

**COUNTY OF KERN
SINGLE AUDIT REPORT
YEAR ENDED JUNE 30, 2022**



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**COUNTY OF KERN
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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Board of Supervisors
County of Kern
Bakersfield, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of County of Kern, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County of Kern's basic financial statements, and have issued our report thereon dated June 23, 2023.

Our report includes a reference to other auditors who audited the financial statements of First 5 Kern, Kern Hospital Authority and Tejon Ranch Public Facilities Financing Authority, which represents 100 percent of assets, net position and revenues of the discretely presented component units as of and for the year ended June 30, 2022, as described in our report on County of Kern's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or on compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered County of Kern's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of County of Kern's internal control. Accordingly, we do not express an opinion on the effectiveness of County of Kern's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2022-001, 2022-002, 2022-003, 2022-004, 2022-005, and 2022-006 to be material weaknesses.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2022-007 to be a significant deficiency.

Report on Compliance and Other Matters

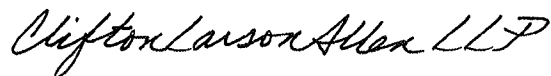
As part of obtaining reasonable assurance about whether County of Kern's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

County of Kern's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County of Kern's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. County of Kern's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Roseville, California
June 23, 2023



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

Board of Supervisors
County of Kern
Bakersfield, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited County of Kern's (the County) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of County of Kern's major federal programs for the year ended June 30, 2022. County of Kern's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of First 5 Kern, Kern County Hospital Authority and Tejon Ranch Public Facilities Financing Authority, which are not included in the County of Kern's schedule of expenditures of federal awards during the year ended June 30, 2022. Our audit, described below, did not include the operations of First 5 Kern, Kern County Hospital Authority and Tejon Ranch Public Facilities Financing Authority because these component units engaged other auditors to perform an audit of compliance.

In our opinion, County of Kern complied, in all material respects, with the 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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of County of Kern and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of County of Kern's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to County of Kern's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on County of Kern's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about County of Kern's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding County of Kern's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of County of Kern's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 County of Kern's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-008 and 2022-009. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on County of Kern's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. County of Kern's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-008 to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-009 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

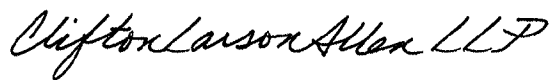
Board of Supervisors
County of Kern

Government Auditing Standards requires the auditor to perform limited procedures on County of Kern's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. County of Kern's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated June 23, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Roseville, California
August 2, 2023

**COUNTY OF KERN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed-Through to Subrecipients
<u>U.S. Department of Agriculture</u>				
Passed-through California Department of Food and Agriculture:				
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP 19PPQFO000C447	\$ 60,000	\$ -
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP 20PPQFO000C550	234	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP 20PPQFO000C540	1,374	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP 19PPQFO000C393	834	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP 22PPQFO000C397	156	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP 21PPQFO000C176	207,119	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP 22PPQFO000C176	253,967	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP 21PPQFO000C411	88,915	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP 19-21PPQFO000C001	1,537,748	-
Subtotal - Assistance Listing Number 10.025			2,150,347	-
Passed-through California Department of Health and Human Services:				
School Breakfast Program (Child Nutrition)	10.553		37,115	-
COVID-19 - School Breakfast Program	10.553		915	-
Passed-through California Department of Education:				
National School Lunch Program	10.555		382,764	-
Subtotal - Child Nutrition Cluster			420,794	-
Passed-through California Department of Health and Human Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	10.561		19,642,503	-
Assistance Program (SNAP)	10.561		103,122	-
Assistance Program (SNAP)	10.561		232,359	-
Passed-through California Department of Aging:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	10.561	SP-2122-33	179,424	-
Subtotal - SNAP Cluster			20,157,408	-
Cooperative Forestry Assistance	10.664		6,467	-
Passed-through California State Water Resources Control Board:				
Schools and Roads - Grants to Counties	10.666	C-06-7659-10/D17-04019	52,943	-
Total U.S. Department of Agriculture			\$ 22,787,959	\$ -
<u>U.S. Department of Housing and Urban Development</u>				
Direct Programs:				
Community Development Block Grants/Entitlement Grants (CDBG)	14.218		\$ 6,534,984	\$ 941,796
Community Development Block Grants/Entitlement Grants (CDBG) - Current Year Loans	14.218		283,883	-
Community Development Block Grants/Entitlement Grants (CDBG) - Outstanding Loans	14.218		17,668,182	-
Subtotal - CDBG Cluster			24,487,049	941,796
Emergency Shelter Grants Program	14.231		2,454,931	2,268,632
Home Investment Partnership Program	14.239		4,468,527	4,230,136
Home Investment Partnership Program - Outstanding Loans	14.239		43,943,161	-
Subtotal - Assistance Listing Number 14.239			48,411,688	4,230,136

