DATE	January 14, 2021
TIME	12:00 pm
LOCATION	Teams Meeting / 5005 Business Park North Bakersfield, CA 93309
TEAMS LINK	Click here to join the meeting
PHONE NUMBER	(213) 204-2374 / ID: 559-857 320#

Audit & Pension Committee Agenda

Per Governor's Executive Order N-25-20, Meeting to be held via Tele-Conference. Members of the public may join the tele-conference or listen to the call from the CAPK office at 5005 Business Park North, Bakersfield, CA 93309

1. **Call to Order**

2. **Roll Call**

   Jimmie Childress   Craig Henderson
   Mike Maggard   Yolanda Ochoa

3. **Approval of Agenda**

4. **Public Forum**

   The public may address the Board of Directors on items not on the agenda. Speakers are limited to 3 minutes. If more than one person wishes to address the same topic, the total group time for the topic will be 10 minutes. Please state your name before making your presentation.

5. **New Business**

a. Pension Plan Update: 2020 Q3 and Year-End Review – ***Action Item (p. 3-9)***	Tracy Webster, Chief Financial Officer Tom Ming, Pensionmark
b. Brown Armstrong Presentation of the Independent Audit Reports for the Year Ended February 29, 2020 and the Special Purpose Financial Statements for the Year Ended June 30, 2020 – ***Action Item (p. 10-190)***	Tracy Webster, Chief Financial Officer Andrew Paulden, Brown Armstrong Brooke Baird, Brown Armstrong
c. Independent Audit RFP Results – ***Action Item (p. 191-192)***	Tracy Webster, Chief Financial Officer
d. New External Audit Polity – ***Action Item (p. 193-196)***	Tracy Webster, Chief Financial Officer
e. WIC Program Single Audit Report Review for Fiscal Year 2018 – ***Info Item (p. 197-198)***	Carmen Segovia, Director of Health & Nutrition
f. Compliance Review of the Commodity Supplemental Food Program (CSFP) – ***Info Item (p. 199-200)***	Carmen Segovia, Director of Health & Nutrition

6. **Committee Member Comments**

7. Next Scheduled Meeting

Audit & Pension Committee
12:00 pm
Thursday, April 15, 2021
5005 Business Park North
Bakersfield, CA 93309

8. Adjournment

This is to certify that this Agenda Notice was posted in the lobby of the CAPK Administrative Office at 5005 Business Park North, Bakersfield, CA and online at www.capk.org by 12:00 pm, January 11, 2021. Paula Daoutis, Administrative Coordinator.

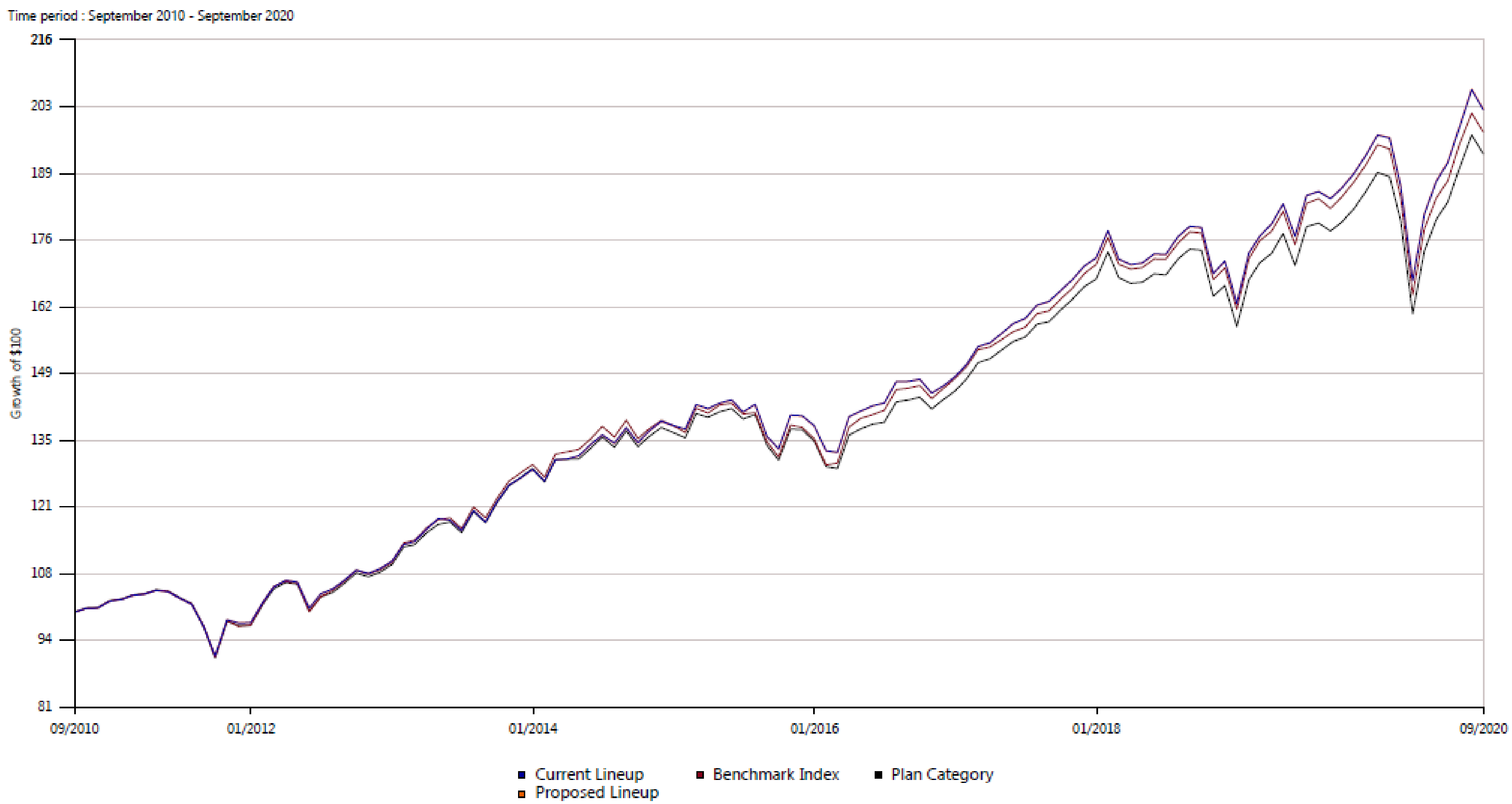
2020
PENSIONMARK

CAPK 401(a) & 403(b) Plans

2020 Q3 & Year End Review

CAPK Cumulative Performance

PORTFOLIO | CUMULATIVE PERFORMANCE

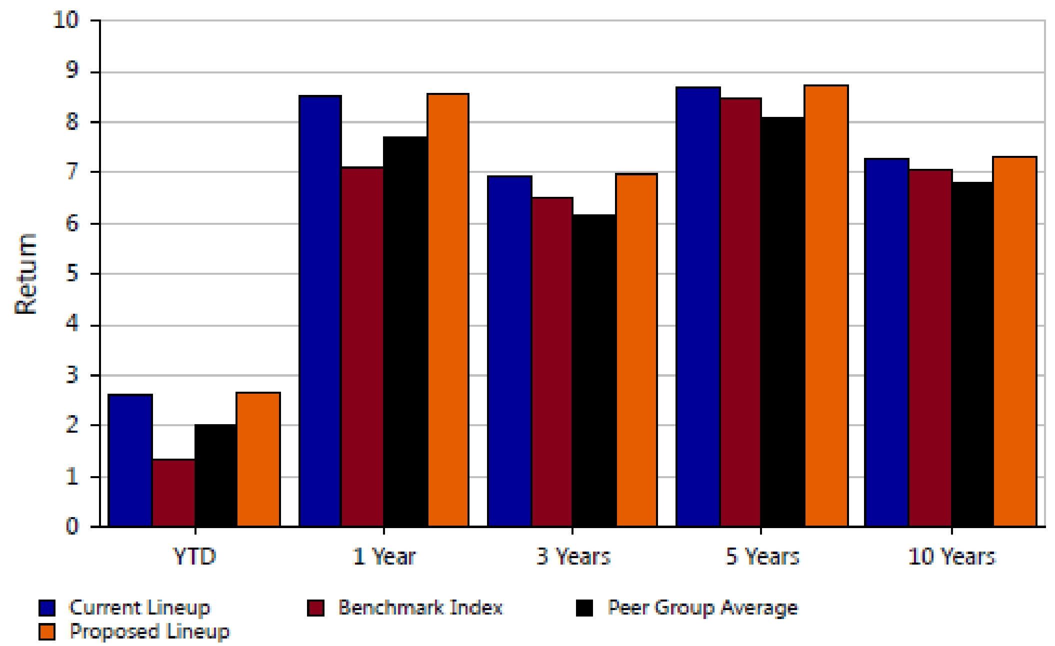


	1 YR	3 YR	5 YR	10 YR
Current Lineup	8.53%	22.22%	51.72%	102.08%
Proposed Lineup	8.57%	22.37%	51.93%	102.24%
Benchmark Index	7.12%	20.77%	50.17%	97.57%
Plan Category	7.72%	19.70%	47.58%	93.15%

CAPK Q3 2020 401(a) Plan

Portfolio | Returns

Annualized Returns



Trailing Returns

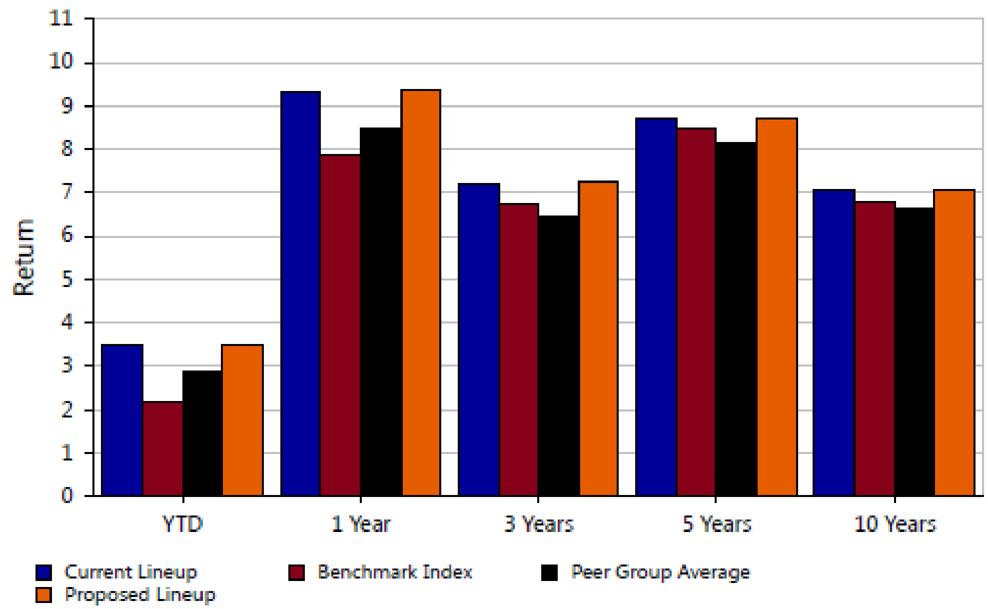
	YTD	1 Year	3 Years	5 Years	10 Years	Net Exp.Ratio
Current Lineup	2.62	8.53	6.92	8.69	7.29	0.21
Benchmark Index	1.34	7.12	6.49	8.47	7.05	NA
Peer Group Average	2.02	7.72	6.18	8.09	6.80	0.81
Proposed Lineup	2.66	8.57	6.96	8.73	7.30	0.21

