

**COUNTY OF KERN
SINGLE AUDIT REPORT
YEAR ENDED JUNE 30, 2024**



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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 the County of Kern, as of and for the year ended June 30, 2024, 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 January 28, 2025.

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, 2024, 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 the 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 the County of Kern's internal control. Accordingly, we do not express an opinion on the effectiveness of the County of Kern's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Board of Supervisors
County of Kern

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters


As part of obtaining reasonable assurance about whether the 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*.

The 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. The 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

Irvine, California
January 28, 2025



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 the County of Kern's 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 the County of Kern's major federal programs for the year ended June 30, 2024. The 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.

In our opinion, the 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, 2024.

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 the 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 the 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 the 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 the 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 the 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 the 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 the 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 the 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 2024-002, 2024-003, and 2024-004. 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 the County of Kern's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be 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. 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 deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-002, 2024-003, and 2024-004, to be significant deficiencies.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the 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. The 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.

Board of Supervisors
County of Kern

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 of Kern as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County of Kern's basic financial statements. We have issued our report thereon, dated January 28, 2025, 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 basic 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

Irvine, California
May 29, 2025

**COUNTY OF KERN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024**

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	AP22PPQFO000C397	\$ 133,602	\$ -
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP22PPQFO000C502	85	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP23PPQFO000C001	165,664	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP23PPQFO000C207	171,743	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP23PPQFO000C246	114,500	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP23PPQFO000C248	9,874	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP23PPQFO000C378	135,118	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP23PPQFO000C519	604	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP24PPQFO000C002	1,118,067	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP24PPQFO000C005	294,202	-
Subtotal - Assistance Listing Number 10.025			2,143,459	-
Child Nutrition Cluster:				
Passed-through California Department of Health and Human Services:				
School Breakfast Program	10.553	WAHPJUDP16	102,506	-
Passed-through California Department of Education:				
National School Lunch Program	10.555	01362-SN-15-R	490,914	-
Subtotal - Child Nutrition Cluster			593,420	-
Passed-through California Department of Health and Human Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	10.561	WAHPJUDP16	23,009,554	-
Passed-through California Department of Aging:				
Supplemental Nutrition Assistance Program (SNAP)	10.561	SP-2122-33	424,341	-
Subtotal - Assistance Listing Number 10.561			23,433,895	-
Direct Program:				
Cooperative Forestry Assistance	10.664		20,824	-
Total U.S. Department of Agriculture			\$ 26,191,598	\$ -
<u>U.S. Department of Housing and Urban Development</u>				
Direct Programs:				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants (CDBG)	14.218		\$ 4,715,838	\$ 498,276
COVID-19 Community Development Block Grants/Entitlement Grants (CDBG)	14.218		173,739	-
Community Development Block Grants/Entitlement Grants (CDBG) - Current Year Loans	14.218		75,000	-
Subtotal - CDBG - Entitlement Grants Cluster			4,964,577	498,276
Emergency Solutions Grants Program	14.231		649,913	602,821
COVID-19 Emergency Solutions Grants Program	14.231		438,159	438,159
Subtotal - Assistance Listing Number 14.231			1,088,072	1,040,980
Home Investment Partnership Program	14.239		2,324,128	1,737,006
Home Investment Partnership Program - Current Year Loans	14.239		1,129,507	-
COVID-19 Home Investment Partnership Program - Current Year Loans	14.239		1,374,214	-
Subtotal - Assistance Listing Number 14.239			4,827,849	1,737,006
Passed through City of Bakersfield:				
Housing Opportunities for Persons with AIDS	14.241	2022-202	908,575	-
Direct Program				
Continuum of Care Program	14.267		61,724	-
Total U.S. Department of Housing and Urban Development			\$ 11,850,797	\$ 3,276,262