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF KERN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed-Through to Subrecipients
Passed through City of Bakersfield: Housing Opportunities for Persons with AIDS	14.241	CBHO 24140 & CCHO 24141	\$ 627,419	\$ 462,043
Direct Programs Continuum of Care Program	14.267		25,091	-
Total U.S. Department of Housing and Urban Development			<u>\$ 76,006,178</u>	<u>\$ 7,902,607</u>
<u>U.S. Department of Interior</u>				
Direct Programs: National Wildlife Refuge Fund	15.659		\$ 6,309	-
Rangeland Resource Management	15.237		10,000	-
Total U.S. Department of Interior			<u>\$ 16,309</u>	<u>\$ -</u>
<u>U.S. Department of Justice</u>				
Passed through California Office of Emergency Services (CalOES):				
Crime Victim Assistance	16.575	VW20 38 0150 / VW2139 0150; XC20 03 0150 / XC21 04 0150; XE20 03 0150 / XE21 04 0150	\$ 1,283,539	-
Violence Against Women Formula Grants	16.588		99,999	-
Passed-through Board of State and Community Corrections: Residential Substance Abuse for State Prisoners	16.593	BSCC 526-20	157,324	-
Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.738	2019DJBX0696 / 2020DJBX0770 / 15PBJA- 21GG-01206_JAGX	90,798	-
Direct Programs: Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.738		229,086	-
Subtotal - Assistance Listing Number 16.738			<u>319,884</u>	-
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742		58,073	-
DNA Backlog Reduction Program	16.741		376,101	-
Equitable Sharing Program	16.922		1,862	-
Total U.S. Department of Justice			<u>\$ 2,296,782</u>	<u>\$ -</u>
<u>U.S. Department of Labor</u>				
Direct Programs: National Farmworker Jobs Program	17.264		\$ 1,786,036	\$ 542,273
Passed-through La Cooperativa Campesina de California: WIOA - Dislocated Workers Formula Grant	17.277	La Coop - Housing 167 La Coop - Covid-19	118,760	54,467
WIOA - Dislocated Workers Formula Grant	17.277	Temporary Job Program # 1195	35,806	1,496
Passed-through California Department of Employment Development: WIOA - National Dislocated Worker Grants / WA National Emergency Grants	17.277		205,407	115,132
Subtotal - Assistance Listing Number 17.277			<u>359,973</u>	<u>171,095</u>
Workforce Innovation and Opportunity Act (WIOA) - Adult Program	17.258		5,430,724	3,151,189
WIOA - Youth Activities	17.259		5,953,875	2,584,869
WIOA - Dislocated Workers Formula Grant	17.278		3,455,226	868,273
WIOA - Dislocated Workers Formula Grant	17.278		11,862	-
WIOA - Dislocated Workers Formula Grant	17.278		80,263	29,280
WIOA - Dislocated Workers Formula Grant	17.278		49,785	-
WIOA - Dislocated Workers Formula Grant	17.278		20,000	-
COVID-19 - WIOA - Dislocated Workers Formula Grant	17.278		336	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF KERN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed-Through to Subrecipients
WOA - Dislocated Workers Formula Grant	17.278	LA COOP Dis Ag - # 1157 / # 1229	\$ 212,994	\$ 28,351
WOA - Dislocated Workers Formula Grant	17.278	La Coop - Rapid Response 541	30,365	-
Subtotal - WOA Cluster			15,245,430	6,661,962
Total U.S. Department of Labor			\$ 17,391,439	\$ 7,375,330
<u>U.S. Department of Transportation</u>				
Direct Programs:				
COVID-19 Airport Improvement Program	20.106		\$ 1,255,008	\$ -
Passed-through the California Department of Transportation: Highway Planning and Construction Cluster	20.205	06-5959R	7,747,608	-
Formula Grants for Rural Areas and Tribal Transit Program	20.509		1,075,361	-
Passed-through California Office of Traffic Safety: Highway Safety Cluster	20.600	DI21002 : DI22023	356,145	-
Passed-through California Office of Traffic Safety Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608		166,848	-
Total U.S. Department of Transportation			\$ 10,600,970	\$ -
<u>U.S. Department of the Treasury</u>				
Direct Programs:				
COVID-19 Coronavirus Relief Fund	21019		\$ 4,582,200	\$ 1,068,412
Emergency Rental Assistance Program	21023		20,125,336	20,125,336
Emergency Rental Assistance Program	21023		16,719,862	16,719,862
Subtotal - Assistance Listing Number 21023			36,845,198	36,845,198
Coronavirus State and Local Fiscal Recovery Funds	21027		33,872,105	10,000,000
Total U.S. Department of the Treasury			\$ 75,299,503	\$ 47,913,610
<u>U.S. Department of Health and Human Services</u>				
Passed-through California Department of Aging:				
Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	AP-1921-33	\$ 52,797	\$ 52,797
Title VII, Chapter 2 - Long-Term Care Ombudsman Services for Older Individuals	93.042	AP-1921-33	11,397	11,397
Title III, Part D - Disease Prevention and Health Promotion Services	93.043	AP-1921-33	48,116	-
Title III, Part B - Grants for Supportive Services and Senior Centers Senior Centers	93.044	AP-2122-33	187,790	187,790
Title III, Part C - Nutrition Services	93.045	AP-1718-33	911,634	342,724
COVID-19 Title III, Part C - Nutrition Services	93.045	AP-1921-33	36,504	-
Nutrition Services Incentive Program	93.053	AP-1718-33	1,913,729	38,794
Subtotal - Aging Cluster			3,049,657	569,308
National Family Caregiver Support, Title III, Part E	93.052	AP-1921-33	304,698	304,698

