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 21, 2010

**COUNTY OF KERN, CALIFORNIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2010**

<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>U.S. DEPARTMENT OF AGRICULTURE</u></b>			
Direct Programs			
USDA Title 3	10.XXX	Kern (County 15)	\$ 25,020
Glassy Winged Sharp Shooter Grants	10.025	09-8500-0654-CA	687,514
USDA EBT Grant	10.168	12-25-G-0911	4,595
Community Facilities Grant	10.766	RD 3570-3	30,130
Passed through U.S. Department of Education			
School Lunch Reimbursements	10.553	Kern (County 15)	42,115
Passed through California Department of Education			
National School Lunch Program	10.555	Kern (County 15)	678,525
Subtotal - Child Nutrition Cluster			720,640
Passed through California Department of Social Services			
State Administrative Matching Grants for Food Stamps Program	10.561 *	Kern (County 15)	7,809,945
ARRA - Non Assistance Food Stamps	10.561 *	Kern (County 15)	135,296
Subtotal			7,945,241
Passed through U.S. Forest Service			
U.S. Forest Service-Cooperative Forestry Assistance	10.664	Kern (County 15)	50,017
<i>Total U.S. Department of Agriculture</i>			9,463,157
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>			
Direct Programs			
Community Development Block Grant (CDBG)	14.218 *	Kern (County 15)	5,478,650
ARRA - Community Development Block Grant	14.253 *	B09-UY-06-0502	419,516
Subtotal - CDBG Cluster			5,898,166
Emergency Shelter Grant	14.231	HUD	304,997
HUD Grant Assistance and Plus Project	14.235	CA0606B9D040801	86,279
HOME Investment Partnership Program	14.239	HUD	5,452,326
Neighborhood Stabilization Program	14.256	NA	1,344,779
ARRA - Homeless Prevention and Rapid Rehousing	14.257	S09-UY-06-0502	60,279
Passed through California Department of Public Health			
Housing Opportunities for People with AIDS	14.241	07-65528	551,118
<i>Total U.S. Department of Housing and Urban Development</i>			13,697,944

\* 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, 2010**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	Federal CFDA Number	Supplemental Identifying Number	Total Expenditures
<b>U.S. DEPARTMENT OF JUSTICE</b>			
Direct Programs			
FBI - Violent Gangs Task Force	16.XXX	281D-SC-C40117	8,220
O.C.D.E.F.T.	16.XXX	Kern (County 15)	10,410
SSA Prisoner Incentive Payment	16.XXX	Kern (County 15)	<u>8,400</u>
Subtotal			<u>27,030</u>
ARRA - FBI - Joint Terrorism Task Force	16.000	319D-HQ-A1487519-SC	5,674
U.S. Marshall-Fed Prisoners	16.000	97-99-0196	3,730,270
H.I.D.T.A.	16.000	15PVC501	<u>257,328</u>
Subtotal			<u>3,993,272</u>
CASOM Grant	16.203	42USC13941	<u>124,123</u>
Federal COPS Grant	16.710	2005CKWX019 & 2006CKWX0126	<u>241,975</u>
Forensic DNA	16.741	2008-DN-BX-K023 & 2009-DN-BX-K050	<u>314,373</u>
Indigent Defender Hiring Project	16.751	2009DB-BX-0112	<u>147,092</u>
Passed through California Corrections Standard Authority Juvenile Accountability Block Grant	16.523	Kern (County 15)	<u>67,927</u>
Passed through California Emergency Management Agency Edward Byrne Memorial Justice Assistance Grant	16.738 *	2009-DJ-BX-0063	620,988
Passed through Bureau of Justice Assistance Edward Byrne Memorial Justice Assistance Grant	16.738 *	2009-DJ-BX-0417	<u>293,702</u>
Subtotal			<u>914,690</u>
ARRA - Edward Byrne Memorial Justice Assistance Grant	16.804 *	ZO9010150	944,696
ARRA - Edward Byrne Memorial Justice Assistance Grant	16.804 *	2009-SB-B9-0538	<u>570,286</u>
Subtotal			<u>1,514,982</u>
Passed through California Emergency Management Agency ARRA - VOCA Stimulus	16.575 *	VS09010150	27,240
Victim/Witness Assistance Center	16.575 *	VW09270150	241,573
Special Emphasis Victim Assistance Program	16.575 *	SE09190150	<u>131,929</u>
Subtotal			<u>400,742</u>
Anti-Drug Abuse Enforcement Program	16.579	Kern (County 15)	<u>180,894</u>
Violence Against Women Vertical Prosecution	16.588	2009-WF-AX-0043	196,098
Probation Special Units Program - Violence Against Women	16.588	PU09070150	<u>91,857</u>
Subtotal			<u>287,955</u>
Paul Coverdell Forensic Science Improvement Program	16.742	2008-CD-BX-0011 & 2009-CD-BX-0062	<u>127,971</u>
<i>Total U.S. Department of Justice</i>			<u>8,343,026</u>