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF KERN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed-Through to Subrecipients
U.S. Department of Justice				
Passed through California Office of Emergency Services (CalOES):				
Crime Victim Assistance	16.575	VW22 40 0150 / VW23 41 0150 / XC22 05 0150 / XC23 06 0150 / XE22 05 0150 / UV22 05 0150 / UV23 02 0150	\$ 1,699,304	\$ -
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	CQ22 18 0150	61,253	-
Passed-through Board of State and Community Corrections:				
Residential Substance Abuse for State Prisoners	16.593	BSCC 991-24	141,357	-
Direct Programs:				
Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.738		109,425	-
State Criminal Alien Assistance Program	16.606		894,297	-
DNA Backlog Reduction Program	16.741		228,058	-
Equitable Sharing Program	16.922		398,278	-
Total U.S. Department of Justice			<u>\$ 3,531,972</u>	<u>\$ -</u>
U.S. Department of Labor				
Direct Programs:				
National Farmworker Jobs Program	17.264		\$ 2,793,116	\$ 472,469
Homeless Veterans' Reintegration Program	17.805		178,167	-
WIOA Cluster:				
Passed-through California Department of Employment Development:				
WIOA Adult Program	17.258	AA311009/AA411009	6,640,606	564,297
WIOA Youth Activities	17.259	AA311009/AA411009	6,434,501	3,013,447
WIOA Dislocated Worker Formula Grants	17.278	AA311009/AA411009	3,123,247	322,268
WIOA Dislocated Worker Formula Grants	17.278	AA411009	369,399	-
WIOA Dislocated Worker Formula Grants	17.278	AA411009	71,352	-
Passed-through La Cooperativa Campesina de California:				
WIOA Dislocated Worker Formula Grants	17.278	AA311075	75,103	-
WIOA Dislocated Worker Formula Grants	17.278	23A60MH000002-01-00	65,409	-
WIOA Dislocated Worker Formula Grants	17.278	AA311075	50,000	-
Subtotal - WIOA Cluster			<u>16,829,617</u>	<u>3,900,012</u>
Passed through California Department of Industrial Relations				
Registered Apprenticeship	17.285	SAEEI002	117,607	-
Total U.S. Department of Labor			<u>\$ 19,918,507</u>	<u>\$ 4,372,481</u>
U.S. Department of Transportation				
Direct Program:				
Airport Improvement Program	20.106		\$ 572,505	\$ -
COVID-19 - Airport Improvement Program	20.106		5,032	-
Subtotal - Assistance Listing Number 20.106			<u>577,537</u>	<u>-</u>
Passed-through the California Department of Transportation:				
Highway Planning and Construction	20.205	STPL-5950(488)	2,612	-
Highway Planning and Construction	20.205	HSIPL-5950(470)	1,157,907	-
Highway Planning and Construction	20.205	HSIPL-5950(471)	587,528	-
Highway Planning and Construction	20.205	HSIPL-5950(469)	1,739	-
Highway Planning and Construction	20.205	ATPL-5950(493)	290,441	-
Highway Planning and Construction	20.205	CPFCDL-5950(518)	172,136	-
Highway Planning and Construction	20.205	HPLUL-5950(472)	93,230	-
Highway Planning and Construction	20.205	CML-5950(484)	488	-
Highway Planning and Construction	20.205	CML-5950(503)	106,814	-
Highway Planning and Construction	20.205	CML-5950(485)	33,013	-
Highway Planning and Construction	20.205	STPCML-5950(486)	109,294	-
Highway Planning and Construction	20.205	CML-5950(489)	3,527	-
Highway Planning and Construction	20.205	CML-5950(510)	548,667	-
Highway Planning and Construction	20.205	CML-5950(505)	410,925	-
Highway Planning and Construction	20.205	CML-5950(517)	12,180	-
Highway Planning and Construction	20.205	CML-5961(017)	1,660,170	-
Highway Planning and Construction	20.205	ATPL-5950(495)	71,936	-
Highway Planning and Construction	20.205	CML-5950(511)	1,932,145	-
Highway Planning and Construction	20.205	STPL-5961(019)	1,095,695	-
Highway Planning and Construction	20.205	STPL-5950(513)	3,407,205	-
Subtotal - Assistance Listing Number 20.205			<u>11,697,652</u>	<u>-</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, 2024**