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF KERN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed-Through to Subrecipients
Passed through California Department of Public Health:				
PUBLIC HEALTH EMERGENCY PREPAREDNESS (PHEP) Cooperative Agreement	93.069	17-10161	\$ 190,790	\$ -
Medicare Enrollment Assistance Program	93.071	M1-2122-33	50,115	-
Passed through California Department of Health Care Services:				
Guardianship Assistance - Kin Gap & Kin Gap IVE	93.090		70,062	-
Guardianship Assistance - Kin Gap	93.090		2,536,057	-
Subtotal - Assistance Listing Number 93.090			<u>2,606,119</u>	-
Passed-through California Department of Public Health:				
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	5NU52P S004656	144,524	-
Passed-through California Department of Health Care Services:				
Projects for Assistance in Transition from Homelessness	93.150		207,002	-
Passed-through California Department of Public Health:				
Family Planning Services - Essential Access Health	93.217	CEAS 25106	66,924	-
Immunization Cooperative Agreements	93.268	CIM S 25400	725,456	-
Immunization Cooperative Agreements	93.268	CIM S 25403	62,966	-
Immunization Cooperative Agreements	93.268	CIM S 25404	404,078	-
Immunization Cooperative Agreements	93.268	CIM S 25405	369,314	-
Subtotal - Assistance Listing Number 93.268			<u>1,561,814</u>	-
Direct Program				
Cooperative Agreement to Support Navigators in Federally-Facilitated Exchanges	93.332		359,350	-
Passed-through California Department of Health and Human Services:				
COVID-19 Epidemiology Laboratory Capacity	93.323	ELC 25104/CLEN 25109/CLEX 25	25,530,264	-
MaryLee Allen Promoting Safe and Stable Families Program	93.556		100,277	-
Passed-through California Department of Health and Human Services:				
Education and Prevention Grants to Reduce Sexual Abuse of				
State Health Insurance Assistance Program	93.324	HI-2122-33	85,652	-
Tribal Recruitment and Retention of Health Professionals into Indian Health Programs	93.354	CWFD 25116	22,550	-
CDC Partner Crisis Response NOFO	93.391		355,872	-
Temporary Assistance for Needy Families (TANF)	93.558		2,799,567	-
Temporary Assistance for Needy Families (TANF)	93.558		44,380,207	-
Temporary Assistance for Needy Families (TANF)	93.558		25,860	-
Temporary Assistance for Needy Families (TANF)	93.558		58,627,044	-
Temporary Assistance for Needy Families (TANF)	93.558		1,676,055	-
Subtotal - TANF Cluster			<u>107,508,733</u>	-
Passed-through California Department of Child Support Services				
Child Support Enforcement	93.563		15,075,785	-
Direct Program				
Mandatory and Matching Funds of the Child Care and Development Fund	93.596		43,496	-
Subtotal - CCDF Cluster			<u>43,496</u>	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF KERN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed-Through to Subrecipients
Chafee Education and Training Vouchers Program (ETV)	93.599		\$ 6,876	\$ -
Passed-through California Department of Health and Human Services:				
Refugee and Entrant Assistance Discretionary Grants	93.576	NRHA 60001	9,900	-
Community-Based Child Abuse Prevention Grants	93.590		661,121	661,121
Stephanie Tubbs Jones Child Welfare Services Program	93.645		855,260	-
Foster Care - Title IV-E	93.658		48,896	-
Foster Care - Title IV-E	93.658		817,855	-
Foster Care - Title IV-E	93.658		4,334,354	-
Foster Care - Title IV-E	93.658		10,621,518	-
Foster Care - Title IV-E	93.658		17,298,268	-
Foster Care - Title IV-E	93.658		97,155	-
COVID-19 Foster Care - Title IV-E	93.658		1,135,982	-
Passed-through California Department of Social Services:				
Foster Care - Title IV-E	93.658		79,213	-
Foster Care - Title IV-E	93.658		545,635	-