\* 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, 2010**

<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>U.S. DEPARTMENT OF LABOR</u></b>			
Direct Programs			
ARRA - Green Capacity Building	17.275	GJ-19782-10-60-A-6	20,136
167 Migrant & Seasonal Farmworkers	17.264 *	DOL	2,066,389
Passed through La Cooperativa Campesina de California			
167 Temporary Housing Assistance Program	17.264 *	MH16448AZ0	46,294
ARRA - Green Center Project	17.264 *	MH18861250	8,000
Subtotal			<u>2,120,683</u>
Passed through California Department of Employment Development			
ARRA - DP Navigator	17.207	ES-17548-08-55-A-6	46,007
EDD Assistive Technology	17.207	K074142	52
Subtotal			<u>46,059</u>
WIA Adult Program	17.258 *	R970538/K074142	4,865,919
ARRA - WIA Adult Program	17.258 *	AA-17110-08-55-A-6	3,760,185
WIA Youth Activities	17.259 *	R970538/K074142	3,651,260
ARRA - WIA Youth Activities	17.259 *	AA-17110-08-55-A-6	5,117,954
Passed through Merced County			
ARRA - San Joaquin Valley Green Jobs Corps	17.259 *	AA-17110-08-55-A-6	87,271
Passed through California Department of Employment Development			
WIA Dislocated Workers	17.260 *	R970538/K074142	4,064,846
ARRA - WIA Dislocated Workers	17.260 *	AA-17110-08-55-A-6	3,166,060
WIA Rapid Response	17.260 *	K074142	294,579
ARRA - Rapid Response	17.260 *	AA-17110-08-55-A-6	192,081
Passed through La Cooperativa Campesina de California			
WIA Dislocated Workers	17.260 *	R972231	84,864
Passed through Tulare County			
CCWC - NEG Grant	17.260 *	K074142	63
Subtotal - WIA Cluster			<u>25,285,082</u>
<i>Total U.S. Department of Labor</i>			<u>27,471,960</u>
<b><u>FEDERAL AVIATION ADMINISTRATION</u></b>			
Direct Programs			
Airport Improvement Program	20.106 *	Kern (County 15)	3,764,406
Passenger Facility Charge	20.106 *	Kern (County 15)	1,022,415
ARRA - Federal Aviation Administration	20.106 *	3-06-0017-032-2009	2,198,059
<i>Total Federal Aviation Administration</i>			<u>6,984,880</u>
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>			
Passed through California Department of Transportation			
Highway Planning and Construction	20.205 *	Kern (County 15)	35,131,338
CMAQ Operating Grant	20.509	Kern (County 15)	990,551
ARRA - Surface Transportation Infrastructure Discretionary Grants	20.933 *	ESPL 5950	2,979,061
Passed through California Office of Traffic Safety			
Portable Evidential Breath Test	20.600	68-0297066	79,366
DUI Offender	20.600	Kern (County 15)	128,486
Subtotal			<u>207,852</u>
<i>Total U.S. Department of Transportation</i>			<u>39,308,802</u>