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 Transportation (Continued)</u>				
Formula Grants for Rural Areas and Tribal Transit Program	20.509	64BA22-02069	\$ 1,148,179	\$ -
Formula Grants for Rural Areas and Tribal Transit Program	20.509	64CA23-02236	300,000	-
COVID-19 Formula Grants for Rural Areas and Tribal Transit Program	20.509	64RO21-01637	2,160,452	-
COVID-19 Formula Grants for Rural Areas and Tribal Transit Program	20.509	64TO21-01855	766,195	-
COVID-19 Formula Grants for Rural Areas and Tribal Transit Program	20.509	64MO21-01905	129,580	-
Subtotal - Assistance Listing Number 20.509			<u>4,504,406</u>	<u>-</u>
Passed-through California Office of Traffic Safety:				
Highway Safety Cluster - National Priority Safety Programs	20.616	DI23010 / DI24004	635,674	-
Passed-through California Office of Traffic Safety				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	AL 23013 & AL 24012	145,259	-
Total U.S. Department of Transportation			<u>\$ 17,560,528</u>	<u>\$ -</u>
<u>U.S. Department of the Treasury</u>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		\$ 36,086,116	\$ -
Total U.S. Department of the Treasury			<u>\$ 36,086,116</u>	<u>\$ -</u>
<u>U.S. Department of Health and Human Services</u>				
Passed-through California Department of Aging:				
Title VIII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation, and Title III, Part B Ombudsman	93.041	AP-2324-33	\$ 80,867	\$ 80,867
Title VII, Chapter 2 - Long-Term Care Ombudsman Services for Older Individuals	93.042	AP-2324-33	10,234	-
Title III, Parts B and D	93.043	AP-2324-33	346,856	223,466
Aging Cluster:				
Title III, Part B - Grants for Supportive Services and Senior Centers Senior Centers	93.044	AP-2324-33	324,573	243,418
Title III, Part C - Nutrition Services	93.045	AP-2324-33	1,540,693	381,685
Nutrition Services Incentive Program	93.053	AP-2324-33	211,649	43,895
Subtotal - Aging Cluster			<u>2,076,915</u>	<u>668,998</u>
Caregiver Support Services, Title III, Part E	93.052	AP-2324-33	539,175	484,298
Passed through California Department of Public Health:				
Public Health Emergency Preparedness	93.069	22-10651	656,345	-
Medicare Enrollment Assistance Program	93.071	AP-2324-33	40,496	-
Passed through California Department of Health Care Services:				
Guardianship Assistance	93.090	WAHHPJUUDP16	2,888,077	-
Passed-through California Department of Public Health:				
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	2115BASE00/ 2215FSIE00	119,171	-
Passed-through California Department of Health Care Services:				
Projects for Assistance in Transition from Homelessness	93.150	21-10085	220,614	-
Passed-through California Department of Public Health:				
Immunization Cooperative Agreements	93.268	22-11070	2,014,758	-
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	1 NU90TP922174-01-00	118,731	-
Passed-through California Department of Health and Human Services:				
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	CELC 25104/CLEN 25109/CLEX 25113	1,640,561	-
State Health Insurance Assistance Program	93.324	AP-2324-33	624,735	-
Cooperative Agreement to Support Navigators in Federally-Facilitated Exchanges	93.332	2305CA5MAP	440,326	-
Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391	CERI-21-23-15	318,017	-
Passed through National Association of County and City Health Officials:				
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421	2023-020602	30,432	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF KERN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed-Through to Subrecipients
U.S. Department of Health and Human Services (Continued)				
Passed-through California Department of Health and Human Services: MaryLee Allen Promoting Safe and Stable Families Program	93.556	WAHHPJUUDP16	\$ 1,087,521	\$ -
Passed-through California Department of Health and Human Services: Temporary Assistance for Needy Families	93.558	WAHHPJUUDP16	150,790,404	-
CCDF Cluster - Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	WAHHPJUUDP16	47,737	-
Passed-through California Department of Child Support Services Child Support Services	93.563	15 Kern	18,682,890	-
Passed-through California Department of Health and Human Services: Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	2301CARCMA	195,792	-
Passed-through California Department of Health and Human Services: Community-Based Child Abuse Prevention Grants	93.590	WAHHPJUUDP16	460,495	460,495
Stephanie Tubbs Jones Child Welfare Services Program	93.645	WAHHPJUUDP16	820,352	-
Foster Care - Title IV-E	93.658	WAHHPJUUDP16	39,440,588	-
COVID-19 - Foster Care - Title IV-E	93.658	WAHHPJUUDP16	291,613	-
Passed-through California Department of Social Services: Foster Care - Title IV-E	93.658		864,815	-
Subtotal - Assistance Listing Number 93.658			<u>40,597,016</u>	<u>-</u>
Passed-through California Department of Health and Human Services: Adoption Assistance	93.659	WAHHPJUUDP16	25,399,162	-
COVID-19 Adoption Assistance	93.659	WAHHPJUUDP16	925,309	-
Subtotal - Assistance Listing Number 93.659		WAHHPJUUDP16	<u>26,324,471</u>	<u>-</u>
Social Services Block Grant	93.667	WAHHPJUUDP16	3,565,646	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	WAHHPJUUDP16	526,215	-
Passed-through California Department of Health Care Services: Children's Health Insurance Program	93.767	TCLIP	374,171	-
Medicaid Cluster:				
Passed-through California Department of Health Care Services: Medical Assistance Program	93.778	MC	2,904,249	-
Medical Assistance Program	93.778	202215	638,223	-
Medical Assistance Program	93.778	HCPCFC Program	1,452,055	-
Passed-through California Department of Health and Human Services: Medical Assistance Program	93.778	WAHHPJUUDP16	24,063,421	-
Medical Assistance Program	93.778	WAHHPJUUDP16	5,656,876	-
Subtotal - Medicaid Cluster			<u>34,714,824</u>	<u>-</u>
Passed-through California Emergency Medical Services Authority (EMSA): Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	93.817	RDMHS 73810	83,996	-
Maternal, Infant and Early Childhood Homevisiting Grant	93.870	CHVP SGF EBHV 23-15	601,665	-
National Bioterrorism Hospital Preparedness Program	93.889	22-10651	300,874	-
Passed-through California Department of Public Health: HIV Care Formula Grants	93.917	18-10870	771,182	-
HIV Prevention Activities - Health Department Based	93.940	22-10786	218,924	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF KERN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