CAPK Q3 2020 403(b) Plan

Pensionmark

PORTFOLIO | RETURNS

Annualized Returns



Trailing Returns

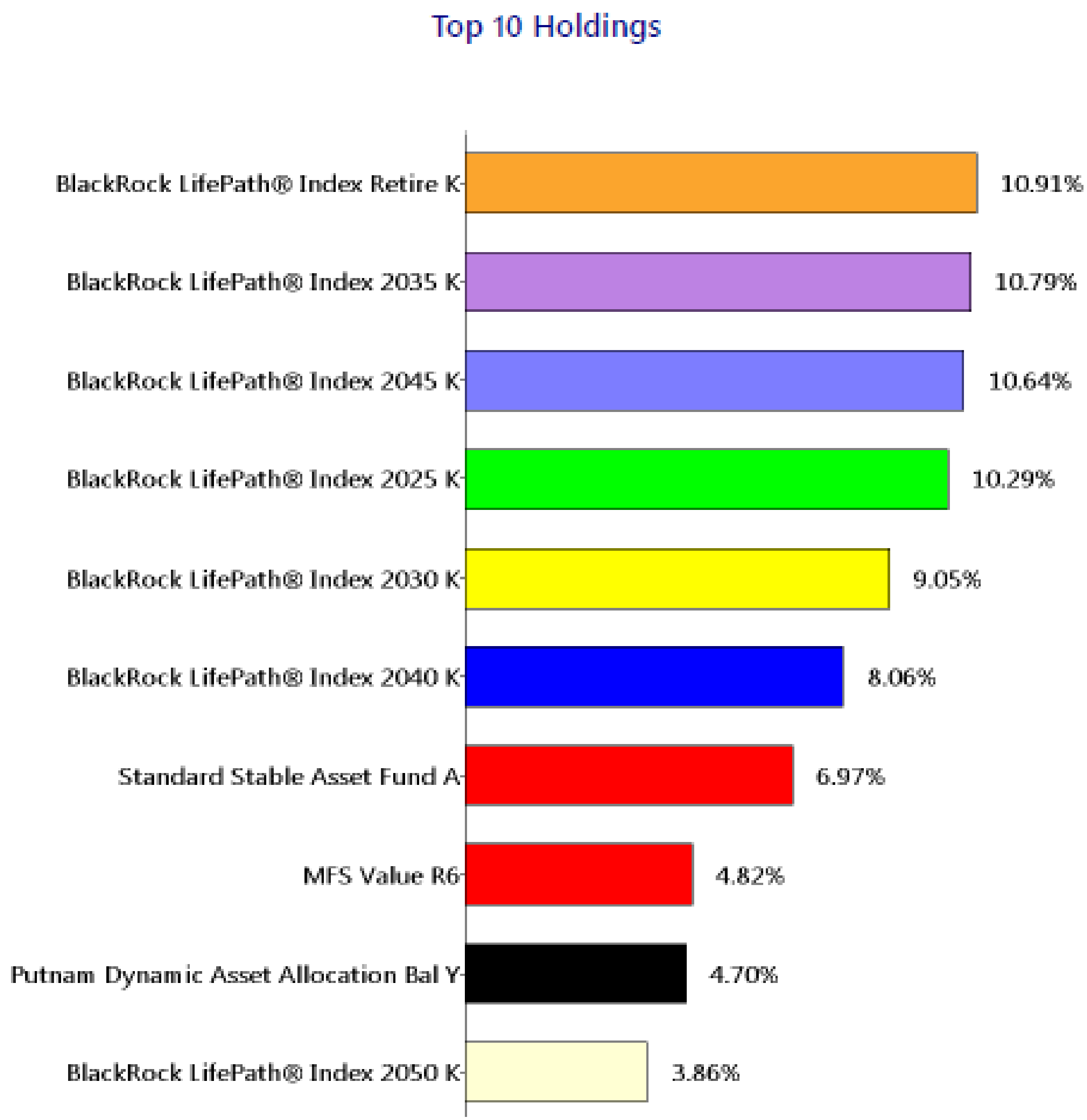
	YTD	1 Year	3 Years	5 Years	10 Years	Net Exp.Ratio
Current Lineup	3.48	9.34	7.21	8.71	7.05	0.18
Benchmark Index	2.19	7.86	6.73	8.47	6.80	NA
Peer Group Average	2.89	8.48	6.45	8.13	6.66	0.78
Proposed Lineup	3.50	9.35	7.23	8.72	7.05	0.18

Performance from Q3 to Q4 2020- 401(a) & 403(b)

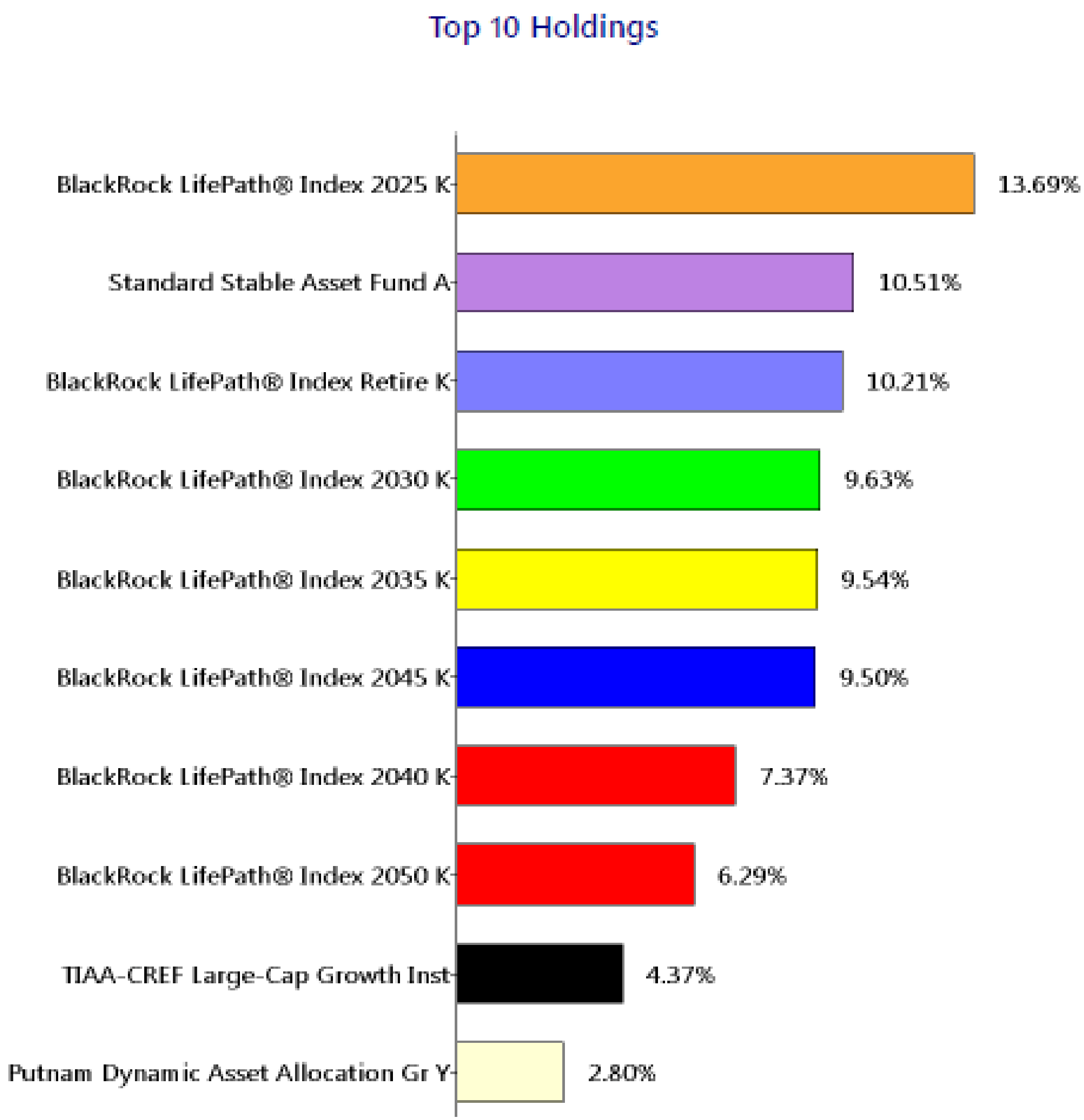
401(a) Q3 Asset Growth	% Change	Q4 Asset Growth	% Change	Year % Change
$19, 363,313 To $20,483,847	5.79%	$20,483,847 to $22,862,352	8.9%	8.5%

403(b) Q3 Asset Growth	% Change	Q4 Asset Growth	% Change	Year % Change
$5,541,197 To $6,034,670	8.9%	$6,034,670 to $6,788,734	8.9%	8.0%

401(A) ALLOCATION



403(B) ALLOCATION



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BROWN ARMSTRONG
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Community Action Partnership of Kern
Audit Committee Presentation of the 2020 Audit Results
By: Andrew J. Paulden, CPA, and Brooke Baird, CPA
Brown Armstrong Accountancy Corporation
Thursday, January 14, 2021

1. The Audit Process
   a) Timeline coordination with staff
   b) Understanding and evaluating internal controls through inquiry and observation
   c) Confirmations
   d) Interim testing and compliance audits
   e) Final fieldwork – substantive procedures, special purpose audit, and 401(a) and 403(b) audits
   f) Report presentation

2. Significant Audit Areas
   a) Federal and state awards compliance
   b) Expenses for program and supporting services, accounts payable, and accrued liabilities
   c) Program revenue, receivables, and deferred revenue
   d) Property and equipment
   e) Long-term debt
   f) Accounts payable, deferred revenue, and expenditures
   g) Fraud inquiry

3. Audit Reports Issued
   a) Financial Audit of CAPK
      1) Independent Auditor's Report on financial statements – Unmodified Opinion – "Clean Opinion"
      2) Independent Auditor's 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*
      3) Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance
      4) Independent Auditor's Report on Compliance for First 5 Programs and on Internal Control Over Compliance with the Program Specific Audit Option Under the Uniform Guidance
      5) Agreed Upon Conditions Report Designed to Increase Efficiency, Internal Controls, and/or Financial Reporting
      6) Agreed Upon Conditions Report Designed to Increase Efficiency, Internal Controls, and/or Information Technology

b) Special Purpose Audit
   1) Independent Auditor's Report for the Special Purpose Audit – Unmodified Opinion – "Clean Opinion"
   2) Independent Auditor's 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*

c) 401(a) and 403(b) Audits
   1) Independent Auditor's Reports – Disclaimer of Opinion
   2) Agreed Upon Conditions Report Designed to Increase Efficiency, Internal Controls, and/or Financial Reporting

4. Required Communication to the Board of Directors

5. Questions and/or Comments?

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BROWN ARMSTRONG
Certified Public Accountants

Board of Directors
Community Action Partnership of Kern

We have audited the financial statements of Community Action Partnership of Kern (the Organization) for the year ended February 29, 2020. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 25, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices
Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2020. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

> Management's estimate of the depreciation is based on useful life of asset. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit
We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements
Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no such misstatements noted as a result of our audit procedures.

Disagreements with Management
For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations
We have requested certain representations from management that are included in the management representation letter dated November 19, 2020.

Management Consultations with Other Independent Accountants
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

<u>Other Matters</u>

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of Board of Directors of the Organization and is not intended to be, and should not be, used by anyone other than these specified party.

BROWN ARMSTRONG
ACCOUNTANCY CORPORTATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
November 19, 2020

FINANCIAL REPORT AND THE INDEPENDENT AUDITORS REPORT FOR THE YEARS ENDED FEBRUARY 29, 2020 AND FEBRUARY 28, 2019

Community Action Partnership of Kern

5005 Business Park North

Bakersfield, CA 93309

COMMUNITY ACTION PARTNERSHIP OF KERN
FINANCIAL REPORT AND THE INDEPENDENT AUDITORS REPORT
FOR THE YEARS ENDED FEBRUARY 29, 2020 AND FEBRUARY 28, 2019

TABLE OF CONTENTS

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BROWN ARMSTRONG
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Community Action Partnership of Kern

Report on the Financial Statements

We have audited the accompanying financial statements of Community Action Partnership of Kern (a nonprofit organization) (the Organization), which comprise the statements of financial position as of February 29, 2020 and February 28, 2019, the related statements of operations, statements of functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of February 29, 2020 and February 28, 2019, and the changes in its net assets, statements of functional expenses, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of revenues and expenditures are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2020, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
November 19, 2020

STATEMENTS OF FINANCIAL POSITION

February 29, 2020 and February 28, 2019

	2020	2019
ASSETS		
Current Assets:		
Cash	$ 4,294,174	$ 2,209,818
Grants and contracts receivable (Note 2)	4,795,724	4,389,972
Inventory (Note 4)	1,419,797	1,355,245
Prepaid expenses	442,824	274,336
Total current assets	10,952,519	8,229,371
Noncurrent Assets:		
Property and equipment (Note 5)	10,435,484	11,324,632
Total assets	$ 21,388,003	$ 19,554,003
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Current maturities of long-term debt (Note 7)	379,602	360,933
Accounts payable	2,796,053	2,026,795
Accrued expenses	1,948,895	1,431,363
Advances payable	2,913	100,083
Deferred revenue (Note 10)	1,556,313	1,084,356
Total current liabilities	6,683,776	5,003,530
Noncurrent Liabilities:		
Long-term debt, less current maturities (Note 7)	1,473,202	2,067,810
Total liabilities	8,156,978	7,071,340
Net Assets:		
With Donor Restrictions (Note 11)	63,819	79,421
Without Restrictions	13,167,206	12,403,242
Total net assets	13,231,025	12,482,663
Total liabilities and net assets	$ 21,388,003	$ 19,554,003

See Notes to Financial Statements.