\* 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, 2010**

<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>U.S. INSTITUTE OF MUSEUM AND LIBRARY SERVICES</u></b>			
Direct Programs			
LSTA Grant	45.310	40-7357	<u>5,000</u>
<i>Total U.S. Institute of Museum and Library Services</i>			<u>5,000</u>
<b><u>U.S. DEPARTMENT OF ENERGY</u></b>			
Direct Programs			
ARRA - Energy Efficiency and Conservation Program	81.128	EE0000894	<u>47,189</u>
<i>Total U.S. Department of Energy</i>			<u>47,189</u>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>			
Passed through California Department of Rehabilitation			
Rehab OTES Case Services	84.126	Kern (County 15)	<u>345,386</u>
<i>Total U.S. Department of Education</i>			<u>345,386</u>
<b><u>U.S. ELECTION ASSISTANCE COMMISSION</u></b>			
Passed through Secretary of State			
Help America Vote Act 301 Voting Systems Program	90.401	Sec. 301 07G30109	<u>7,560</u>
<i>Total U.S. Election Assistance Commission</i>			<u>7,560</u>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>			
Direct Programs			
Refugee Cash Assistance	93.566	Kern (County 15)	<u>10,758</u>
Passed through California Department of Health Care Services			
CCS - Admin Healthy Families	93.767	Kern (County 15)	<u>377,084</u>
Passed through California Department of Aging			
Title VII Ch 3 - Elder Abuse, Neglect, and Exploitation Prevention	93.041	AP-0910-33	<u>10,243</u>
Title VII Ch 2 - Long Term Care Ombudsman Services for Older Individuals	93.042	AP-0910-33	<u>33,695</u>
Title III Part D Disease Prevention	93.043	AP-0910-33	<u>26,395</u>
Title III Part E Caregiver Support	93.052	AP-0910-33	<u>316,265</u>
Medicare Enrollment Assistance Program	93.071	MP-0910-33	<u>3,936</u>
Title III Part B Supportive Services	93.044	AP-0910-33	306,318
Title III Part C Nutritional Services	93.045	AP-0910-33	1,483,058
Nutrition Services Incentive Program	93.053	AP-0910-33	321,183
ARRA - Home-Delivered Nutrition Stimulus	93.705	NS-0910-33/09AACAC2RR	39,125
ARRA - Congregate Nutrition Stimulus	93.707	NS-0910-33/09AACAC1RR	<u>79,472</u>
Subtotal - Aging Cluster			<u>2,229,156</u>
Centers for Medicare and Medicaid Services (CMS)			
Research, Demonstrations, and Evaluations	93.779	HI-0809-33	<u>119,071</u>

\* 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, 2010**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	Federal CFDA Number	Supplemental Identifying Number	Total Expenditures
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued):			
Passed through Secretary of State Help America Vote Act	93.618	Section 261 08G26122	<u>131,969</u>
Passed through California Department of Child Support Services			
Child Support Enforcement	93.563 *	Kern (County 15)	12,449,150
ARRA - Child Support Enforcement	93.563 *	Kern (County 15)/1004CA4002	<u>2,440,026</u>
Subtotal			<u>14,889,176</u>
Passed through California Department of Social Services			
Promoting Safe and Stable Families	93.556	Kern (County 15)	887,688
Emergency Assistance Foster Care	93.556	Kern (County 15)	<u>998,096</u>
Subtotal			<u>1,885,784</u>
Community Based Child Abuse Prevention	93.590	Kern (County 15)	<u>71,207</u>
Child Welfare Services IVB	93.645	Kern (County 15)	<u>1,057,611</u>
Foster Care - Title IV-E & Group Home Visits	93.658	Kern (County 15)	39,908,750
ARRA - Foster Care - Title IV-E	93.658	ARRA Stimulus Funds	<u>1,220,465</u>
Subtotal			<u>41,129,215</u>
Adoption Assistance	93.659 *	Kern (County 15)	11,893,376
ARRA - Adoption Assistance	93.659 *	ARRA Stimulus Funds	<u>1,262,923</u>
Subtotal			<u>13,156,299</u>
Cal WORKS Title XX - Social Services Block Grant	93.667 *	Kern (County 15)	<u>3,582,606</u>
Independent Living Skills Program	93.674	Kern (County 15)	<u>338,261</u>
Cal WORKS - Temporary Assistance for Needy Families (TANF)	93.558 *	Kern (County 15)	115,983,485
ARRA - Emergency Contingency Fund for TANF	93.714 *	ARRA Stimulus Funds	<u>384,744</u>
Subtotal - TANF Cluster			<u>116,368,229</u>
Passed through California Department of Mental Health			
Projects for Assistance in Transition from Homelessness	93.150	1946001347J5	<u>197,381</u>
Substance Abuse and Mental Health Services Administration Block Grant	93.958	1946001347J5	<u>1,119,442</u>
Substance Abuse Prevention and Treatment (SAPT) Block Grant	93.959 *	2B08TI010005-10	<u>3,524,440</u>

