COUNTY OF KERN

SINGLE AUDIT REPORT

YEAR ENDED JUNE 30, 2025

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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 the County of Kern, as of and for the year ended June 30, 2025, 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 26, 2026.

Our report includes a reference to other auditors who audited the financial statements of First 5 Kern, Kern County Hospital Authority, and Tejon Ranch Public Facilities Financing Authority, which are discretely presented component units, and the financial statements of Kern County Employees' Retirement Association, which is reported as a pension trust fiduciary fund, 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 2025-001 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

CliftonLarsonAllen LLP

Irvine, California
June 26, 2026

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, 2025. 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, 2025.

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.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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.

Board of Supervisors
County of Kern

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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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 of Kern as of and for the year ended June 30, 2025, 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 June 26, 2026, 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

CliftonLarsonAllen LLP

Irvine, California
July 21, 2026

COUNTY OF KERN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

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 Agriculture				
Passed-through California Department of Food and Agriculture:				
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP24PPQFO000C005	$ 32,845	$ -
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP23PPQFO000C519	204	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP24PPQFO000C363	72,638	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP24PPQFO000C006	34,292	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP24PPQFO000C005	89,356	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP23PPQFO000C519	637	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP24PPQFO000C363	41,862	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP24PPQFO000C006	130,257	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP24PPQFO000C116	4,098	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP25PPQFO000C001	286,233	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP24PPQFO000C002	45,410	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP25PPQFO000C011	514,446	484,921
Subtotal - Assistance Listing Number 10.025			1,252,278	484,921
Child Nutrition Cluster:				
Passed-through California Department of Health and Human Services:				
School Breakfast Program	10.553	247CACA5N1199	30,782	-
Passed-through California Department of Education:				
National School Lunch Program	10.555	01362-SN-15R	462,807	-
Subtotal - Child Nutrition Cluster			493,589	-
Passed-through California Department of Health and Human Services:				
SNAP Cluster - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	10.561	247CACA4S2514	21,151,071	-
Passed-through California Department of Aging:				
Supplemental Nutrition Assistance Program (SNAP)	10.561	SP-2425-33 / CF-2425-33	338,266	-
Subtotal - SNAP Cluster - Assistance Listing Number 10.561			21,489,337	-
Direct Program:				
Watershed Restoration and Enhancement Agreement Authority	10.693		38,643	-
Total U.S. Department of Agriculture			$ 23,273,847	$ 484,921
U.S. Department of Housing and Urban Development				
Direct Programs:				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants (CDBG)	14.218		$ 4,372,030	$ 531,370
COVID-19 Community Development Block Grants/Entitlement Grants (CDBG)	14.218		895,623	-
Community Development Block Grants/Entitlement Grants (CDBG) - Current Year Loans	14.218		211,000	-
Subtotal - CDBG - Entitlement Grants Cluster			5,478,653	531,370
Emergency Shelter Grants Program	14.231		336,972	307,683
Subtotal - Assistance Listing Number 14.231			336,972	307,683
Home Investment Partnerships Program	14.239		777,691	361,814
Home Investment Partnerships Program - Current Year Loans	14.239		1,250,000	-
Subtotal - Assistance Listing Number 14.239			2,027,691	361,814
Passed through City of Bakersfield:				
Housing Opportunities for Persons with AIDS	14.241	2022-202	1,011,679	-
Total U.S. Department of Housing and Urban Development			$ 8,854,995	$ 1,200,867

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF KERN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2025