STATEMENTS OF OPERATIONS

For the Years Ended February 29, 2020 and February 28, 2019

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Program revenues:			
Federal grants	$ 55,559,861	$ -	$ 55,559,861
State grants	12,699,518	-	12,699,518
Local grants	409,749	32,156	441,905
Public support:			
Contributions in-kind (Note 1)	190,735	-	190,735
Donations:			
Food	27,955,981	-	27,955,981
Cash	3,468	116,456	119,924
Gain on sale of assets	9,548	-	9,548
Other	1,897,621	-	1,897,621
Net assets released from restriction:			
Satisfaction of program restrictions	164,214	(164,214)	-
Total revenue, gains, and other support	98,890,695	(15,602)	98,875,093
Expenses:			
Program:			
Child care and education	45,440,200	-	45,440,200
Nutrition	38,832,999	-	38,832,999
Energy conservation	4,833,770	-	4,833,770
Community services	2,399,679	-	2,399,679
General and administrative	6,595,033	-	6,595,033
Fundraising	25,050	-	25,050
Total expenses	98,126,731	-	98,126,731
Change in net assets	763,964	(15,602)	748,362
Net assets, beginning	12,403,242	79,421	12,482,663
Net assets, ending	$ 13,167,206	$ 63,819	$ 13,231,025

See Notes to Financial Statements.

STATEMENTS OF OPERATIONS (CONTINUED)

For the Years Ended February 29, 2020 and February 28, 2019

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Program revenues:			
Federal grants	$ 53,255,061	$ -	$ 53,255,061
State grants	8,313,968	-	8,313,968
Local grants	378,068	6,000	384,068
Public support:			
Contributions in-kind (Note 1)	136,040	-	136,040
Donations:			
Food	17,142,940	-	17,142,940
Cash	2,148	67,630	69,778
Gain on sale of assets		-	-
Other	900,676	-	900,676
Net assets released from restriction:			
Satisfaction of program restrictions	64,648	(64,648)	-
Total revenue, gains, and other support	80,193,549	8,982	80,202,531
Expenses:			
Program:			
Child care and education	41,216,023	-	41,216,023
Nutrition	27,046,078	-	27,046,078
Energy conservation	4,050,918	-	4,050,918
Community services	2,016,316	-	2,016,316
General and administrative	5,360,117	-	5,360,117
Fundraising	26,924	-	26,924
Total expenses	79,716,376	-	79,716,376
Change in net assets	477,173	8,982	486,155
Net assets, beginning	11,926,069	70,439	11,996,508
Net assets, ending	$ 12,403,242	$ 79,421	$ 12,482,663

See Notes to Financial Statements.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended February 29, 2020

Expenditures	Child Care and Education	Nutrition	Energy Conservation	Community Services	General and Administrative	Fundraising	Total
Salaries	$ 21,919,145	$ 3,705,414	$ 1,657,255	$ 1,149,448	$ 112,805	$ 1,206	$ 28,545,273
Fringe Benefits	6,647,327	1,033,375	378,872	294,061	22,144	144	8,375,923
Consultant/Contract Services	868,737	153,696	1,263,947	186,304	45,934	19,791	2,538,409
Travel	425,182	150,786	53,840	36,610	23	-	666,441
Space Cost	3,416,191	648,319	187,909	286,031	1,552	327	4,540,329
Consumable Supplies	1,874,085	425,112	169,774	79,739	1,086	1,987	2,551,783
Other Costs	1,193,399	405,779	595,824	150,813	39,103	1,595	2,386,513
Program Costs	8,774,862	808,521	494,262	18,375	190	-	10,096,210
Depreciation	148,784	283,259	32,087	180,051	500,417	-	1,144,598
In-Kind	172,488	-	-	18,247	-	-	190,735
Indirect Expenses	-	-	-	-	5,871,779	-	5,871,779
Donated Commodities	-	31,218,738	-	-	-	-	31,218,738
Total Expenditures	$ 45,440,200	$ 38,832,999	$ 4,833,770	$ 2,399,679	$ 6,595,033	$ 25,050	$ 98,126,731

See Notes to Financial Statements.

STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)

Year Ended February 28, 2019

Expenditures	Child Care and Education	Nutrition	Energy Conservation	Community Services	General and Administrative	Fundraising	Total
Salaries	$ 20,564,658	$ 3,503,458	$ 1,622,805	$ 984,716	$ -	$ 2,502	$ 26,678,139
Fringe Benefits	6,199,234	976,318	390,125	279,508	-	191	7,845,376
Consultant/Contract Services	701,015	3,439	802,150	34,176	7,661	-	1,548,441
Travel	337,523	122,727	51,003	41,695	513	-	553,461
Space Cost	3,043,387	556,824	178,802	309,703	2,194	32	4,090,942
Consumable Supplies	1,705,392	329,347	53,279	59,705	-	2,133	2,149,856
Other Costs	1,197,389	339,203	461,699	95,680	24,642	22,066	2,140,679
Program Costs	6,954,282	399,962	465,494	22,672	217	-	7,842,627
Depreciation	377,103	301,087	25,561	188,461	266,506	-	1,158,718
In-Kind	136,040	-	-	-	-	-	136,040
Indirect Expenses	-	-	-	-	5,058,384	-	5,058,384
Donated Commodities	-	20,513,713	-	-	-	-	20,513,713
Total Expenditures	$ 41,216,023	$ 27,046,078	$ 4,050,918	$ 2,016,316	$ 5,360,117	$ 26,924	$ 79,716,376

See Notes to Financial Statements.

STATEMENT OF CASH FLOWS

For the Years Ended February 29, 2020 and February 28, 2019

	2020	2019
Cash Flows From Operating Activities		
Change in net assets	748,362	$ 486,155
Adjustments to reconcile change in net assets		
to net cash provided by operating activities:		
Depreciation	1,144,598	1,158,718
(Gain) loss on sale of assets	-	3,011
Debt forgiveness grant revenue (Note 7)	(65,052)	(65,052)
Changes in assets and liabilities:		
(Increase) decrease in:		
Grants and contracts receivable	(405,752)	(717,694)
Inventory	(64,552)	(90,200)
Prepaid expenses	(168,488)	124,284
Increase (decrease) in:		
Accounts payable	769,258	142,920
Accrued expenses	517,532	(1,168,126)
Advances payable	(97,170)	77,275
Deferred revenue	471,957	(643,964)
Net cash provided (used) by operating activities	2,850,693	(692,673)
Cash Flows From Investing Activities		
Insurance proceeds from stolen property	13,119	20,210
Proceeds from sale of assets	9,548	-
Purchase of property and equipment	(278,117)	(679,960)
Net cash used in investing activities	(255,450)	(659,750)
Cash Flows From Financing Activities		
Net borrowings (payments) on revolving line of credit	-	-
Principal payments on long-term borrowings	(510,887)	(287,925)
Net cash used in financing activities	(510,887)	(287,925)
Net increase (decrease) in cash	2,084,356	(1,640,348)
Cash:		
Beginning	$ 2,209,818	3,850,166
Ending	$ 4,294,174	$ 2,209,818
Supplemental Disclosures of Cash Flow Information		
Cash payments for:		
Interest	$ 78,579	$ 95,992
Supplemental Schedule of Noncash Operating Activities		
Program expenses provided by contributions in-kind revenue	$ 190,735	$ 136,040

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

February 29, 2020 and February 28, 2019

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities and Reporting Entity: Community Action Partnership of Kern (the Organization) is the designated Community Action Agency of Kern County. The purpose of the Organization is to mobilize and utilize public and private resources of the urban and rural communities in the County of Kern to combat poverty through community action programs. Major classifications of program expenses are childcare, nutrition, energy conservation, and community services.

A summary of the Organization's significant accounting policies follows:

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Restricted and Unrestricted Revenue and Support: Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of operations as net assets released from restriction.

Federal Grant Awards: Federal grant awards are classified as deferred revenue until expended for the purposes of the grants.

Cash: Cash on deposit as of February 29, 2020 and February 28, 2019, included approximately $5,240,268 and $3,094,129, respectively, held by a financial institution which exceeded the insurance limits of the Federal Deposit Insurance Corporation. The Organization is required to maintain separate bank accounts in accordance with certain grant restrictions. As of February 29, 2020, and February 28, 2019, there was $862,234 and $994,950, respectively, in separate bank accounts.

Inventories: Inventories are comprised of food commodities and building weatherization supplies. Supplies are stated at cost, purchased food is stated at lower of cost or market, and food commodities received from the United States Department of Agriculture (USDA) are valued based on the USDA fair value commodity listing. The donated value of food based on Feeding America was $27,955,981 and $17,518,686 as of February 29, 2020 and February 28, 2019, respectively.

Property and Equipment: Acquisitions of property and equipment greater than $5,000 are capitalized and stated at cost. The federal government retains a reversionary interest in property and equipment acquired with federal funds. Depreciation of property and equipment is computed using the straight-line method over the following estimated useful lives:

	Years
Buildings	10-35
Renovations	10-35
Vehicles	3
Equipment	3-5

Depreciation for property and equipment was $1,144,598 and $1,158,718 for the years ended February 29, 2020 and February 28, 2019, respectively.

NOTE 1 – <u>NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES</u> (Continued)

Compensated Absences: The Organization accrues compensated vacation pay for all employees. Sick leave is not payable upon termination, and therefore is not subject to accrual.

Grants and Contracts: Support received under grants and contracts is recorded as public support when the related grant award is determined to be due and is accounted for as with donor restrictions until grant restrictions are met. Management considers all amounts due under grants and contracts to be collectible.

Donated Services and Property: Donated services are recognized in the financial statements as revenue and expense in equal amounts at their estimated fair values. In-kind grantee contributions totaling $190,735 and $136,040 are included in the statements of operations for the years ended February 29, 2020 and February 28, 2019, respectively, and include donations of supplies and professional volunteer time charged at a rate pursuant to related contract provisions. In-kind contributions of volunteer time by parents participating in the Head Start (HS) and Early Head Start (EHS) programs are not included in the statements of operations because they do not meet the criteria for recognition. The totals are $4,522,927 and $5,329,958 for the years ended February 29, 2020 and February 28, 2019, respectively. The City of Shafter donated land for the Shafter Youth Center. As of February 29, 2020 and February 28, 2019, the value included in property and equipment was $32,211.

Income Taxes: The Organization is a nonprofit corporation and has been recognized as tax exempt pursuant to Section 501 (c)(3) of the Internal Revenue Code and related State of California code sections.

On March 1, 2009, the Organization adopted the accounting standard on accounting for uncertainty in income taxes, which address the determination of whether tax benefits claimed or expected to be claimed on tax returns should be recorded in the financial statements. Under this guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more-likely-than-not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods. Management evaluated the Organization’s tax positions and concluded that it had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

Functional Allocation of Expenses: The costs of providing the various programs and other activities are summarized on a functional basis in the statements of operations. Management allocates general and administrative costs using the 10% de minimis indirect rate.

Reclassifications: Certain accounts presented in the prior year’s data may have been reclassified in order to be consistent with the current year’s presentation.

Basis of Accounting: The financial statements of the Organization have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) “Audit and Accounting Guide for Not-for-Profit Organizations” (the “Guide”). (ASC) 958-205 was effective January 1, 2019. Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as with and without donor restrictions.