Foster Care - Title IV-E	93.658		59,158	-
Subtotal - Assistance Listing Number 93.658			35,038,034	-
Passed-through California Department of Health and Human Services:				
Adoption Assistance	93.659		19,954,143	-
COVID-19 Adoption Assistance	93.659		2,741,665	-
Adoption Assistance	93.659		1,490,015	-
Subtotal - Assistance Listing Number 93.659			24,185,823	-
Social Services Block Grant	93.667		1,994,860	-
Social Services Block Grant	93.667		1,570,786	-
Subtotal - Assistance Listing Number 93.667			3,565,646	-
Chafee Foster Care Independence Program	93.674		262,096	-
Passed through California Department of Aging				
Elder Abuse Prevention Interventions Program	93.747		8,072	8,072
Passed-through California Department of Health Care Services:				
Medical Assistance Program	93.778	MBIH 30111	285,280	-
Medical Assistance Program	93.778	HCPCFC Program-MCHD 30301	140,627	-
Medical Assistance Program	93.778	HCPCFC Program- MFOS 30310	478,428	-
Medical Assistance Program	93.778	HCPCFC Program-MPMM 30311	44,458	-
Medical Assistance Program	93.778	MFCR 30312	108,503	-
Medical Assistance Program	93.778	MLPP 30401	139,531	-
Passed-through California Department of Health and Human Services:				
Medical Assistance Program	93.778		225,000	-
Medical Assistance Program	93.778		2,300,000	-
Passed-through California Department of Human Services:				
Medical Assistance Program	93.778		16,886,046	-
COVID-19 - Medical Assistance Program	93.778		461,481	-
Medical Assistance Program	93.778		5,662,705	-
Subtotal - Medicaid Cluster			26,732,059	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF KERN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed-Through to Subrecipients
Passed-through California Emergency Medical Services Authority (EMSA):				
National Bioterrorism Hospital Preparedness Program	93.889	C 17-001	\$ 151,110	\$ -
Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activ	93.817	RDM HS 73810	12,164	-
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	MNFP 30120	548,937	-
Passed-through California Department of Public Health:				
HIV Care Formula Grants	93.917	15-11057 & 16-10848	473,820	405,252
HIV Prevention Activities - Health Department Based	93.940	CAHP 25111	298,323	-
Passed-through California Department of Health Care Services:				
Block Grants for Community Mental Health Services	93.958		2,091,500	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959		5,231,559	-
Passed-through California Department of Public Health:				
Maternal and Child Health Services Block Grant to the States	93.994	MMCH 30101	348,265	-
Total U.S. Department of Health and Human Services			<u>\$ 258,866,497</u>	<u>\$ 2,012,845</u>
<u>U.S. Executive Office of the President</u>				
Direct Programs:				
High Intensity Drug Trafficking Areas Program	95.001		\$ 224,296	\$ -
Total U.S. Executive Office of the President			<u>\$ 224,296</u>	<u>\$ -</u>
<u>U.S. Department of Homeland Security</u>				
Passed-through the California Office of Emergency Services (CalOES):				
Emergency Management Performance Grant	97.042	Cal EMA ID #029-00000	\$ 7,289	\$ -
Homeland Security Grant Program	97.067	Cal EMA ID #029-00000	37,143	7,162
Direct Programs:				
Hazard Mitigation Grant	97.039		13,579	-
Total U.S. Department of Homeland Security			<u>\$ 58,011</u>	<u>\$ 7,162</u>
Total Expenditures of Federal Awards			<u>\$ 463,547,944</u>	<u>\$ 65,211,354</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF KERN
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2022**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards presents the activity of all federal awards programs of the County of Kern for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 FEDERAL ASSISTANCE LISTING NUMBERS