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	VW23 41 0150 / XC23 06 0150 /XE22 05 0150	$ 644,198	$ -
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	CQ22 18 0150	68,538	-
Direct Programs:				
Residential Substance Abuse Treatment for State Prisoners	16.593		284,114	-
Bulletproof Vest Partnership Program	16.607		11,585	-
Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.738		83,367	-
DNA Backlog Reduction Program	16.741		276,379	-
Total U.S. Department of Justice			$ 1,368,181	$ -
U.S. Department of Labor				
Direct Programs:				
National Farmworker Jobs Program	17.264		$ 68,065	$ -
Homeless Veterans' Reintegration Program	17.805		332,163	-
WIOA Cluster:				
Passed-through California Department of Employment Development:				
WIOA Adult Program	17.258	AA511009	6,379,965	973,696
WIOA Youth Activities	17.259	AA511009	5,352,778	1,603,317
WIOA Dislocated Worker Formula Grants	17.278	AA511009	4,290,367	223,113
WIOA Dislocated Worker Formula Grants	17.278	AA511009	594,424	-
WIOA Dislocated Worker Formula Grants	17.278	AA511009	48,028	-
Passed-through La Cooperativa Campesina de California:				
WIOA Dislocated Worker Formula Grants	17.278	AA411052	169,772	-
WIOA Dislocated Worker Formula Grants	17.278	AA411009	37,437	-
Subtotal - WIOA Cluster			16,872,771	2,800,126
Passed-through California Department of Industrial Relations				
Registered Apprenticeship	17.285	22-SAEEI002-1A	361,116	-
Total U.S. Department of Labor			$ 17,634,115	$ 2,800,126
U.S. Department of Transportation				
Direct Program:				
Airport Improvement Program	20.106		$ 2,431,814	$ -
Passed-through the California Department of Transportation:				
Highway Planning and Construction	20.205	ATPL-5950(493)	5,175,735	-
Highway Planning and Construction	20.205	CML-5950(503)	97,505	-
Highway Planning and Construction	20.205	CML-5950(505)	183,955	-
Highway Planning and Construction	20.205	CML-5950(516)	27,119	-
Highway Planning and Construction	20.205	CML-5950(517)	4,567,128	-
Highway Planning and Construction	20.205	CPFCDSL-5950(518)	205,760	-
Highway Planning and Construction	20.205	HPLUL-5950(472)	249,014	-
Highway Planning and Construction	20.205	STPL-5950(488)	351	-
Highway Planning and Construction	20.205	STPL-5950(512)	2,343,110	-
Highway Planning and Construction	20.205	STPL-5961(019)	137,420	-
Subtotal - Assistance Listing Number 20.205			12,987,097	-
Formula Grants for Rural Areas and Tribal Transit Program	20.509	64RO21-01637/64MO21-01905/64TO21-01855 /64BA22-02069	5,625,415	-
Federal Transit Cluster - Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	64GC20-01511 - 02 / 64-GC23-02430 /64GC21-02202	2,565,993	-
Passed-through California Office of Traffic Safety:				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	AL24012/AL25009	185,369	-
Passed-through California Office of Traffic Safety:				
Highway Safety Cluster:				
National Priority Safety Programs	20.616	DI23010 / DI24004	730,002	-
National Priority Safety Programs	20.616	OP26023	156,695	-
Subtotal - Highway Safety Cluster - Assistance Listing Number 20.616			886,697	-
Total U.S. Department of Transportation			$ 24,682,385	$ -

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF KERN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2025

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 the Treasury				
Direct Program:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		$ 35,334,381	$ -
Total U.S. Department of the Treasury			$ 35,334,381	$ -
U.S. Department of Energy				
Direct Programs:				
Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128		$ 306,769	$ -
Total U.S. Department of Energy			$ 306,769	$ -
U.S. Department of Education				
Passed-through California Department of Rehabilitation				
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	H126A220005	$ 23,853	$ -
Total U.S. Department of Education			$ 23,853	$ -
U.S. Department of Health and Human Services				
Passed-through California Department of Aging:				
Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	AP-2425-33	$ 35,510	$ -
Title VII, Chapter 2 - Long-Term Care Ombudsman Services for Older Individuals	93.042	AP-2425-33	32,036	-
Title III, Part D - Disease Prevention and Health Promotion Services	93.043	AP-2223-33	75,303	-
Aging Cluster:				
Title III, Part B - Grants for Supportive Services and Senior Centers Senior Centers	93.044	AP-2425-33	351,430	239,155
Title III, Part C - Nutrition Services	93.045	AP-2425-33	2,348,709	616,449
Nutrition Services Incentive Program	93.053	AP-2425-33	195,036	47,322
Subtotal - Aging Cluster			2,895,175	902,926
National Family Caregiver Support, Title III, Part E	93.052	AP-2425-33	359,562	294,134
Medicare Enrollment Assistance Program	93.071	AP-2425-33	118,353	-
State Health Insurance Assistance Program	93.324	AP-2425-33	55,741	-
Passed-through California Department of Public Health:				
Public Health Emergency Preparedness	93.069	22-10651	477,826	-
Passed-through California Department of Health Care Services:				
Guardianship Assistance	93.090	2501CAGARD	2,859,870	-
Passed-through California Department of Public Health:				
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	2115BASE00/ 2215FSIE00	215,034	-
Passed-through California Department of Health Care Services:				
Projects for Assistance in Transition from Homelessness	93.150	1X06SM090094-01	220,614	-
Passed-through California Department of Public Health:				
Immunization Cooperative Agreements	93.268	22-11070	1,444,017	-
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	WFDLHJ-008	128,519	-
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	2,511,774	-
Cooperative Agreement to Support Navigators in Federally-Facilitated Exchanges	93.332	2305CA5MAP	121,074	-
Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391	CERI-21-23-15	277,433	-
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	2022-041903	57,000	-
Passed-through California Department of Health and Human Services:				
MaryLee Allen Promoting Safe and Stable Families Program	93.556	2402CAFPSS	2,295,043	-
Passed-through California Department of Health and Human Services:				
Temporary Assistance for Needy Families (TANF)	93.558	2501CATANF /2401CAFOST	213,297,740	-
CCDF Cluster - Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	2501CAFOST	39,059	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF KERN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2025