Net assets without donor restrictions: These include net assets balances that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization’s board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: These include net assets balances that are subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Future Accounting Pronouncements:

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606), requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14, which defers the effective date of ASU 2014-09 one year making it effective for annual reporting periods beginning after December 15, 2017, for public business entities and not-for-profit entities that have issued, or is a conduit bond obligor for, securities that are traded, listed, or quoted on an exchange or an over-the-counter market and effective for annual reporting periods beginning after December 15, 2019, for all other entities. The Organization has not yet selected a transition method and is currently evaluating the effect the standard will have on the financial statements.

In June 2019, the FASB issued ASU 2019-08, Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The amendments in this ASU should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The amendments should be applied on a modified prospective basis. Under a modified prospective basis, in the first set of financial statements following the effective date, the amendments should be applied to agreements that are either not completed as of the effective date or entered into after the effective date. Retrospective application is permitted. This ASU is effective for annual reporting periods beginning after June 15, 2019, for not-for-profit entities that have issued, or is a conduit bond obligor for, securities that are traded, listed, or quoted on an exchange or an over-the-counter market. All other entities shall apply the pending content that links to this paragraph for transactions in which the entity serves as a resource recipient to annual periods beginning after December 15, 2019, and interim periods within annual periods beginning after December 15, 2019. The Organization is currently evaluating the effect the standard will have on the financial statements.

In February 2016, the FASB issued ASU 2016-02, Leases. The standard requires all leases with lease terms over 12 months to be capitalized as a right-of-use asset and lease liability on the balance sheet at the date of the lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the income statement. This standard will be effective for the calendar year ending December 31, 2020. The Organization is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

NOTE 2 – GRANTS AND CONTRACTS RECEIVABLE

The grants and contracts receivable at February 29, 2020 and February 28, 2019, are:

	2020	2019
Federal funds	$ 3,883,877	$ 3,807,347
State funds	826,284	499,125
Local funds	-	16,635
Private funds	25,236	33,680
Other	60,327	33,185
	$ 4,795,724	$ 4,389,972

The Organization expects all receivables to be collected and therefore has not recorded an allowance for doubtful accounts.

NOTE 3 – LIQUIDITY AND AVAILABILITY

As of February 29, 2020, and February 28, 2019, the following table shows the total financial assets held by the Organization and the amounts of those financial assets that could readily be made available within one-year of the balance sheet date to meet general expenditures:

	2020	2019
Financial assets held at year-end		
Cash and cash equivalents	$ 4,294,174	$ 2,209,818
Grants and accounts receivable	4,795,724	4,389,972
	9,089,898	6,599,790
Less: Donor restrictions	(63,819)	(79,421)
Financial assets available to meet expenditures over the next 12 months	$ 9,026,079	$ 6,520,369

The Organization has certain donor-restricted assets limited to use which are available for expenditure within one-year in the normal course of operations. Accordingly, these assets have been included in the qualitative information above for financial asset to meet general expenditures within one year. The Organization has assets limited to use for donor-restricted purposes. These assets are not available for general expenditure within the next year.

NOTE 4 – INVENTORY

Inventory is comprised of the following at February 29, 2020 and February 28, 2019:

	2020	2019
Weatherization supplies	$ 135,087	$ 148,381
Supply inventory	-	1,302
Food commodities	1,284,710	1,205,562
	$ 1,419,797	$ 1,355,245

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment as of February 29, 2020 and February 28, 2019, is comprised of the following:

	2020	2019
Land	$ 1,776,669	$ 1,776,669
Buildings	17,864,689	18,411,488
Renovations	5,849,539	5,949,584
Vehicles	3,450,066	3,414,740
Equipment	2,040,485	1,926,624
	30,981,448	31,479,105
Less accumulated depreciation	20,545,964	20,154,473
	$ 10,435,484	$ 11,324,632

The federal government has a reversionary interest in property and equipment at February 29, 2020 and February 28, 2019, in the amount of $26,094,988 and $26,592,645, respectively, with accumulated depreciation of $17,264,322 and $17,383,718, respectively.

NOTE 6 – LINE OF CREDIT

The Organization has a $2,000,000 revolving credit agreement with a bank, which provides credit through January 15, 2019. As of February 29, 2020 and February 28, 2019, $2,000,000 and $2,000,000, respectively, were available to the Organization for additional draws under the agreement. The note bears interest at the daily one month LIBOR rate (3.89825% as of February 29, 2020) plus 3.75% and is unsecured. The outstanding principal balance of this note is due and payable in full on January 15, 2021.

NOTE 7 – CURRENT MATURITIES AND LONG-TERM DEBT

Long-term debt consists of the following as of February 29, 2020 and February 28, 2019:

	2020	2019
10 year note payable to a bank in the amount of $2,305,600, secured by deed of trust, due in monthly installments of $23,790 including interest at 4.2%. Final payment due June 1, 2026 [(1)].	$ 1,364,786	$ 1,792,833
Note payable to a bank, secured by land and building, due in monthly installments of $6,903 including interest at 3.98% per annum. This note was refinanced on December 20, 2012, with a 10 year note [(2)].	227,810	310,650
Non-interest bearing State of California, Department of Corrections and Rehabilitation Grant Loan, secured by deed of trust, due in annual installments of $65,052 through 2023 [(3)].	260,208	325,260
	$ 1,852,804	$ 2,428,743

[(1)] In August 2012, the Organization refinanced this note in the amount of $2,670,283. The outstanding principal balance of this note bore interest at a fixed rate per annum at a rate of 2.75% above LIBOR in effect on the first day of each fixed rate term. Payments commenced on September 20, 2012, and continued up to and including July 20, 2015. Negotiations were started to refinance and terms were extended. In June 2016, the Organization refinanced this note in the amount of $2,305,600.

[(2)] In December 2002, the Organization entered into an interest rate swap agreement related to this debt. The swap is utilized to manage interest rate exposure over the period of the interest rate swap and is designated as a highly effective cash flow hedge. The differential to be paid or received on the swap agreement is accrued as interest rates change and is recognized over the life of the agreement. The swap agreement expired in December 2012, and effectively fixed the interest rate at 4.62%. In December 2012, the note was refinanced with the total available funds being $831,607. The outstanding note bears interest at 3.98% per annum with any unpaid principal due on December 20, 2022.

[(3)] A Department of Corrections and Rehabilitation (formerly the Department of the Youth Authority) loan from the State of California was secured and executed July 16,1999, in the amount of $1,301,040 for the construction of a facility located in the City of Shafter and County of Kern for use as a youth center. Equal annual installments of $65,052 are due through 2023. Each annual payment due is to be deemed forgiven, in whole, or in part, as long as the Organization operates the facility as a youth center for a period of 20 years, beginning with 2003, the year operations began in the completed center. The balances outstanding at February 29, 2020 and 2019, represent cash drawn on the note, net of debt forgiveness to date.

NOTE 7 – CURRENT MATURITIES AND LONG-TERM DEBT (Continued)

Aggregate maturities of long-term debt as of February 29, 2020, are due in future years as follows:

Year Ending February 28/29,	
2021	$ 379,602
2022	389,830
2023	379,626
2024	328,458
2025	274,799
Thereafter	100,489
	$ 1,852,804

Interest expense for the years ended February 29, 2020 and February 28, 2019, was $78,579 and $95,992, respectively.

NOTE 8 – PENSION PLAN

The Organization has a defined contribution money purchase pension plan, which covers all employees who have been employed for one year or more with at least 1,000 hours worked during the year, and who are at least 21 years of age. The employer's contribution is as follows:

Group "A" – 10% of the Participant's Compensation for that Plan Year. Group "A" is defined as "Executive Director".

Group "B" – 7.5% of the Participant's Compensation for that Plan Year. Group "B" is defined as "Division Director".

Group "C" – 5% of the Participant's Compensation for that Plan Year. Group "C" is defined as "all Participants who are not in Group A or B".

Employees become vested 25 percent upon two years of service, 50 percent upon three years of service, 75 percent upon four years of service, and 100 percent upon five years of service. Participants also become 100 percent vested upon normal retirement, disability, or death. The Organization's pension contribution for the years ended February 29, 2020 and February 28, 2019, was $1,293,531 and $1,156,179, respectively.

NOTE 9 – ACCRUED VACATION

Accumulated unpaid employee vacation benefits are recognized as liabilities of the Organization. The liability is recognized in the program to which the liability relates. Accrued vacation benefits at February 29, 2020 and February 28, 2019, are unfunded. The value of accumulated vacation at February 29, 2020 and February 28, 2019, is as follows:

	2020	2019
Early Head Start	$ 347,364	$ 293,162
Indirect Fund	229,990	190,090
Head Start	179,380	223,844
Early Head Start San Joaquin	124,401	90,399
Low Income Home Energy Assistance Program	54,689	66,449
Women, Infants, and Children	34,101	51,865
Community Services Block Grant (CSBG)	33,738	36,979
Migrant Alternative Payment	28,702	29,250
County of Kern 211	7,907	6,705
Early Head Start Expansion	4,904	-
Commodity Supplement Food Program	3,612	725
Economic Empowerment	82	216
First 5 Kern East Kern Family Resource Center	-	3,951
I&E (Information & Education)	-	3,260
First 5 Kern Help Me Grow	-	1,895
First 5 Kern 211	-	1,699
Early Head Start Child Care Partnership	-	839
Differential Response	-	680
211 United Way	-	439
	$ 1,048,870	$ 1,002,447

The accrued vacation benefits of $179,380 for Head Start and $476,669 for Early Head Start have been funded.

Cash is maintained in separate interest-bearing bank accounts. The cash is reserved for this specific purpose and is not combined with the operating cash of the Organization.

NOTE 10 – DEFERRED REVENUE

The grants and contracts deferred at February 29, 2020 and February 28, 2019, are as follows:

	2020	2019
Migrant Alternative Payment	$ 802,887	$ -
General Child Care and Development	228,618	99,207
State Drought Food Assistance	119,145	131,775
Disgorgement Assistance Program (DAP)	85,680	-
Migrant Child Care	74,029	-
California State Preschool	68,939	682,415
United Way	46,946	26,832
Sierra Foundation	40,000	-
So Cal Gas Company	35,000	9,175
DOE WAP	15,239	-
Bank of the West	15,226	34,493
Migrant Specialized Services	7,412	24,938
Wells Fargo Foundation	6,272	1,831
Dignity Health	4,678	8,698
East Kern Family Resource Center	4,077	-
California Endowment	2,000	2,000
First 5 - Help Me Grow	165	-
Wonderful Foundation	-	40,000
Starbucks Foundation	-	22,992
	$ 1,556,313	$ 1,084,356

NOTE 11 – DONOR RESTRICTED NET ASSETS

Donor restricted net assets as of February 29, 2020 and February 28, 2019, are available for the following:

	2020	2019
Friendship House	$ -	$ 656
Friendship House - Robotics	-	2,548
Friendship House - Advisory Board	26,441	29,075
Food Bank - Produce Program	-	15,000
Youth Centers - First Aid	200	200
Youth Centers - Robotics/STEM	2,548	-
Youth Centers - Museum on the Move	2,000	-
Youth Centers - Girl Scouts	500	-
WIC	188	-
Blue Shield Wellness Program	19,948	19,948
East Kern Family Resource Center	11,994	11,994
	$ 63,819	$ 79,421

NOTE 12 – LEASE COMMITMENTS

The Organization leases various equipment and facilities under noncancelable operating leases that expire through June 2033. Rental expense for the years ended February 29, 2020 and February 28, 2019, was $1,475,585 and $1,359,686, respectively.

At February 29, 2020, total annual rental commitments are as follows:

Year Ending February 28/29,	
2021	$ 1,016,882
2022	601,555
2023	405,033
2024	262,759
2025	76,025
Thereafter	222,000
	$ 2,584,254

NOTE 13 – CONCENTRATION OF REVENUE

For the years ended February 29, 2020 and February 28, 2019, approximately 54% and 53%, respectively, of the Organization's program revenue was received from one grant source. Management believes the grant will be renewed on an ongoing basis.