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 Health and Human Services (Continued)</u>				
Passed-through California Department of Health Care Services:				
Block Grants for Community Mental Health Services	93.958	1B09SM090319	\$ 1,718,315	\$ -
COVID-19 - Block Grants for Community Mental Health Services	93.958	6B09SM085337	399,833	-
Subtotal - Assistance Listing Number 93.958			<u>2,118,148</u>	<u>-</u>
Block Grants for Prevention and Treatment of Substance Abuse	93.959	1B08TI087026-01	4,177,812	-
COVID-19 - Block Grants for Prevention and Treatment of Substance Abuse	93.959	1B08TI083929-01	408,864	-
Subtotal - Assistance Listing Number 93.959			<u>4,586,676</u>	<u>-</u>
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	21-10558	106,502	-
Passed-through California Department of Public Health:				
Maternal and Child Health Services Block Grant to the States	93.994	CHVP 22-15	689,860	-
Total U.S. Department of Health and Human Services			<u>\$ 299,831,671</u>	<u>\$ 1,918,124</u>
<u>U.S. Executive Office of the President</u>				
Direct Program:				
High Intensity Drug Trafficking Areas Program	95.001		\$ 179,506	\$ -
Total U.S. Executive Office of the President			<u>\$ 179,506</u>	<u>\$ -</u>
<u>U.S. Department of Homeland Security</u>				
Passed-through the California Office of Emergency Services (CalOES):				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	029-00000	\$ 33,563	\$ -
Hazard Mitigation Grant	97.039	Cal EMA ID #029-00000-00	486,607	-
Emergency Management Performance Grant	97.042	Cal EMA ID #2022-14852	273,584	-
Homeland Security Grant Program	97.067	Cal EMA ID #2020-0095 / 2022-0043 /2023-0042	1,016,221	-
Direct Programs:				
Fire Management Assistance Grant	97.046		86,030	-
Total U.S. Department of Homeland Security			<u>\$ 1,896,005</u>	<u>\$ -</u>
Total Expenditures of Federal Awards			<u>\$ 417,046,700</u>	<u>\$ 9,566,867</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF KERN
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2024

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the County of Kern (the County) under programs of the federal government as well as federal financial assistance passed through other government agencies for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial statements of the County. The County's reporting entity is defined in Note 1 of the notes to the County's financial statements.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting for governmental funds and the accrual basis for proprietary funds, which is described in Note 1 of the notes to the County's financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 INDIRECT COST RATE

The County has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 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.