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 Child Support Services				
Child Support Services	93.563	15 Kern	18,748,216	-
Passed-through California Department of Health and Human Services:				
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	2401CARSSS	433,835	-
Passed-through California Department of Health and Human Services:				
Community-Based Child Abuse Prevention Grants	93.590	2401CAPSGP	414,456	414,456
Stephanie Tubbs Jones Child Welfare Services Program	93.645	2403CACWSS	800,531	-
Foster Care - Title IV-E	93.658	2401CAFOST	38,830,131	-
Passed-through California Department of Social Services:				
Foster Care - Title IV-E	93.658	2501CAFOST	899,937	-
Subtotal - Assistance Listing Number 93.658			39,730,068	-
Passed-through California Department of Health and Human Services:				
Adoption Assistance	93.659	2401CAADPT	28,617,333	-
Social Services Block Grant	93.667	2501CASOSR	2,387,557	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	2402CACILP	280,619	-
Passed-through California Department of Health Care Services:				
Children's Health Insurance Program	93.767	TCLIP	386,293	-
Medicaid Cluster:				
Passed-through California Department of Health Care Services:				
Medical Assistance Program	93.778	MC	2,618,298	-
Medical Assistance Program	93.778	202215	2,464,315	-
Medical Assistance Program	93.778	HCPCFC Program	25,506,236	-
Passed-through California Department of Health and Human Services:				
Medical Assistance Program	93.778	2505CASMAP	2,193,010	-
Medical Assistance Program	93.778	WAHHPJUUDP16	6,298,547	-
Subtotal - Medicaid Cluster			39,080,406	-
Passed-through California Emergency Medical Services Authority (EMSA):				
Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	93.817	RDMHS 73810	121,217	-
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	CHVP SGF 25-15	791,072	-
National Bioterrorism Hospital Preparedness Program	93.889	22-10651	396,122	-
Passed-through California Department of Public Health:				
HIV Care Formula Grants	93.917	18-10870	775,624	-
HIV Prevention Activities - Health Department Based	93.940	22-10786	217,898	-
Passed-through California Department of Health Care Services:				
Block Grants for Community Mental Health Services	93.958	1B09SM090319	1,718,315	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	1B08TI087026-01	4,177,811	-
COVID-19 - Block Grants for Prevention and Treatment of Substance Abuse	93.959	1B08TI083929-01	429,515	-
Subtotal - Assistance Listing Number 93.959			4,607,326	-
CDC's Collaboration with Academia to Strengthen Public Health	93.967	CASPHI0015	495,757	-
Subtotal - Assistance Listing Number 93.967			495,757	-
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	21-10558	278,570	-
Passed-through California Department of Public Health:				
Maternal and Child Health Services Block Grant to the States	93.994	CHVP 22-15	642,102	-
Total U.S. Department of Health and Human Services			$ 368,440,000	$ 1,611,516

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF KERN
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2025

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, 2025. 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.

COUNTY OF KERN
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2025

NOTE 4 DEPARTMENT OF AGING FEDERAL/STATE SHARE

The California Department of Aging (CDA) requires agencies that receive CDA funding to display State-funded expenditures separately along with Federal expenditures. Additionally, the CDA requires the portion of the Medical Assistance Program expenditures overseen by the County's Aging & Adult Services department to be presented separately. 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	$ 26,890	$ 338,266
Special Programs for the Aging-Title VII-B Elder Abuse, Neglect, and Exploitation Prevention	93.041	155,082	35,510
Special Programs for the Aging-Title VII-A Long Term Care Ombudsman Services	93.042	-	32,036
Special Programs for the Aging-Title III-D Disease Prevention	93.043	-	75,303
Special Programs for the Aging-Title III-B Supportive Services	93.044	-	351,430
Special Programs for the Aging-Title III-C, Senior Nutrition Services	93.045	1,327,767	2,348,709
National Family Caregiver Support-Title III-E	93.052	-	359,562
Nutrition Services Incentive Program	93.053	-	195,036
Medicare Enrollment Assistance Program	93.071	-	118,353
Health Insurance Counseling and Advocacy Program (HICAP)	93.324	218,198	55,741
Long-Term Care Ombudsman - Public Health L&C Program Fund (PHL&C)	N/A	10,301	-
APGA - General Fund Baseline Administration (Includes IIIB, IIIC1 and IIIC2)	N/A	100,000	
Long-Term Care Ombudsman - State Health Facilitated Citation Penalties (SHF CIT PEN)	N/A	2,874	-
Long-Term Care Ombudsman - Skilled Nursing Facility Quality and Accountability Fund (SNFQAF)	N/A	5,121	-
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	-	5,816,964
Medical Assistance Program (9417)	93.778	-	481,583
Totals		$ 2,438,773	$ 10,208,493