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

NOTE 4 INDIRECT COST RATE

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

NOTE 5 LOANS WITH CONTINUING COMPLIANCE REQUIREMENTS

Outstanding federally-funded program loans, with a continuing compliance requirement, carried balances as of June 30, 2022 as follows:

Assistance Listing No.	Federal Program	Outstanding	Loans	New	Federal Awards
		Loans	Loans	Loans	Exepended
		June 30, 2022	July 1, 2021		June 30, 2022
	Community Development Block Grant/				
14.218	States Program	\$ 17,952,065	\$ 17,689,828	\$ 283,883	\$ 17,973,711
14.239	Home Investment Partnership Program	43,840,298	43,943,161	-	43,943,161

**COUNTY OF KERN
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2022**

NOTE 6 PASS-THROUGH ENTITIES' IDENTIFYING NUMBER

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

NOTE 7 DEPARTMENT OF AGING FEDERAL/STATE SHARE

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

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	State Expenditures	Federal Expenditures
Source: California Department of Aging			
Supplemental Assistance Program - Education (SNAP-Ed)	10.561	\$ -	\$ 179,424
Special Programs for the Aging-Title VII-B Elder Abuse, Neglect, and Exploitation Prevention	93.041	-	52,797
Special Programs for the Aging-Title VII-A Long Term Care Ombudsman Services	93.042	-	11,397
Special Programs for the Aging-Title III-D Disease Prevention	93.043	-	48,116
Special Programs for the Aging-Title III-B Supportive Services	93.044	181,508	187,790
Special Programs for the Aging-Title III-C, Senior Nutrition Services	93.045	881,561	911,634
Special Programs for the Aging-Title III-C, Senior Nutrition Services (COVID-19)	93.045	-	36,504
National Family Caregiver Support-Title III-E	93.052	-	304,698
Nutrition Services Incentive Program	93.053	-	1,913,729
Medicare Enrollment Assistance Program	93.071	-	50,115
Health Insurance Counseling and Advocacy Program (HICAP)	93.324	247,374	85,652
Elder Abuse Prevention Intervention Program	93.747	-	8,072
Long-Term Care Ombudsman - Public Health L&C Program Fund (PHL&C)	N/A	7,740	-
Long-Term Care Ombudsman - State Health Facilitated Citation Penalties (SHF CIT PEN)	N/A	34,244	-
Long-Term Care Ombudsman - Skilled Nursing Facility Quality and Accountability Fund (SNFQAF)	N/A	36,763	-
Source: California Department of Human Services			
Medical Assistance Program -MEDI-CAL	93.778	-	5,473,600
Medical Assistance Program (9417)	93.778	-	189,105
Totals		<u>\$ 1,389,190</u>	<u>\$ 9,452,633</u>