NOTE 14 – UNRELATED BUSINESS INCOME TAX MATTERS

The Internal Revenue Service (IRS) and certain state taxing authorities are currently revisiting what, if any, products and services provided by nonprofit organizations are subject to unrelated business income tax (UBIT). There is currently very little guidance in the IRS Code on what activities should be subject to UBIT. The IRS has indicated that it is studying the issue and may issue additional guidance. As a result, at this time there is uncertainty regarding whether the Organization should pay income tax on certain types of net taxable income from activities that may be considered by taxing authorities as unrelated to the purpose for which the Organization was granted non-taxable status. The Organization has not filed any tax returns in the past for potential taxable activities. The taxing authorities have the ability to assess taxes, penalties, and interest for any years for which no tax return was filed. In the opinion of management, any liability resulting from taxing authorities imposing income taxes on the net taxable income from activities deemed to be unrelated to the Organization's nontaxable status is not expected to have a material effect on the Organization's financial position or results of operations. The Organization is no longer subject to U.S. federal, state, or local income tax examinations by tax authorities for years before 2012.

NOTE 15 – CONTINGENCIES AND COMMITMENTS

The Organization discovered that the eligibility requirements of the Community Action Partnership of Kern 401(a) Plan have not been applied correctly for certain individuals. The Organization has filed an application under the Voluntary Compliance Program with the Internal Revenue Service to provide for correction. The Internal Revenue Service approved the Voluntary Compliance Program application on July 28, 2020. Community Action Partnership of Kern will be working with The Standard to process corrective contributions for impacted individuals. This has an estimated cost of approximately $200,000 plus applicable earnings.

NOTE 16 – SUBSEQUENT EVENTS

Subsequent to February 29, 2020, and through November 18, 2020, the date through which management evaluated subsequent events and the date of the Independent Auditor's Report we noted no other events than that which noted below.

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. The COVID-19 outbreak in the United States has resulted in increased activities and funding to the Agency. At the current time, the Agency is unable to quantify all the potential effects of the pandemic on the future financial statements.

SUPPLEMENTARY INFORMATION

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the Year Ended February 29, 2020

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Grantor's Number	Amount	Total
FEDERAL:				
U.S. Department of Health and Human Services				
Direct Program				
Early Head Start (EHS)/Head Start - Kern	93.600	09CH011163-01	$ 25,069,262	
EHS Partnership	93.600	09HP000163-01	982,870	
EHS Child Care Partnership	93.600	09HP0036-04	390,927	
EHS San Joaquin	93.600	09CH010071-05	4,861,811	
EHS San Joaquin	93.600	09CH011406-01	467,197	
				31,772,067
State of California - Pass-Through Programs				
Department of Community Services and Development				
CSBG (Community Services Block Grant)	93.569	19F-4015	1,215,399	
CSBG (Community Services Block Grant)	93.569	20F-3015	225,494	
CSBG Discretionary	93.569	18F-8015	35,000	
CSBG Discretionary	93.569	19F-4417	30,000	
CSBG Discretionary	93.569	19F-4463	139,140	
				1,645,033
Low Income Home Energy Assistance Program	93.568	19B-5012	3,649,062	
Low Income Home Energy Assistance Program	93.568	20B-2012	1,035,288	
				4,684,350
Department of Education				
Child Care and Development Fund				
General Child Care and Development	93.596	CCTR-8049	95,070	
General Child Care and Development	93.596	CCTR-9050	151,066	
California State Preschool	93.596	CSPP-8120	119,843	
				365,979
Child Care and Development Block Grant				
General Child Care and Development	93.575	CCTR-8049	206,811	
General Child Care and Development	93.575	CCTR-9050	328,625	
California State Preschool	93.575	CSPP-8120	55,043	
Migrant Alternative Payment	93.575	CMAP-8000	1,831,868	
Migrant Alternative Payment	93.575	CMAP-9000	3,460,370	
				5,882,717
U.S. Department of Homeland Security				
Pass-Through United Way of Kern County Local Board				
Emergency Food and Shelter	97.024	Phase 36	79,598	
				79,598
U.S. Department of Housing and Urban Development				
Pass-Through United Way of Kern County				
HUD Continuum of Care Planning Grant	14.267	N/A	138,482	
Coordinated Entry Services	14.267	N/A	16,099	
U.S. Department of the Treasury				154,581
Direct Program	21.009	19VITA0228	152,089	
Internal Revenue Service				152,089

See accompanying notes to the schedule.

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CONTINUED)

For the Year Ended February 29, 2020

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Grantor's Number	Amount	Total
U.S. Department of Agriculture				
State of California - Pass-Through Programs				
Department of Public Health				
WIC Supplemental Nutrition				
WIC (Women, Infants, and Children)				
Contract 1	10.557	15-10064	2,330,023	
Contract 2	10.557	15-10139	1,601,671	
				3,931,694
Department of Social Services				
Emergency Food Assistance				
Contract 1	10.568	15-MOU-00118	176,307	
Contract 2	10.568	15-MOU-00118	122,392	
				298,699
Emergency Food Assistance	10.569	N/A	3,330,180	
				3,330,180
Trade Mitigation	10.178	N/A	74,213	
Trade Mitigation	10.178	N/A	133,844	
				208,057
Supplemental Nutrition Assistance				
Cal Fresh	10.561	16-SUB-00876	27,591	
Cal Fresh	10.561	18-SUB-7012	39,650	
CalFresh Healthy Living Program	10.561	19-10324	404,718	
				471,959
Child and Adult Care Food Kern	10.558	15-1248-OJ	734,549	
Child and Adult Care Food Kern	10.558	15-1248-OJ	628,661	
Child and Adult Care Food San Joaquin	10.558	15-1248-OJ	81,419	
Child and Adult Care Food San Joaquin	10.558	15-1248-OJ	69,929	
				1,514,558
U.S. Department of Agriculture				
State of California - Pass-Through Programs				
Department of Social Services				
CSFP (Commodity Supplemental Food Program)	10.565	16-MOU-6017	209,569	
CSFP (Commodity Supplemental Food Program)	10.565	16-MOU-6017	136,669	
				346,238
U.S. Department of Energy				
State of California - Pass-Through Programs				
Department of Community Services and Development				
Department of Energy				
Weatherization Assistance Program	81.042	16C-6012	4,399	
Weatherization Assistance Program	81.042	17C-4010	621,719	
				626,118

See accompanying notes to the schedule.

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CONTINUED)

For the Year Ended February 29, 2020

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Grantor's Number	Amount	Total
FEDERAL: (Continued)				
U.S. Department of General Services				
State of California-Office of California Volunteers				
AmeriCorps	94.006	17AFHY26-F196	15,627	
AmeriCorps	94.006	17AFHY26-PG87	7,747	
				23,374
U.S. Department of Health and Human Services				
State of California-Office of Child Abuse Prevention				
Economic Empowerment	93.590	EE-KERN-17-20	45,291	
				45,291
U.S. Department of Education				
Department of Educatoin-First 5 California				
QRIS (Quality Rating and Improvement System) - Sa	84.412	N/A	17,279	
				17,279
U.S. Department of Health and Human Services				
County of Kern- Department of Public Health				
Hospital Preparedness - Emergency Response	93.074	659-2017	10,000	
				10,000
Total Federal Grants				$ 55,559,861
STATE:				
State of California - Department of Education				
Migrant Alternative Payment		CMAP-8000	$ 1,031,755	
Migrant Alternative Payment		CMAP-9000	2,925,255	
				3,957,010
General Child Care and Development		CCTR-8049	703,940	
General Child Care and Development		CCTR-9050	1,454,939	
				2,158,879
STATE: (Continued)				
State Preschool		CSPP-8120	1,252,041	
State Preschool		CSPP-9121	2,392,378	
				3,644,419
Migrant Child Care		CMIG-8004	80,605	
Migrant Child Care		CMIG-9004	79,365	
				159,970
Migrant Specialized Services		CMSS-8004	35,236	
Migrant Specialized Services		CMSS-9004	18,828	
				54,064

See accompanying notes to the schedule.

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CONTINUED)

For the Year Ended February 29, 2020

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Grantor's Number	Amount	Total
STATE: (Continued)				
Quality Rating and Improvement System - Kern Early Stars		N/A	21,230	
Quality Rating and Improvement System - Kern Early Stars		N/A	30,959	
				52,189
Center-Based Reserve		N/A	7,519	
				7,519
State of California - Department of General Services				
AmeriCorps		AC26-F196	39,227	
				39,227
State of California - Department of Human Services				
Home Visit Initiative		N/A	1,234,454	
				1,234,454
Positive Youth Development Services		509-2019	22,358	
				22,358
California Emergency Solutions and Housing Program		18-CESH-12453	10,054	
				10,054
State of California - Department of Public Health				
Information and Education		16-10206	16,433	
				16,433
State of California - Department of Social Services				
Tax Check-Off/AB2366		15 MOU - 00118	15,281	
Tax Check-Off/AB2366		15 MOU - 00118	13,758	
State Emergency Food Assistance		15 MOU - 00118	193,888	
State Emergency Food Assistance		15 MOU - 00118	156,243	
State Drought Food Assistance		15 MOU - 00118	12,630	
				391,800
Capacity Program		SGRT-19-0012	101,490	
				101,490
Coordinated Entry Services		N/A	10,732	
				10,732
Differential Response		N/A	60,749	
Differential Response		N/A	109,493	
				170,242
County of Kern Low Barrier Homeless Shelter		017-2020	17,572	
				17,572

See accompanying notes to the schedule

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CONTINUED)

For the Year Ended February 29, 2020

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Grantor's Number		Total
STATE: (Continued)				
Department of Community Services and Development				
CalEITC Free Tax Preparation Assistance Grant		18T-8012	114,886	
CalEITC Free Tax Preparation Assistance Grant		19T-9011	44,406	
				159,292
Department of Corrections and Rehabilitation				
Shafter Youth Center		99 - 011	65,052	
				65,052
California Children and Families Commission				
2-1-1		2015.2.5	14,389	
2-1-1		2015.2.5	91,160	
E Kern Family Resource Center		2015.2.6	41,059	
E Kern Family Resource Center		2015.2.6	82,679	
Help Me Grow		2017.2.01	57,855	
Help Me Grow		2017.2.01	106,195	
Differential Response		N/A	8,847	
Differential Response		N/A	24,578	
				426,762
Total State Grants				$ 12,699,518

See accompanying notes to the schedule.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the Year Ended February 29, 2020

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal and State Awards includes the federal and state grant activity of Community Action Partnership of Kern (the Organization) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of U.S. Office of Management and Budget (OMB) *Compliance Supplement.* The Organization has elected to use the 10% de minimis indirect cost rate in year 2019.

NOTE 2 – NONCASH ASSISTANCE

The Organization received noncash assistance in the form of food commodities, which is included in the amounts reported on the Schedule of Expenditures of Federal and State Awards. Commodities, with a fair value of $1,528,117 at the time received, have been included in the determination of federal awards expended for the year ended February 29, 2020.

NOTE 3 – CLUSTER INFORMATION

Presented in this note are only grants that are clustered under Part 5 of the OMB *Compliance Supplement*.