COUNTY OF KERN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025

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? _____ yes __x__ 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)? _____ yes __x__ no

Identification of Major Federal Programs

Assistance Listing Number(s)	**Name of Federal Program or Cluster**
20.526	Buses and Bus Facilities Formula, Competitive, and Low or No Emissions – Federal Transit Cluster
93.558	Temporary Assistance for Needy Families

Dollar threshold used to distinguish between Type A and Type B programs: $ 3,000,000

Auditee qualified as low-risk auditee? _____ yes __x__ no

Section II – Financial Statement Findings

2025 – 001: Financial Close and Reporting

Type of Finding: Material Weakness in Internal Control Over Financial Reporting

Condition: Audit procedures resulted in the discovery of misstatements, that if not corrected, would cause the County's financial statements to be materially misstated.

Criteria or specific requirement: The County's system of internal controls over financial close and reporting should be designed and functioning to prevent material misstatements to the County's financial statements.

Effect: The following material adjustments were proposed and recorded to correct the County's financial statements.

- Audit adjustments totaling approximately $4,884,000 and $12,134,000, were recorded to increase intergovernmental revenue and to decrease property tax revenue, respectively, in the General Fund due to improper recognition of revenue in accordance with the County's period of availability.

- Audit adjustments totaling approximately $6,130,000 and $29,422,000, were recorded to increase intergovernmental revenue for an amount not accrued and to decrease charges for current services, respectively, in the Behavioral Health and Recovery Services fund due to improper recognition of revenue in accordance with the County's period of availability. Additionally, an audit adjustment was recorded for expenditures of approximately $9,147,000 which had not been accrued at year end.

- Audit adjustments totaling approximately $3,840,000 were recorded to increase intergovernmental revenue for amounts that had been earned but not recognized in the Coronavirus Relief fund.

- Audit adjustments totaling approximately $19,657,000 were recorded to decrease intergovernmental revenue in the Department of Human Services fund due to improper recognition of revenue in accordance with the County's period of availability and incorrect allocation between fiscal years.

- Audit adjustments were recorded to increase cash and investments by approximately $227,990,000, decrease interest receivable by approximately $140,860,000, increase investment earnings by approximately $55,653,000 and increase other revenue by approximately $31,477,000 for errors in the year end cash and investment reconciliations.

- Audit adjustment was recorded to decrease housing loans receivable and decrease deferred housing loan payments by approximately $4,250,000 for loans where promissory notes were entered into during the year, yet where the loans had not been fully disbursed to the borrowers.

Additionally, there were various immaterial adjustments proposed and recorded to correct the County's financial statements.

Section II – Financial Statement Findings (Continued)

2025 – 001: Financial Close and Reporting (Continued)

Repeat Finding: Yes, misstatements related to revenue recognition were reported in the prior year as finding number 2024-001.

Cause: Departments did not properly identify the period in which revenue recognition criteria were met in accordance with GAAP. Additionally, there was insufficient communication and documentation provided by departments during the year end process related to revenue and expenditure accruals, which affects the Auditor's Office's ability to accurately reconcile and report financial information.

Recommendation: We recommend that County management review the processes and procedures over its financial close and reporting to ensure that proper levels of review and reconciliation of all material account balances are completed in a timely manner.

Views of responsible officials and planned corrective actions: The County concurs with the audit findings. In response to repeated findings related to revenue recognition, the Auditor-Controller's Office has implemented new year-end procedures effective FY 2026 to strengthen financial reporting and enhance internal controls.

Under the new process, department heads will be required to certify their revenue and expenditure accruals with the Auditor-Controller's Office. The Reporting Division will conduct a thorough review of departmental reconciliations and perform an independent reconciliation, including an analysis of subsequent receipts and disbursements. For non-exchange revenues, departments must provide supporting documentation demonstrating that estimates are reasonable and expected to be received within the availability period, along with ongoing updates regarding actual collections.

Additionally, for new housing loan receivables, the Reporting Division will require documentation confirming the disbursement of funds to borrowers, ensuring receivables are recorded based on actual loan disbursements rather than promissory notes.

The Auditor-Controller's Office will continue to provide training to departmental staff involved in preparing accruals and will maintain regular communication to ensure revenues and expenditures are recorded in the proper period in accordance with GAAP.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).