**COUNTY OF KERN
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2024**

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:

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	\$ -	\$ 424,341
Special Programs for the Aging-Title VII-B Elder Abuse, Neglect, and Exploitation Prevention	93.041	-	80,867
Special Programs for the Aging-Title VII-A Long Term Care Ombudsman Services	93.042	168,017	10,234
Special Programs for the Aging-Title III-D Disease Prevention	93.043	-	346,856
Special Programs for the Aging-Title III-B Supportive Services	93.044	30,731	324,573
Special Programs for the Aging-Title III-C, Senior Nutrition Services	93.045	1,337,753	1,540,693
National Family Caregiver Support-Title III-E	93.052	-	539,175
Nutrition Services Incentive Program	93.053	-	211,649
Health Insurance Counseling and Advocacy Program (HICAP)	93.324	291,066	-
Long-Term Care Ombudsman - Public Health L&C Program Fund (PHL&C)	N/A	7,480	-
Long-Term Care Ombudsman - State Health Facilitated Citation Penalties (SHF CIT PEN)	N/A	26,521	-
Long-Term Care Ombudsman - Skilled Nursing Facility Quality and Accountability Fund (SNFQAF)	N/A	35,529	-
Access to Technology	N/A	249,504	-
Nutrition Infrastructure	N/A	224,969	-
Older Adults Recovery and Resilience (OARR)	N/A	118,067	-
Source: California Department of Human Services			
Medical Assistance Program -MEDI-CAL	93.778	-	5,276,204
Medical Assistance Program (9417)	93.778	-	380,672
Totals		<u>\$ 2,489,637</u>	<u>\$ 9,135,264</u>

**COUNTY OF KERN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024**

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? yes x 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? yes x 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)	Name of Federal Program or Cluster
17.264	National Farmworker Jobs Program
20.205	Highway Planning and Construction
20.509	Formula Grants for Rural Areas and Tribal Transit Program
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
93.558	Temporary Assistance for Needy Families
93.658	COVID-19 Foster Care Title IV-E
93.778	Medical Assistance Program – Medicaid Cluster
93.958	COVID-19 Block Grants for Community Mental Health Services
93.959	COVID-19 Block Grants for Prevention and Treatment of Substance Abuse

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, 2024**

Section II – Financial Statement Findings

2024 – 001

Type of Finding: Material Weakness

Condition: Revenue was understated in the General fund and overstated in the Behavioral Health and Recovery Services and Department of Human Services funds. These misstatements resulted in material corrections to the general ledger in the current year.

Criteria or specific requirement: Revenue should be recognized in the period in which it is determined to be measurable and available in accordance with generally accepted accounting principles (GAAP).

Effect: Audit adjustments totaling approximately \$19,968,000 were recorded to recognize sales tax and vehicle license fees revenue in the General fund.

Audit adjustments netting to approximately \$12,539,000 were recorded to reduce revenue recorded to the Behavioral Health and Recovery Services fund, of which approximately \$17,855,000 should have been recorded in the prior period, resulting in a restatement of the fund's beginning fund balance.

Audit adjustments netting to approximately \$20,327,000 were recorded to reduce revenue for vehicle license fees and state public assistance in the Human Services fund, of which approximately \$7,828,000 was recorded as revenue in the prior period in error, resulting in a restatement of the fund's beginning fund balance.

Cause: Departments did not properly identify the period in which the County had met GAAP revenue recognition criteria. Revenues were recorded to the incorrect fund for the vehicle license fees adjustment impacting the General and Human Services funds.

Repeat finding: Yes, misstatements related to revenue recognition were reported in the prior year as finding number 2023-001.

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: The County concurs with auditor's recommendation and advises departments to attend revenue recognition training as it relates to their specific funding sources. The Auditor's Office will continue to perform additional procedures during year end close to ensure all year end accruals are properly accounted for in accordance with GAAP.

COUNTY OF KERN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

Section III – Findings and Questioned Costs – Major Federal Programs

2024-002: Period of Performance

Federal Agency: U.S. Department of Health and Human Services

Federal Program Name: Block Grants for Community Mental Health Services

Assistance Listing Number: 93.958

Pass-Through Agency: California Department of Health Care Services

Award ID and Period: 1B09SM090319, 6B09SM085337 and July 01, 2023, through June 2024

Type of Finding: Significant Deficiency in Internal Control Over Compliance and Other Matter

Criteria or specific requirement: 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award requires compliance with the provisions of period of performance. The County should have internal controls designed to ensure that expenditures are recorded within the period of performance. Additionally, 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award section 200.303 requires that entities establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework,” issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition: During our testing of Allowable Costs, we noted that the County incorrectly included payroll costs for the payroll period ended June 30, 2023, which were incurred before the period of performance.