**COUNTY OF KERN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

Section I – Summary of Auditors’ Results

Financial Statements

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

Federal Awards

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

Identification of Major Federal Programs

Assistance Listing Number(s)

14.239
20.106
21.027
21.023
93.667
93.323
93.558

Name of Federal Program or Cluster

HOME Investment Partnership Program
COVID-19 Airport Improvement Program
Coronavirus State and Local Fiscal Recovery Funds
Emergency Rental Assistance
Social Services Block Grant
Epidemiology Laboratory Capacity
Temporary Assistance for Needy Families (TANF)

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

\$ 3,000,000

Auditee qualified as low-risk auditee?

 yes x no

COUNTY OF KERN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Section II – Financial Statement Findings

2022 – 001

Type of Finding: Material Weakness

Condition: Accounts receivable was understated in several funds in the current year. This resulted in material misstatements the current year.

Criteria or Specific Requirement: Accounts receivable and the associated revenues should be recorded in the period they are determined to be recognizable in accordance with generally accepted accounting principles. (GAAP).

Effect: The following are misstatements detected as a result of audit procedures that are within the County's financial statements:

- Audit adjustment of \$756,259 to accrue accounts receivable for amounts due to the Airport Fund.
- Audit adjustment of \$3,208,041 to accrue accounts receivable for amounts due to the General Fund.
- Audit adjustment of \$5,060,505 to accrue accounts receivable for amounts due to the Behavioral Health & Recovery Services (BHRS) Fund.
- Audit adjustment of \$519,487 to accrue accounts receivable for amounts due to the Community Development Fund.
- Audit adjustment of \$211,146 to accrue accounts receivable for amounts due to the Community Development Fund.
- Audit adjustment of \$1,052,501 for the overstatement of unavailable revenue in the BHRS Fund.
- Audit adjustment of \$35,816,492 for the realignment funding recorded as unearned revenue that should have been recognized as revenue during the period in the Human Services Fund.
- Unrecorded audit adjustment of \$2,194,689 in the County Local Revenue Fund and Governmental Activities to accrue accounts receivable.

Cause: Departments did not properly identify amounts where the County had met GAAP revenue recognition criteria as of June 30, 2022.

Repeat Finding: This is not a repeat finding.

Recommendation: The County should provide additional training to departments on revenue recognition in accordance with GAAP and include additional procedures during the year end closing process to capture all year end accruals.

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

COUNTY OF KERN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Section II – Financial Statement Findings (Continued)

2022 – 002

Type of Finding: Material Weakness

Condition: Accounts payable were understated in several funds in the current year. This resulted in material misstatements in the current year.

Criteria or Specific Requirement: Accounts payable and the associated expenditures should be record in the period they are determined to be recognizable in accordance generally accepted accounting principles (GAAP).

Effect: The following are misstatements detected as a result of audit procedures that are within the County's financial statements:

- Audit adjustment of \$519,847 to accrue accounts payable in the Community Development Fund.
- Audit adjustment of \$640,547 to accrue accounts payable in the Structural Fire Fund.

Cause: Certain departments did not properly identify the accrual for payables because the invoices were received subsequent to June 30, 2022 and the departments did not notify the Auditor-Controller's office of the additional accruals.

Repeat Finding: This is not a repeat finding.

Recommendation: The County should provide additional training to departments on how to properly identify what period expenditures should be recorded in and include additional procedures to identify invoices received subsequent to year-end that should be accrued as payables during the year-end closing process to capture all year-end accruals.

Views of responsible officials: There is no disagreement with the audit finding and County will implement our auditors' recommendation.

2022 – 003

Type of Finding: Material Weakness

Condition: Capital Assets and Net Position were understated for costs incurred in a prior period that were not properly capitalized. This resulted in material misstatements in both the current year and prior year.

Criteria or specific requirement: Costs for capital assets and capital projects should be capitalized in the period incurred.