\* 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, 2010**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	Federal CFDA Number	Supplemental Identifying Number	Total Expenditures
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)</b>			
Passed through California Department of Public Health			
H1N1 Public Health Emergency Response	93.069	EPO 09-16, EPO P3-16, EPO P4-16	1,886,610
Public Health Preparedness	93.069	EPO 09-16	<u>816,217</u>
Subtotal			<u>2,702,827</u>
T.B. Subvention Award	93.116	Kern (County 15)	<u>105,856</u>
Immunization Project Subdivision	93.268	08-85296	694,429
ARRA - Immunization Project Subvention & Reimbursement	93.712	3H23IP922507-07S1 & 07S2	<u>299,904</u>
Subtotal - Immunization Cluster			<u>994,333</u>
Refugee Resettlement Program and Refugee Cash Assistance	93.566	09-15-90840-00	<u>51,063</u>
National Bioterrorism Hospital Preparedness Program	93.889	EPO HPP 07-65/EPO 08-65/EPO 09-65	<u>174,135</u>
HIV Care Formula Grants	93.917	07-65053 MOU CARE	<u>491,447</u>
Minority AIDS Initiative	93.918	07-65053 MOU CARE	<u>17,883</u>
HIV Education & Prevention / Testing	93.941	07-65053	<u>200,042</u>
Chlamydia Screening Project	93.977	09-11127	<u>50,000</u>
Black Infant Health Project	93.994	2009-15	174,889
Maternal Child Health Project	93.994	2009-15	<u>158,568</u>
Subtotal			<u>333,457</u>
Passed through California Department of Health Care Services			
ARRA - Medical Assistance Program - Targeted Case Management	93.778 *	15-0712	122,393
Medical Assistance Program - Targeted Case Management	93.778 *	Kern (County 15)	537,070
Medical Assistance Program	93.778 *	Kern (County 15)	4,059,876
Passed through California Department of Aging			
Medical Assistance Program (MSSP)	93.778 *	MS-0910-33	110,573
Passed through California Department of Social Services			
Medical Assistance Program	93.778 *	Kern (County 15)	18,906,701
Passed through California Department of Mental Health			
Medical Assistance Program	93.778 *	Kern (County 15)	207,936
ARRA - Medical Assistance Program	93.778 *	Kern (County 15)	33,339
Passed through California Department of Public Health			
Medical Assistance Program - Childhood Lead and Poisoning	93.778 *	08-85060	128,313
Medical Assistance Program - Black Infant Health Project	93.778 *	2009-15	133,274
Medical Assistance Program - Maternal Child Health Project	93.778 *	2009-15	<u>315,359</u>
Subtotal Medical Assistance Program			<u>24,554,834</u>
<i>Total U.S. Department of Health and Human Services</i>			<u>230,254,100</u>

\* 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, 2010**

<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>DEPARTMENT OF HOMELAND SECURITY</u></b>			
Passed through California Office of Emergency Services Homeland Security Preparedness Tech Assistance	97.007	Cal EMA ID #029-00000	<u>92,995</u>
Reimbursement for Firefighting on Federal Property	97.016	CA-OES	<u>2,725</u>
Emergency Management Performance	97.042	Cal EMA ID #029-00000	<u>45,664</u>
Assistance to Fire Fighter Grant	97.044	CA-OES	<u>86,373</u>
Metropolitan Medical Response System	97.071	Cal EMA ID #029-00000	<u>207,551</u>
State Homeland Security Program	97.073 *	Cal EMA ID #029-00000	<u>4,105,424</u>
Law Enforcement Terrorism Prevention	97.074	Cal EMA ID #029-00000	<u>32,458</u>
Buffer Zone Protection Program	97.078	Cal EMA ID #029-00000	<u>193,030</u>
<i>Total Department of Homeland Security</i>			<u>4,766,220</u>
<b>TOTAL FEDERAL AWARDS EXPENDED</b>			<u><u>\$340,695,224</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, 2010**