Program or Cluster Title	Federal CFDA Number	Federal Expenditures
Child Care Development Block Grant Cluster		
Child Care and Development Block Grant	93.575	$ 5,882,717
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	365,979
Total Child Care Development Block Grant Cluster		6,248,696
Emergency Food Assistance Cluster		
Emergency Food Assistance Program (Administrative Costs)	10.568	298,699
Emergency Food Assistance Program (Food Commodities)	10.569	3,330,180
Total Emergency Food Assistance Center		3,628,879
Cluster Total		$ 9,877,575

COMMUNITY ACTION PARTNERSHIP OF KERN

Schedule of Revenue and Expenditures

California Department of Community Services and Development Contract No. 19F-4015

(CSBG) - For the Period January 1, 2019 through December 31, 2019

	Jan. 1, 2019 through Feb. 28, 2019	Mar. 1, 2019 through Dec. 31, 2019	Total Audited Costs	Total Reported Expenses	Total Budget
REVENUE					
Grant Revenue Awarded	$ 372,383	$ 1,117,148	$ 1,489,531	$	$ 1,489,531
Deferred Grant Revenue	(98,765)	98,765	-		-
Total Revenue	$ 273,618	$ 1,215,913	$ 1,489,531	$ -	$ 1,489,531
EXPENDITURES					
Administrative Costs					
Salaries and Wages	$ -	$ -	$ -	$ -	$ -
Fringe Benefits	-	-	-	-	-
Operating Expenses	-	-	-	-	-
Out-of-State Travel	-	-	-	-	-
Contract/Consultant Services	-	-	-	-	-
Other Costs	25,326	377,045	402,371	402,371	402,371
Total Administrative Costs	25,326	377,045	402,371	402,371	402,371
Program Costs					
Salaries and Wages	170,881	466,017	636,898	636,898	636,898
Fringe Benefits	45,493	153,224	198,717	198,717	198,717
Operating Expenses	31,918	219,627	251,545	251,545	251,545
Total Program Costs	248,292	838,868	1,087,160	1,087,160	1,087,160
Total Expenditures	$ 273,618	$ 1,215,913	$ 1,489,531	$ 1,489,531	$ 1,489,531

COMMUNITY ACTION PARTNERSHIP OF KERN

Schedule of Revenue and Expenditures

California Department of Community Services and Development Contract No. 18F-8015

(CSBG Discretionary) - For the Period January 1, 2018 through May 31, 2019

		Jan. 1, 2018 through Feb. 28, 2019		Mar. 1, 2019 through May 31, 2019		Total Audited Costs		Total Reported Expenses		Total Budget
REVENUE										
Grant Revenue Awarded	$	-	$	35,000	$	35,000	$		$	35,000
Total Revenue	$	-	$	35,000	$	35,000	$	-	$	35,000
EXPENDITURES										
Administrative Costs										
Salaries and Wages	$	-	$	-	$	-	$	-	$	-
Fringe Benefits		-		-		-		-		-
Operating Expenses		-		-		-		-		-
Contract/Consultant Services		-		-		-		-		-
Other Costs		-		3,182		3,182		3,182		3,182
Total Administrative Costs		-		3,182		3,182		3,182		3,182
Program Costs										
Salaries and Wages		-		-		-		-		-
Fringe Benefits		-		-		-		-		-
Operating Expenses		-		-		-		-		-
Contract/Consultant Services		-		31,818		31,818		31,818		31,818
Total Program Costs		-		31,818		31,818		31,818		31,818
Total Expenditures	$	-	$	35,000	$	35,000	$	35,000	$	35,000

COMMUNITY ACTION PARTNERSHIP OF KERN

Schedule of Revenue and Expenditures

California Department of Community Services and Development Contract No. 19F-4417

(CSBG Discretionary) - For the Period June 1, 2019 through January 31, 2020

	June 1, 2019 through Jan. 31, 2020	Total Audited Costs	Total Reported Expenses	Total Budget
REVENUE				
Grant Revenue Awarded	$ 30,000	$ 30,000	$	$ 30,000
Total Revenue	$ 30,000	$ 30,000	$ -	$ 30,000
EXPENDITURES				
Administrative Costs				
Salaries and Wages	$ -	$ -	$ -	$ -
Fringe Benefits	-	-	-	-
Operating Expenses	-	-	-	-
Contract/Consultant Services	-	-	-	-
Other Costs	2,727	2,727	2,727	2,727
Total Administrative Costs	2,727	2,727	2,727	2,727
Program Costs				
Salaries and Wages	-	-	-	-
Fringe Benefits	-	-	-	-
Operating Expenses	27,273	27,273	27,273	27,273
Contract/Consultant Services	-	-	-	-
Total Program Costs	27,273	27,273	27,273	27,273
Total Expenditures	$ 30,000	$ 30,000	$ 30,000	$ 30,000

COMMUNITY ACTION PARTNERSHIP OF KERN

Schedule of Revenue and Expenditures

California Department of Community Services and Development Contract No. 19B-5012

(LIHEAP) Weatherization – For the Period October 1, 2018 through January 31, 2020

	Oct. 1, 2018 through Feb. 28, 2019	Mar. 1, 2019 through Jan 31, 2020	Total Audited Costs	Total Reported Expenses	Total Budget
REVENUE					
Grant Revenue	$ 562,513	$ 1,972,535	$ 2,535,048	$	$ 2,535,048
Interest Income	-	-	-		-
Other Income	-	-	-		-
Total Revenue	$ 562,513	$ 1,972,535	$ 2,535,048	$ -	$ 2,535,048
EXPENDITURES					
Weatherization Program Costs					
Intake	$ 55,382	$ 138,305	$ 193,687	$ 193,687	$ 202,804
Outreach	22,758	29,541	52,299	52,299	126,752
Training & Technical Assistance	15,502	21,571	37,073	37,073	126,752
Out of State Travel	-	-	-	-	-
Major Vehicle and Field Equipment (More than $5k)	-	-	-	-	-
Major Vehicle and Field Equipment (Less than $5k)	-	-	-	-	-
Liability Insurance	3,633	16,249	19,882	19,882	-
General Operating Expenditures	52,909	167,536	220,445	220,445	-
Other Program Costs	240,113	666,420	906,534	906,534	-
Total Weatherization Program Costs:	390,298	1,039,622	1,429,920	1,429,920	456,308
Weatherization Direct Program Costs					
Total Weatherization Activity Expenditures	172,215	932,913	1,105,128	1,105,128	2,078,740
Total Expenditures	$ 562,513	$ 1,972,535	$ 2,535,048	$ 2,535,048	$ 2,535,048

COMMUNITY ACTION PARTNERSHIP OF KERN

Schedule of Revenue and Expenditures

California Department of Community Services and Development Contract No. 19B-5012 (LIHEAP) ECIP, HEAP, and Assurance 16 – For the Period October 1, 2018 through January 31, 2020

	Oct. 1, 2018 through Feb. 28, 2019	Mar. 1, 2019 through Jan 31, 2020	Total Audited Costs	Total Reported Expenses	Total Budget
REVENUE					
Grant Revenue	$ 431,477	1,955,580	$ 2,387,057	$	$ 2,392,380
Interest Income	261	325	586		
Other Income	320	4,417	4,736		-
Total Revenue	$ 432,058	$ 1,960,322	$ 2,392,380	$ -	$ 2,392,380
EXPENDITURES					
Assurance 16 Costs					
Administrative Costs	$ 51,207	$ 280,266	$ 331,473	$ 331,473	$ 507,010
Administrative Costs					
Administrative Costs	112,277	386,526	498,803	498,803	507,010
Administrative Equipment	-	-	-	-	-
Out of State Travel	-	-	-	-	-
Total Assurance 16/Administration Costs:	163,484	666,792	830,276	830,276	1,014,020
Program Support Costs					
Intake	62,793	258,658	321,451	321,451	485,342
Outreach	38,926	252,298	291,225	291,225	303,339
Training & Technical Assistance	2,057	23,973	26,030	26,030	121,336
Out of State Travel	-	-	-	-	-
Major Vehicle and Field Equipment (More than $5k)	-	-	-	-	-
Major Vehicle and Field Equipment (Less than $5k)	-	-	-	-	-
Liability Insurance	165	3,974	4,139	4,139	-
General Operating Expenditures	30,963	111,265	142,227	142,227	-
Automation Supplemental	9,835	-	9,835	9,835	-
Other Program Costs	70,273	239,701	309,975	309,975	-
Total Program Costs	215,013	889,869	1,104,882	1,104,882	910,017
Program Service Costs					
ECIP Emergency Heating & Cooling Services (EHCS)	33,535	182,792	216,328	216,328	468,343
Severe Weather Energy Assist & Trans. Srvcs (SWEATS)	-	136,634	136,634	136,634	-
Wood, Propane and Oil (ECIP & HEAP WPO)	20,025	84,234	104,259	104,259	-
Total Program Services Costs	53,560	403,661	457,221	457,221	468,343
Total Expenditures	$ 432,058	$ 1,960,322	$ 2,392,380	$ 2,392,380	$ 2,392,380

COMMUNITY ACTION PARTNERSHIP OF KERN

Schedule of Revenue and Expenditures

California State Preschool Programs

California Department of Education Contract No. CSPP-8120

For the Period July 1, 2018 through June 30, 2019

	July 1, 2018 through Feb. 28, 2019	Mar. 1, 2019 through June 30, 2019	TOTAL
REVENUE			
Federal Grant Revenue	$ 273,973	$ 174,886	$ 448,859
State Grant Revenue	1,960,713	1,252,041	3,212,754
Parent Fees	396	188	584
Total Revenue	2,235,082	1,427,115	3,662,197
EXPENDITURES			
Salaries	1,507,046	877,430	2,384,476
Fringe Benefits	511,607	296,832	808,439
Travel	4,877	2,642	7,519
Consumable Supplies	3,861	114,493	118,354
Consultant/Contract Services	1,613	3,745	5,358
Other Costs	4,108	2,651	6,759
Depreciation	-	-	-
Administration Cost	201,970	129,322	331,292
Total Expenditures	2,235,082	1,427,115	3,662,197
REVENUE OVER/(UNDER) EXPENDITURES	$ -	$ -	$ -

COMMUNITY ACTION PARTNERSHIP OF KERN

Schedule of Revenue and Expenditures

Child and Adult Care Food Kern California Department of Education Contract No. 15-1248-OJ

For the Period October 1, 2018 through September 30, 2019

	Oct. 1, 2018 through Feb. 28, 2019	Mar. 1, 2019 through Sept. 30, 2019	TOTAL
REVENUE			
Federal Grant Revenue	$ 764,322	$ 734,549	$ 1,498,871
Insurance Proceeds	2,031	-	2,031
Total Revenue	766,353	734,549	1,500,902
EXPENDITURES			
Salaries	325,122	360,741	685,863
Fringe Benefits	97,675	125,939	223,614
Travel	13,470	15,849	29,319
Space Costs	47,494	82,611	130,105
Consumable Supplies	75,169	72,939	148,108
Consultant/Contract Services	-	19	19
Other Costs	27,720	43,713	71,433
Program Costs	108,541	(36,096)	72,445
Depreciation	1,762	2,468	4,230
Administration Cost	69,400	66,366	135,766
Head Start Subsidy	-		-
Total Expenditures	766,353	734,549	1,500,902
REVENUE OVER/(UNDER) EXPENDITURES	$ -	$ 0	$ -

COMMUNITY ACTION PARTNERSHIP OF KERN

Schedule of Revenue and Expenditures

Child and Adult Care Food – San Joaquin California Department of Education Contract No. 15-1248-OJ

For the Period October 1, 2018 through September 30, 2019

	Oct. 1, 2018 through Feb. 28, 2019	Mar. 1, 2019 through Sept. 30, 2019	TOTAL
REVENUE			
Federal Grant Revenue	$ 65,656	$ 81,419	$ 147,075
Total Revenue	65,656	81,419	147,075
EXPENDITURES			
Salaries	-	-	-
Fringe Benefits	-	-	-
Travel	-	-	-
Space Costs	-	-	-
Consumable Supplies	-	-	-
Equipment	-	-	-
Consultant/Contract Services	-	-	-
Other Costs	-	-	-
Program Costs	61,777	74,017	135,794
Administration Cost	3,879	7,402	11,281
Total Expenditures	65,656	81,419	147,075
REVENUE OVER/(UNDER) EXPENDITURES	$ -	$ -	$ -

COMMUNITY ACTION PARTNERSHIP OF KERN

Schedule of Revenue and Expenditures

Community Services Block Grant No. 19F-4015

For the Period January 1, 2019 through December 31, 2019

	Jan. 1, 2019 through Feb. 28, 2019	Mar. 1, 2019 through Dec. 31, 2019	TOTAL
REVENUE			
Federal Grant Revenue	$ 274,132	$ 1,215,399	$ 1,489,531
Insurance Proceeds	-	1,004	1,004
Total Revenue	274,132	1,216,403	1,490,535
EXPENDITURES			
Salaries	170,881	466,017	636,898
Fringe Benefits	45,493	153,244	198,737
Travel	552	11,605	12,157
Space Costs	20,383	157,703	178,086
Consumable Supplies	2,950	15,369	18,319
Consultant/Contract Services	62	311	373
Other Costs	7,822	32,613	40,435
Program Costs	149	3,010	3,159
Administration Cost	25,840	376,531	402,371
Total Expenditures	274,132	1,216,403	1,490,535
REVENUE OVER/(UNDER) EXPENDITURES	$ -	$ -	$ -