Effect: The following are misstatements detected as a result of audit procedures that are within the County's financial statements:

**COUNTY OF KERN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Section II – Financial Statement Findings (Continued)

2022 – 003 (Continued)

- Audit adjustment of \$1,160,106 to capitalize amounts expensed that should have been capitalized in a prior period in the Airport Fund.
- Audit adjustment of \$477,486 to capitalize amounts expensed that should have been capitalized in the current year in the Airport Fund.
- Audit adjustment of \$23,522,084 to capitalize amounts expensed that should have been capitalized in a prior period for Governmental Activities.
- Audit adjustment of \$8,688,170 to capitalize amounts expensed that should have been capitalized in the current year for Governmental Activities.
- Audit adjustment of \$787,167 to capitalize amounts expensed that should have been capitalized in a prior period for Governmental Activities.
- Audit adjustment of \$2,728,305 to capitalize amounts expensed that should have been capitalized in the current year for Governmental Activities.
- Unrecorded adjustment of \$10,619,513 to project additional amounts expensed that likely should have been capitalized in a prior period for Governmental Activities.

Cause: Certain capital asset purchases were added to the capital asset system as depreciable assets, however, they were not placed in service as of yearend and therefore, were not recognized as capital asset additions in the prior year.

Repeat Finding: This is not a repeat finding.

Recommendation: The County should change their process for adding capital assets to record assets purchased but not placed into service during the year as non-depreciable work in progress until the asset has been fully equipped and placed into service. When these assets are placed into service, they should be transferred out of work in progress to the appropriate depreciable asset category.

Views of responsible officials: There is no disagreement with the audit finding and County will implement our auditors' recommendation.

2022 – 004

Type of Finding: Material Weakness

Condition: Deposits for oil and gas permits were recognized as revenues in a prior period rather than being recorded as deposits from others. This resulted in material misstatements in the prior year.

Criteria or Specific Requirement: Deposits from others should be record as a liability in the period received, and only recorded as revenue when revenue recognition criteria is met in accordance with generally accepted accounting principles (GAAP).

COUNTY OF KERN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Section II – Financial Statement Findings (Continued)

2022 – 004 (Continued)

Effect: The following are misstatements detected as a result of audit procedures that are within the County's financial statements:

- Audit adjustment of \$17,106,747 to reclassify revenue amounts that should have been recorded as deposits from others in a prior period in the General Fund.

Cause: During the implementation of GASB 84 – *Fiduciary Funds* the County improperly identified Oil and Gas permit deposits related to governmental activities, that were previously recorded as fiduciary funds, as earned revenue when the revenue recognition criteria in accordance with GAAP had not been met.

Repeat Finding: This is not a repeat finding.

Recommendation: The County should provide additional training on revenue recognition in accordance with GAAP.

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

2022 – 005

Type of Finding: Material Weakness

Condition: Leases were recognized in the government wide financial statements and the airport fund for leases that did not meet all the criteria for GASB 87. Additionally, other leases were not properly recognized in the government wide financial statements, and airport fund for leases not properly identified under GASB 87.

Criteria or Specific Requirement: Contracts meeting the specific criteria of GASB 87 should be recognized in the financial statements.

Effect: For contracts improperly identified as leases, lease liabilities in the government wide financial statements were overstated by \$3,759,017 and lease receivable was overstated in the airport fund by \$1,112,081. Additionally, for leases not properly identified, lease liabilities in the government wide financial statements were understated by \$3,137,962 and lease receivable was understated in the airport fund by \$369,194.

Cause: GASB 87 is a new accounting standard and not all leases included in the initial implementation met all the criteria necessary for inclusion.

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend the County provides additional training to the departments to understand the requirements of GASB 87.

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

COUNTY OF KERN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Section II – Financial Statement Findings (Continued)

2022 – 006

Type of Finding: Material Weakness

Condition: The County made adjustments to the SEFA for the following programs: Assistance Listing Number 21.023 Emergency Rental Assistance and Assistance Listing Number 93.323 Epidemiology Laboratory Capacity for Infectious Diseases subsequent to the SEFA being provided for audit.