**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 (the County) 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 has 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 are 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 – CALIFORNIA EMERGENCY MANAGEMENT AGENCY (CalEMA) 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 CalEMA 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	7/1/2009 - 6/30/2010	7/1/2008 - 6/30/2011	\$ 766,487	\$ 20,667	\$ -	\$ 787,154	\$ 787,154
DC09200150	Anti-Drug Abuse Enforcement Program	7/1/2009 - 6/30/2010	7/1/2009 - 6/30/2010	32,047	490,630	98,311	620,988	620,988
2009-CD-BX-0062	Paul Coverdell National Forensic Sciences Improvement Act	10/1/2009 - 6/30/2010	10/1/2009 - 9/30/2010	-	79,657	13,516	93,173	93,173
CQ08060150	Paul Coverdell National Forensic Sciences Improvement Act	7/1/2009 - 6/30/2010	10/1/2008 - 8/31/2010	-	52,986	-	52,986	52,986
VV09010150	Violence Against Women Vertical Prosecution	7/1/2009 - 6/30/2010	7/1/2009 - 6/30/2010	209,644	51,819	-	261,463	261,463
MH08080150	CAL - MMET	7/1/2009 - 6/30/2010	8/1/2008 - 6/30/2010	1,275,733	293,104	102,608	1,671,445	1,671,445
RU08100150	Central Valley Rural Crime Prevention Program	7/1/2008 - 6/30/2010	7/1/2008 - 6/30/2011	882,681	23,899	-	906,580	906,580
CSA 135-09	Juvenile Accountability Block Grants Program: Graffiti Intervention Program	7/1/2009 - 6/30/2010	7/1/2009 - 6/30/2010	62,596	500	-	63,096	63,096
VS09010150	Victim Witness Assistance Recovery Act Program	7/1/2009 - 6/30/2010	7/1/2009 - 6/30/2010	34,049	-	-	34,049	34,049
PU09070150	Probation Special Units Program - Violence Against Women	10/1/2009 - 6/30/2010	10/1/2009 - 9/30/2010	121,551	-	-	121,551	121,551
SE09190150	Kern County Special Emphasis Victim Assistance Program	10/1/2009 - 6/30/2010	10/1/2009 - 9/30/2010	137,500	-	-	137,500	137,500
VW09270150	Kern County Victim/Witness Assistance Center	7/1/2009 - 6/30/2010	7/1/2009 - 6/30/2010	455,517	730	-	456,247	456,247
AL10112	Portable Evidential Breath Test (PEBT) Program	10/1/2009 - 6/30/2010	10/1/2009 - 9/30/2011	44,575	34,792	-	79,367	79,367
Z09010150	Anti-Drug Abuse Enforcement Team Recovery Act Program	3/1/2010 - 6/30/2010	3/1/2010 - 2/28/2012	-	18,961	50,000	68,961	68,961
2009-DJ-BX-0417	Edward Byrne Memorial Justice Assistance Grant (JAG) Vertical Prosecution Program	10/1/2009 - 6/30/2010	10/1/2008 - 9/30/2012	167,658	-	-	167,658	167,658



**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
Special Programs for the Aging-Title VII-B Elder Abuse, Neglect, and Exploitation Prevention	93.041	\$ 10,243	\$ -
Special Programs for the Aging-Title VII-A Long Term Care Ombudsman Services	93.042	33,695	-
Special Programs for the Aging-Title III-D Disease Prevention	93.043	26,395	-
Special Programs for the Aging-Title III-B Supportive Services	93.044	306,318	-
Special Programs for the Aging-Title III-C Senior Nutritional Services	93.045	1,483,058	264,423
Special Programs for the Aging-Title III-E Caregiver Support	93.052	316,265	-
Nutrition Services Incentive Program	93.053	321,183	-
Medicare Enrollment Assistance Program	93.071	3,936	-
Home Delivered Nutrition Stimulus	93.705	39,125	-
Congregate Nutrition Stimulus	93.707	79,472	-
Multipurpose Senior Services Program	93.778	110,573	110,573
Health Insurance Counseling and Advocacy Program	93.779	111,808	179,319
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	7,263	-
Community Based Service Program (CBSP):			
ADCRC	N/A	-	17,355
Brown Bag	N/A	-	5,170
Linkages	N/A	-	53,380
Respite POS	N/A	-	315
Administration (CBSP)	N/A	-	6,971
Ombudsman Special Deposit	N/A	-	52,173
	Totals	<u>\$ 2,849,334</u>	<u>\$ 689,679</u>

**NOTE 6 – PASSENGER FACILITY CHARGE (PFC) SCHEDULE OF REVENUES AND EXPENDITURES**

In accordance with the “Passenger Facility Charge Audit Compliance and Reporting Guide for Public Agencies,” issued by the Federal Aviation Administration (FAA), the Passenger Facility Charge (PFC) program of the County of Kern Airport has been conducted in conjunction with the Federal single audit of the County’s Airport Improvement Program (CFDA No. 20.106). The following is a detailed schedule of PFC revenues and expenditures:

<u>Revenues:</u>	<u>Date Approved / Project Description</u>	<u>Amount Approved</u>	<u>Cumulative Total - June 30, 2009</u>	<u>September 30, 2009</u>	<u>December 31, 2009</u>	<u>March 31, 2010</u>	<u>June 30, 2010</u>	<u>Year Ended June 30, 2010</u>	<u>Cumulative Total - June 30, 2010</u>
Passenger facility charge revenue received			\$ 4,501,702	\$ 107,194	\$ 79,240	\$ 89,169	\$ 109,766	\$ 385,369	\$ 4,887,071
Interest earned			200,241	4,303	2,441	2,731	2,019	11,494	211,735
			<u>4,701,943</u>	<u>111,497</u>	<u>81,681</u>	<u>91,900</u>	<u>111,785</u>	<u>396,863</u>	<u>5,098,806</u>
<b>Expenditures:</b>									
Application 01-03-C-00-BFL	March 16, 2001								
Project 1	Land Acquisition of Airport Expansion	\$ 317,000	317,000	***	-	-	-	-	317,000
Project 2	New Passenger Terminal	9,086,000	9,086,000	***	-	-	-	-	9,086,000
			<u>9,403,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,403,000</u>
Total passenger facility charge revenue expended									
PFC Expenditures (Over) / Under Revenues			<u>\$ (4,701,057)</u>	<u>\$ (4,589,560)</u>	<u>\$ (4,507,879)</u>	<u>\$ (4,415,979)</u>	<u>\$ (4,304,194)</u>	<u>\$ (4,304,194)</u>	<u>\$ (4,304,194)</u>

\*\*\* Total allowable PFC expenditures for Application 01-03-C-00-BFL are \$9,403,000. Per FAA's recommendation, total construction costs of \$9,403,000 for these projects were recognized as PFC expenditures when the costs were incurred in prior years. Therefore, no additional PFC expenditures were recognized in the current year.

## **FINDINGS AND QUESTIONED COSTS**

**COUNTY OF KERN, CALIFORNIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
THE YEAR ENDED JUNE 30, 2010**

Summary of Audit Results

FINANCIAL STATEMENTS

Type of auditor's report issued:	Unqualified
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:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section .510(a)?	Yes

Identification of major programs:

No.	CFDA Number	Program
1	10.561	Food Stamps - Administration, including ARRA Grant
2	<i>CDBG Cluster:</i> 14.218 14.253	Community Development Block Grant ARRA - Community Development Block Grant
3	16.738	Edward Byrne Memorial Justice Assistance Grant
4	16.804	ARRA - Edward Byrne Memorial Justice Assistance Grant
5	16.575	Victim/Witness Assistance Programs, including ARRA Grant
6	<i>WIA Cluster:</i> 17.258 17.259 17.260	WIA - Adult Program, including ARRA Grant WIA - Youth Program, including ARRA Grant WIA - Dislocated Workers, including ARRA Grant
7	17.264	Migrant & Seasonal Farmworkers, including ARRA Grant
8	20.106	Airport Improvement Program, including ARRA Grant
9	20.205	Highway Planning and Construction Grant
10	20.933	ARRA - Surface Transportation Infrastructure Discretionary Grants
11	<i>TANF Cluster:</i> 93.558 93.714	CalWORKS - Temporary Assistance for Needy Families (TANF) ARRA - Emergency Contingency Fund for TANF
12	93.563	Child Support Enforcement, including ARRA Grant
13	93.659	Adoption Assistance, including ARRA Grant
14	93.667	CalWORKS Title XX - Social Services Block Grant

15	93.778	Medical Assistance Program, including ARRA Grants
16	93.959	Substance Abuse Prevention and Treatment (SAPT) Block Grant
17	97.073	State Homeland Security Program

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

\$ 3,000,000

Auditee qualified as low-risk auditee?

No

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  
THE YEAR ENDED JUNE 30, 2010**

**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 the 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 Department's compliance over the County's capital assets policies and procedures, and improve its oversight on Department's capital assets reporting.

**Management's Response:**

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

**Current Year Status:**

The Department has implemented measures to comply with the County's capital assets policies and procedures. No exceptions were noticed during 2010 testing.