Questioned costs: \$1,144 known questioned costs, plus \$48,543 of likely questioned costs based on the likely assumption that all expenditures for the payroll period ended June 30, 2023, included on the general ledger of expenditures for the program, would all be found to have occurred prior to the period of performance if tested.

Context: This condition was on 1 of 40 samples.

Cause: The compilation of expenditures reported was based on the system date for when expenditures were recorded in the system instead of when the expenditures were incurred.

Effect: Expenditures recorded to the grant may have been recorded outside of the grant’s period of performance.

Repeat finding: Yes, the same issue was noted in the prior year under finding No. 2023-006.

Recommendation: We recommend the County conduct training with its various departments to instruct them on how to compile expenditures based on the accrual basis of accounting (when the expenditures were incurred).

Views of responsible officials: The County concurs with the finding.

COUNTY OF KERN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

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

2024-003: Period of Performance

Federal Agency: U.S. Department of Health and Human Services

Federal Program Name: Block Grants for Prevention and Treatment of Substance Abuse

Assistance Listing Number: 93.959

Pass-Through Agency: California Department of Health Care Services

Award ID and Period: 1B08TI087026-01,1B08TI083929-01 and July 01, 2023, through June 2024

Type of Finding: Significant Deficiency in Internal Control Over Compliance and Other Matter

Criteria or specific requirement: 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award requires compliance with the provisions of period of performance. The County should have internal controls designed to ensure that expenditures are recorded within the period of performance. Additionally, 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award section 200.303 requires that entities establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework,” issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition: During our testing of Allowable Costs, we noted that the County incorrectly included a portion of nonpayroll costs which were predominantly incurred before the period of performance.

Questioned costs: \$2,414 known questioned cost, plus \$110,850 of likely questioned costs based on an extrapolation of the known error identified within the population tested.

Context: This condition was identified on 5 of 10 samples testing during the first month of the period of performance.

Cause: The compilation of expenditures reported was based on the system date for when expenditures were recorded in the system instead of when the expenditures were incurred.

Effect: Expenditures recorded to the grant may have been recorded outside of the grant’s period of performance.

Repeat finding: Yes, the same issue was noted in the prior year under finding No. 2023-007.

Recommendation: We recommend the County conduct training with its various departments to instruct them on how to compile expenditures based on the accrual basis of accounting (when the expenditures were incurred).

Views of responsible officials: The County concurs with the finding.

COUNTY OF KERN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

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

2024-004: Allowable Costs – Indirect Costs

Federal Agency: U.S. Department of Health and Human Services

Federal Program Name: Block Grants for Prevention and Treatment of Substance Abuse

Assistance Listing Number: 93.959

Pass-Through Agency: California Department of Health Care Services

Award ID and Period: 1B08TI087026-01,1B08TI083929-01 and July 01, 2023, through June 2024

Type of Finding: Significant Deficiency in Internal Control Over Compliance and Other Matter

Criteria or specific requirement: 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award requires compliance with the provisions of direct and indirect costs. The County should have internal controls designed to ensure administrative and other costs that cannot be identified specifically with a particular Federal award as a final cost objective are not recorded as direct costs to the program. Additionally, 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award section 200.303 requires that entities establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework,” issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition: During our testing of Allowable Costs, we noted that the County recorded administrative and other indirect costs as direct costs to the Federal award.

Questioned costs: None.

Context: For a sample of 60 payroll and nonpayroll expenditures, 13 items tested were indirect costs in nature yet recorded as direct costs.

Cause: The cost allocation program used by the Behavioral Health and Recovery Services (BHRS) department, to allocate costs to various Federal awards and other funding sources, included a blend of expenses that are both direct and indirect in nature as allocated direct costs.

Effect: Reported program cost may not accurately reflect a correct allocation of indirect costs for the program.

Repeat finding: Yes, the same issue was noted in the prior year under finding No. 2023-008. While the conditions causing expenses that are both direct and indirect in nature to be allocated as direct costs have not been corrected, segments of these costs included in the prior year’s reporting were sufficiently excluded from the current year’s reporting of program expenses that it was unlikely that indirect cost reported would exceed the program’s approved indirect cost rate.

Recommendation: We recommend the County review the cost allocation process of the BHRS department to correctly classify costs between direct and indirect costs.

Views of responsible officials: The County concurs with the finding.



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