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

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

Effect: During our review of the preliminary SEFA and testing over the major programs, we noted that it was necessary to record material adjustments to the SEFA for the following programs: Assistance Listing Number 21.023 Emergency Rental Assistance was decreased by \$2,501,610 and Assistance Listing Number 93.323 Epidemiology Laboratory Capacity for Infectious Diseases was increased by \$3,412,458.

Cause: Emergency Rental Assistance and Epidemiology Laboratory Capacity for Infectious Diseases funding was in related to COVID-19. There were new grant requirements that the County did not adequately understand. The County also had high turnover. The new employees lacked the knowledge or guidance on the grant requirements.

Repeat Finding: This is a repeat finding.

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

Views of responsible officials: There is no disagreement with the audit finding and County will implement our auditors' recommendation.

2022 – 007

Type of Finding: Significant Deficiency

Condition: Certain transactions were misclassified and recorded as other revenue during the year. Revenues received from other governments and amounts for the sale of fixed assets were inappropriately classified. This resulted in misstatements in the current year that required adjustment.

Criteria or specific requirement: Transactions should be recorded to the proper revenue category based on the nature of the revenue received.

COUNTY OF KERN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Section II – Financial Statement Findings (Continued)

2022 – 007 (Continued)

Effect: The following are misstatements detected as a result of audit procedures that are within the County's financial statements:

- Audit adjustment of \$1,799,978 to reclassify amounts recorded in other revenue that should have been classified as intergovernmental revenue in the Structural Fire Fund.
- Audit adjustment of \$2,361,443 to reclassify amounts recorded in other revenue that should have been eliminated as the result of an interfund sale and purchase of assets in the Structural Fire Fund.

Cause: Department did not properly identify the nature of revenue received and improperly recorded other revenue.

Repeat Finding: This is not a repeat finding.

Recommendation: The County should provide additional training to departments on identifying the nature of revenue received and the criteria for recording revenue to other revenue versus other reporting categories for proper financial statement presentation.

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

COUNTY OF KERN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Section III – Findings and Questioned Costs – Major Federal Programs

2022 – 008

Federal Agency: Department of Transportation

Federal Program Name: Airport Improvement Program

Assistance Listing Number: 20.106

Federal Award Identification Numbers and Year: 30600170552022, 30600170542022, 30601120112022, 30600170532022, 30600170522022, 30602520052022; 2021-22

Award Period: 7/1/2021-6/30/2022

Type of Finding:

- Material Weakness in Internal Control over Compliance
- Other Matters

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

Condition: During our testing of the reporting requirements SF-425 Federal Financial Report for grant 3-06-0017-046-2020 and 3-06-0017-047-2020 were not completed or submitted to the Federal Aviation Administration.

Questioned Costs: None

Context: Airport Improvement Program must submit SF-425 Federal Financial Report to report expenditures related to each grant agreement. CLA haphazardly selected 10 of the 18 required reports to test compliance. Four of the reports were not completed and submitted.

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

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

Repeat Finding: This is a repeat finding.

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

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

COUNTY OF KERN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

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

2022 – 009

Federal Agency: Department of Public Health

Federal Program Name: Epidemiology Laboratory Capacity for Infectious Diseases (ELC)

Assistance Listing Number: 93.323

Federal Award Identification Number and Year: 6 NU50CK000539-01-10, 2021-22

Pass-Through Agency: Passed-through California Department of Health and Human Services

Pass-Through Number: CELC 25104/CLEN 25109/CLEX 25113

Award Period: 7/1/2021-6/30/2022

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

Criteria or Specific Requirement: Grant compliance requires that Epidemiology Laboratory Capacity (ELC) for infectious diseases payroll costs be incurred within the fiscal year.

Condition: During our testing of Allowable Costs, we noted that the County incorrectly included a portion of payroll costs which were predominantly incurred during the prior year.

Questioned Costs: None

Context: The COVID-19 ELC Enhancing Detection Funding and COVID-19 ELC Enhancing Detection Expansion Funding payroll costs from a prior period were incorrectly included in expenditures.

Cause: The department misunderstood that payroll costs should be included based on the period in which they were incurred instead of the payroll disbursement date.

Effect: The County using the disbursement date for payroll costs could result in noncompliance with program requirements as costs should be charged when they are incurred.

Repeat Finding: Not a repeat finding.

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

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



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