COMMUNITY ACTION PARTNERSHIP OF KERN

Schedule of Revenue and Expenditures

Community Services Block Grant No. 18F-8015

For the Period January 1, 2018 through May 31, 2019

	Jan. 1, 2018 through Feb. 28, 2019	Mar. 1, 2019 through May 31, 2019	TOTAL
REVENUE			
Federal Grant Revenue	$ -	$ 35,000	$ 35,000
Total Revenue	-	35,000	35,000
EXPENDITURES			
Consultant/Contract Services	-	31,818	31,818
Administration Cost	-	3,182	3,182
Total Expenditures	-	35,000	35,000
REVENUE OVER/(UNDER) EXPENDITURES	$ -	$ -	$ -

COMMUNITY ACTION PARTNERSHIP OF KERN

Schedule of Revenue and Expenditures

Community Services Block Grant No. 19F-4417

For the Period June 1, 2019 through January 31, 2020

	June. 1, 2019 through Jan. 31, 2020	TOTAL
REVENUE		
Federal Grant Revenue	$ 30,000	$ 30,000
Total Revenue	30,000	30,000
EXPENDITURES		
Consultant/Contract Services	27,244	27,244
Other Costs	29	29
Administration Cost	2,727	2,727
Total Expenditures	30,000	30,000
REVENUE OVER/(UNDER) EXPENDITURES	$ -	$ -

COMMUNITY ACTION PARTNERSHIP OF KERN

Schedule of Revenue and Expenditures

County of Kern 211 Grant No. 1004-2016

For the Period July 1, 2018 through June 30, 2019

	July 1, 2018 through Feb 28, 2019	July 1, 2019 through Feb 28, 2020	TOTAL
REVENUE			
Local Grant Revenue	$ 44,738	$ 45,000	$ 44,738
Total Revenue	44,738	45,000	44,738
EXPENDITURES			
Travel	1,369	(121)	1,369
Space Costs	15,373	12,146	15,373
Consumable Supplies	4,381	2,642	4,381
Consultant/Contract Services	1,500	900	1,500
Other Costs	18,698	25,869	18,698
Administration Cost	3,416	3,564	3,416
Total Expenditures	44,738	45,000	44,738
REVENUE OVER/(UNDER) EXPENDITURES	$ -	$ -	-

COMMUNITY ACTION PARTNERSHIP OF KERN

Schedule of Revenue and Expenditures

County of Kern 211 Hospital Preparedness

For the Period September 4, 2018 through November 15, 2019

	Sept. 4, 2018 through Jan. 31, 2019	Aug. 14, 2018 through Nov. 15, 2019	TOTAL
REVENUE			
Federal Grant Revenue	$ 9,875	$ 10,000	$ 19,875
Total Revenue	9,875	10,000	19,875
EXPENDITURES			
Consumable Supplies	9,875	10,000	19,875
Total Expenditures	9,875	10,000	19,875
REVENUE OVER/(UNDER) EXPENDITURES	$ -	$ -	$ -

COMMUNITY ACTION PARTNERSHIP OF KERN

Schedule of Revenue and Expenditures

County of Kern Gang Violence Prevention Grant No. 230-2017

For the Period July 1, 2017 through June 30, 2018

	July 1, 2017 through Feb. 28, 2018	Mar. 1, 2018 through June 30, 2018	July 1, 2018 through Feb. 28, 2019	Mar. 1, 2019 through June 30, 2019	TOTAL
REVENUE					
Local Grant Revenue	$ 36,787	$ 18,654	$ 31,328	$ 8,577	$ 55,441
Total Revenue	36,787	18,654	31,328	8,577	55,441
EXPENDITURES					
Salaries	25,041	12,549	19,657	4,732	37,590
Fringe Benefits	4,201	2,222	3,680	1,087	6,423
Travel	392	228	436	68	620
Space Costs	1,689	1,630	4,277	1,902	3,319
Consumable Supplies	424	-	88		424
Other Costs	1,584	-	40		1,584
Program Costs	112	329	302	19	441
Administration Cost	3,344	1,696	2,848	769	5,040
Total Expenditures	36,787	18,654	31,328	8,577	55,441
REVENUE OVER/(UNDER) EXPENDITURES	$ -	$ -	$ -	$ -	$ -

COMMUNITY ACTION PARTNERSHIP OF KERN

Schedule of Revenue and Expenditures

Differential Response

For the Period July 1, 2018 through February 29, 2020

	STATE DEPARTMENT OF SOCIAL SERVICES				FIRST 5 KERN			
	July 1, 2018 through Feb. 28, 2019	Mar. 1, 2019 through June 30, 2019	TOTAL	July 1, 2019 through Feb. 29, 2020	July 1, 2018 through Feb. 28, 2019	Mar. 1, 2019 through June 30, 2019	TOTAL	July 1, 2019 through Feb. 29, 2020
REVENUE								
State Grant Revenue	$ 109,721	60,749	$ 170,470	$ 109,493	$ 17,308	$ 8,847	$ 26,155	$ 24,578
Total Revenue	109,721	0 60,749	170,470	109,493	17,308	8,847	26,155	24,578
EXPENDITURES								
Salaries	64,255	34,878	99,133	66,331	12,144	6,570	18,714	17,744
Fringe Benefits	20,324	7,036	27,360	15,089	3,886	1,624	5,510	5,020
Travel	3,964	2,610	6,574	5,750	-	-	-	-
Space Costs	9,052	4,386	13,438	8,848	-	-	-	-
Consumable Supplies	762	2,758	3,520	798	-	-	-	-
Equipment	-	409	409	-	-	-	-	-
Consultant/Contract Services	-	-	-	-	-	-	-	-
Other Costs	3,408	1,503	4,911	4,117	-	-	-	-
Program Costs	41	1,160	1,201	553	-	-	-	-
Administration Cost	7,915	6,009	13,924	8,009	1,278	653	1,931	1,814
Total Expenditures	109,721	60,749	170,470	109,493	17,308	8,847	26,155	24,578
REVENUE OVER/(UNDER) EXPENDITURES	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

COMMUNITY ACTION PARTNERSHIP OF KERN

Schedule of Revenue and Expenditures

Early Head Start/Head Start Award No. 09CH9142/06

Early Head Start/Head Start Award No. 09CH011132/01

For the Period March 1, 2019 through February 29, 2020

	EARLY HEAD START BASE	EARLY HEAD START T & TA	EARLY HEAD START CARRYOVER	EARLY HEAD START BASE	EARLY HEAD START T & TA	EARLY HEAD START STARTUP	HEAD START BASE	HEAD START T & TA	HEAD START CARRYOVER	HEAD START BASE	HEAD START T & TA	HEAD START STARTUP	
	Mar. 1, 2019 through Jun. 30, 2019	Mar. 1, 2019 through Jun. 30, 2019	Mar. 1, 2019 through Jun. 30, 2019	Jul. 1, 2019 through Feb. 29, 2020	Jul. 1, 2019 through Feb. 29, 2020	Jul. 1, 2019 through Feb. 29, 2020	Mar. 1, 2019 through Jun. 30, 2019	Mar. 1, 2019 through Jun. 30, 2019	Mar. 1, 2019 through Jun. 30, 2019	Jul. 1, 2019 through Feb. 29, 2020	Jul. 1, 2019 through Feb. 29, 2020	Jul. 1, 2019 through Feb. 29, 2020	TOTAL
REVENUE													
Federal Grant Revenue	$ 1,340,850	$ 32,140	$ 48,566	4,389,935	$ 108,309	$ 288,114	7,043,001	$ 81,673	161,576	11,409,042	$ 116,733	49,323	$ 25,069,262
Other Revenue	283	-	-	3,336	278	-	6,791	-	-	27,540	1,709	346,000	385,937
In-Kind	-	-	-	-	-	-	3,258,485	-	-	5,727,887	-	-	8,986,372
Total Revenue	1,341,133	32,140	48,566	4,393,271	108,587	288,114	10,308,277	81,673	161,576	17,164,469	118,442	395,323	34,441,571
EXPENDITURES													
Salaries	581,657	-	-	2,501,687	-	-	3,506,395	-	-	5,986,393	-	-	6,589,739
Fringe Benefits	186,498	-	-	740,055	-	-	1,082,857	-	-	1,905,143	-	-	2,009,410
Travel	13,824	4,055	-	40,339	26,300	-	56,404	24,905	-	92,741	44,251	-	165,827
Space Costs	211,203	-	-	249,960	-	-	602,142	-	-	975,384	-	-	1,063,305
Consumable Supplies	77,181	3,721	-	171,879	4,650	95,914	553,227	8,361	-	275,634	13,005	-	914,933
Consultant/Contract Services	37,131	-	-	47,766	13,995	-	84,544	-	-	129,372	-	-	183,436
Other Costs	40,889	21,442	-	108,057	53,781	167,019	203,094	40,982	-	441,786	50,424	360,717	635,264
Program Costs	65,313	-	-	131,661	-	-	190,370	-	-	489,655	-	-	387,344
Depreciation	2,687	-	48,566	9,328	-	-	134,525	-	161,576	130,656	-	-	356,682
Administration Cost	124,750	2,922	-	392,539	9,861	25,181	636,234	7,425	-	1,009,818	10,762	34,606	1,198,912
In-Kind	-	-	-	-	-	-	3,258,485	-	-	5,727,887	-	-	3,258,485
Total Expenditures	1,341,133	32,140	48,566	4,393,271	108,587	288,114	10,308,277	81,673	161,576	17,164,469	118,442	395,323	16,763,337
REVENUE OVER/(UNDER) EXPENDITURES	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 17,678,234

COMMUNITY ACTION PARTNERSHIP OF KERN

Schedule of Revenue and Expenditures

Early Head Start Childcare Partnership Award No. 09HP0036/04

For the Period September 1, 2018 through August 31, 2019

	EARLY HEAD START CHILDCARE PARTNERSHIP BASE	EARLY HEAD START CHILDCARE PARTNERSHIP BASE	EARLY HEAD START CHILDCARE PARTNERSHIP T & TA	EARLY HEAD START CHILDCARE PARTNERSHIP T & TA	EARLY HEAD START CHILDCARE PARTNERSHIP CARRYOVER	EARLY HEAD START CHILDCARE PARTNERSHIP CARRYOVER	
	Sept. 1, 2018 through Feb. 28, 2019	Mar. 1, 2019 through Aug. 31, 2019	Sept. 1, 2018 through Feb. 28, 2019	Mar. 1, 2019 through Aug. 31, 2019	Sept. 1, 2018 through Feb. 28, 2019	Mar. 1, 2019 through Aug. 31, 2019	TOTAL
REVENUE							
Federal Grant Revenue	$ 322,638	$ 384,200	$ 5,471	$ 6,727	$ -	$ -	$ 719,036
Other Revenue	179	5	-	-	-	-	184
In-Kind	186,875	52,337	-	-	-	-	239,212
Total Revenue	509,692	436,542	5,471	6,727	-	-	958,432
EXPENDITURES							
Salaries	54,348	91,134	-	-	-	-	145,482
Fringe Benefits	19,606	28,285	-	-	-	-	47,891
Travel	800	384	1,787	1,029	-	-	4,000
Space Costs	1,550	5,222	-	-	-	-	6,772
Consumable Supplies	252	1,250	-	-	-	-	1,502
Equipment	-	-	-	-	-	-	-
Consultant/Contract Services	213,909	219,022	-	-	-	-	432,931
Other Costs	2,507	3,643	3,187	5,100	-	-	14,437
Program Costs	148	18	-	-	-	-	166
Depreciation	528	225	-	-	-	-	753
Administration Cost	29,169	35,022	497	598	-	-	65,286
In-Kind	186,875	52,337	-	-	-	-	239,212
Total Expenditures	509,692	436,542	5,471	6,727	-	-	958,432
REVENUE OVER/(UNDER) EXPENDITURES	$ -	$ -	$ -	$ -	$ -	$ -	$ -

COMMUNITY ACTION PARTNERSHIP OF KERN

Schedule of Revenue and Expenditures

Early Head Start Childcare Partnership Award No. 09HP000163/01

For the Period March 1, 2019 to February 29, 2020

	EARLY HEAD START CHILDCARE PARTNERSHIP BASE	EARLY HEAD START CHILDCARE PARTNERSHIP T & TA	EARLY HEAD START CHILDCARE PARTNERSHIP STARTUP	
	Mar. 1, 2019 through Feb. 29, 2020	Mar. 1, 2019 through Feb. 29, 2020	Mar. 1, 2019 through Feb. 29, 2020	TOTAL
REVENUE				
Federal Grant Revenue	$ 604,034	$ 44,966	$ 333,870	$ 982,870
Other Revenue	3	-	-	3
In-Kind	267,612	-	-	267,612
Total Revenue	871,649	44,966	333,870	1,250,485
EXPENDITURES				
Salaries	173,135	-	-	173,135
Fringe Benefits	37,933	-	-	37,933
Travel	2,554	5,860	-	8,414
Space Costs	41,427	-	-	41,427
Consumable Supplies	7,601	28,558	215,726	251,885
Equipment	-	-	-	-
Consultant/Contract Services	283,423	-	-	283,423
Other Costs	3,539	6,461	88,216	98,216
Program Costs	-	-	-	-
Depreciation	894	-	-	894
Administration Cost	53,531	4,087	29,928	87,546
In-Kind	267,612	-	-	267,612
Total Expenditures	871,649	44,966	333,870	1,250,485
REVENUE OVER/(UNDER) EXPENDITURES	$ -	$ -	$ -	$ -

COMMUNITY ACTION PARTNERSHIP OF KERN

Schedule of Revenue and Expenditures

Early Head Start San Joaquin Award No. 09CH010071/05

For the Period February 1, 2019 through January 31, 2020

	EARLY HEAD START SAN JOAQUIN BASE	EARLY HEAD START SAN JOAQUIN BASE	EARLY HEAD START SAN JOAQUIN T & TA	EARLY HEAD START SAN JOAQUIN T & TA	
	Feb. 1, 2019 through Feb. 28, 2019	Mar. 1, 2019 through Jan. 31, 2020	Feb. 1, 2019 through Feb. 28, 2019	Mar. 1, 2019 through Jan. 31, 2020	TOTAL
REVENUE					
Federal Grant Revenue	$ 440,362	$ 4,764,493	$ 8,338	$ 97,319	$ 5,310,512
Other Revenue	18	883	-	663	1,564
In-Kind	107,457	1,315,904	-	-	1,423,361
Total Revenue	547,837	6,081,280	8,338	97,982	6,735,437
EXPENDITURES					
Salaries	268,553	2,904,608	3,666	23,309	3,200,136
Fringe Benefits	77,700	774,115	1,775	11,975	865,565
Travel	3,072	51,410	975	13,042	68,499
Space Costs	29,785	336,298	-	-	366,083
Consumable Supplies	8,814	133,148	-	-	141,962
Equipment	-	-	-	-	-
Consultant/Contract Services	177	12,657	-	7,680	20,514
Other Costs	6,054	73,486	1,164	33,071	113,775
Program Costs	6,709	60,406	-	-	67,115
Depreciation	111	1,328	-	-	1,439
Administration Cost	39,405	417,920	758	8,905	466,988
In-Kind	107,457	1,315,904	-	-	1,423,361
Total Expenditures	547,837	6,081,280	8,338	97,982	6,735,437
REVENUE OVER/(UNDER) EXPENDITURES	$ -	$ -	$ -	$ -	$ -

COMMUNITY ACTION PARTNERSHIP OF KERN

Schedule of Revenue and Expenditures

Food Bank State Emergency

For the Period July 1, 2018 through June 30, 2019

	July. 1, 2018 through February 28, 2019	March 1, 2019 through June 30, 2019	TOTAL
REVENUE			
State Grant Revenue	$ 70,816	$ 193,888	$ 264,704
Total Revenue	70,816	193,888	264,704
EXPENDITURES			
Salaries	-	-	-
Fringe Benefits	-	-	-
Travel	-	-	-
Space Costs	-	-	-
Program Costs	70,816	193,888	264,704
Total Expenditures	70,816	193,888	264,704
REVENUE OVER/(UNDER) EXPENDITURES	$ -	$ -	$ -

COMMUNITY ACTION PARTNERSHIP OF KERN

Schedule of Revenue and Expenditures

Tax Check-Off

For the Period July 1, 2018 through June 30, 2019

	July. 1, 2018 through Feb 28, 2019	March 1, 2019 through June 30, 2019	TOTAL
REVENUE			
State Grant Revenue	$ 161	$ 15,281	$ 15,442
Total Revenue	161	15,281	15,442
EXPENDITURES			
Salaries	-	-	-
Fringe Benefits	-	-	-
Travel	-	-	-
Space Costs	-	-	-
Program Costs	161	15,281	15,442
Total Expenditures	161	15,281	15,442
REVENUE OVER/(UNDER) EXPENDITURES	$ -	$ -	$ -

COMMUNITY ACTION PARTNERSHIP OF KERN

Schedule of Revenue and Expenditures

Trade Mitigation Program Grant No. 15-MOU-00118

For the Period October 1, 2018 through September 30, 2019

	Oct. 1, 2018 through Feb. 28, 2019	Mar. 1, 2019 through Sept. 30, 2019	TOTAL
REVENUE			
Federal Grant Revenue	$ -	$ 74,213	$ 74,213
Total Revenue	-	74,213	74,213
EXPENDITURES			
Salaries	-	38,652	38,652
Fringe Benefits	-	4,472	4,472
Travel	-	5,122	5,122
Space Costs	-	10,788	10,788
Consumable Supplies	-	545	545
Other Costs	-	14,634	14,634
Total Expenditures	-	74,213	74,213
REVENUE OVER/(UNDER) EXPENDITURES	$ -	$ -	$ -

COMMUNITY ACTION PARTNERSHIP OF KERN

Schedule of Revenue and Expenditures

Emergency Food Assistance Program Grant No. 15-MOU-00118

For the Period October 1, 2018 through September 30, 2019

	Oct. 1, 2018 through Feb. 28, 2019	Mar. 1, 2019 through Sept. 30, 2019	TOTAL
REVENUE			
Federal Grant Revenue	$ 131,268	$ 176,307	$ 307,575
Donations	-	-	-
Total Revenue	131,268	176,307	307,575
EXPENDITURES			
Salaries	58,088	95,224	153,312
Fringe Benefits	10,440	18,190	28,630
Travel	10,521	8,428	18,949
Space Costs	7,689	11,823	19,512
Consumable Supplies	4,295	2,519	6,814
Consultant/Contract Services	1,078	747	1,825
Other Costs	30,644	23,390	54,034
Indirect Expense	8,513	15,986	24,499
Donated Commodities	-	-	-
Total Expenditures	131,268	176,307	307,575
REVENUE OVER/(UNDER) EXPENDITURES	$ -	$ -	$ -

COMMUNITY ACTION PARTNERSHIP OF KERN

Schedule of Revenue and Expenditures

Commodity Supplemental Food Program

For the Period October 1, 2018 through September 30, 2019

	Oct. 1, 2018 through Feb. 28, 2019	Mar. 1, 2019 through Sept. 30, 2019	TOTAL
REVENUE			
Federal Grant Revenue	$ 100,569	$ 209,569	$ 310,138
Donations	-	-	-
Total Revenue	100,569	209,569	310,138
EXPENDITURES			
Salaries / Taxes	42,362	84,280	126,642
Fringe Benefits	7,292	19,867	27,159
Travel	4,725	11,132	15,857
Space Costs	22,232	34,902	57,134
Supplies	14,735	36,540	51,275
Other Costs	2,756	6,610	9,366
Indirect Costs	6,467	16,238	22,705
Total Expenditures	100,569	209,569	310,138
REVENUE OVER/(UNDER) EXPENDITURES	$ -	$ -	$ -

COMMUNITY ACTION PARTNERSHIP OF KERN

Schedule of Revenue and Expenditures

First 5 Kern 211 Agreement No. 2015.2.5

For the Period July 1, 2018 through February 29, 2020

	July 1, 2018 through Feb. 28, 2019	Mar. 1 2019 through June 30, 2019	TOTAL	July 1, 2019 through Feb. 29, 2020
REVENUE				
State Grant Revenue	$ 83,860	14,389	$ 98,249	$ 91,160
Total Revenue	83,860	14,389	98,249	91,160
EXPENDITURES				
Salaries	64,288	11,970	76,258	68,177
Fringe Benefits	12,768	1,945	14,713	15,778
Administration Cost	6,804	474	7,278	7,205
Total Expenditures	83,860	14,389	98,249	91,160
REVENUE OVER/(UNDER) EXPENDITURES	$ -	$ -	$ -	$ -

COMMUNITY ACTION PARTNERSHIP OF KERN

Schedule of Revenue and Expenditures

First 5 Kern – East Kern Family Resource Center Agreement No. 2015.2.6

For the Period July 1, 2018 through February 29, 2020

	July 1, 2018 through Feb. 28, 2019	Mar. 1, 2019 through June 30, 2019	TOTAL	July 1, 2019 through Feb. 29, 2020
REVENUE				
State Grant Revenue	$ 82,201	$ 41,059	$ 123,260	$ 82,679
Total Revenue	82,201	41,059	123,260	82,679
EXPENDITURES				
Salaries	52,654	19,935	72,589	55,360
Fringe Benefits	12,836	4,059	16,895	8,679
Travel	1,644	1,068	2,712	2,006
Space Costs	5,832	2,785	8,617	7,961
Consumable Supplies	528	8,110	8,638	553
Other Costs	2,624	2,055	4,679	1,996
Administration Cost	6,083	3,047	9,130	6,124
Total Expenditures	82,201	41,059	123,260	82,679
REVENUE OVER/(UNDER) EXPENDITURES	$ -	$ -	$ -	$ -

COMMUNITY ACTION PARTNERSHIP OF KERN

Schedule of Revenue and Expenditures

First 5 Kern – Help Me Grow Agreement No. 2017.2.01

For the Period July 1, 2018 through February 29, 2020

	July 1, 2018 through Feb. 28, 2019	Mar. 1, 2019 through June 30, 2019	TOTAL	July 1, 2019 through Feb. 29, 2020
REVENUE				
State Grant Revenue	$ 41,345	$ 57,855	$ 99,200	$ 106,195
Total Revenue	41,345	57,855	99,200	106,195
EXPENDITURES				
Salaries	30,232	42,391	72,623	76,254
Fringe Benefits	7,774	8,142	15,916	19,678
Administration Cost	3,339	4,009	7,348	7,861
Total Expenditures	41,345	57,855	99,200	106,195
REVENUE OVER/(UNDER) EXPENDITURES	$ -	$ -	$ -	$ -

COMMUNITY ACTION PARTNERSHIP OF KERN

Schedule of Revenue and Expenditures

General Child Care and Development Program

California Department of Education Contract No. CCTR-8049

For the Period July 1, 2018 through June 30, 2019

	July 1, 2018 through Feb. 28, 2019	Mar. 1, 2019 through June 30, 2019	TOTAL
REVENUE			
Federal Grant Revenue	$ 560,107	$ 301,881	$ 861,988
State Grant Revenue	1,321,972	703,940	2,025,912
Other Revenue	8,250	-	8,250
Parent Fees	2,612	1,346	3,958
Total Revenue	1,892,941	1,007,167	2,900,108
EXPENDITURES			
Salaries	1,316,379	701,678	2,018,057
Fringe Benefits	401,997	210,392	612,389
Travel	1,418	643	2,061
Consumable Supplies	178	35	213
Consultant/Contract Services	-	1,148	1,148
Other Costs	1,271	670	1,941
Administration Cost	171,698	92,601	264,299
Total Expenditures	1,892,941	1,007,167	2,900,108
REVENUE OVER/(UNDER) EXPENDITURES	$ -	$ -	$ -

COMMUNITY ACTION PARTNERSHIP OF KERN

Schedule of Revenue and Expenditures

Information and Education Grant No. 16-10206

For the Period July 1, 2018 through June 30, 2019

	July 1, 2018 through Feb. 29, 2019	Mar. 1, 2019 through June 30, 2019	TOTAL
REVENUE			
State Grant Revenue	$ 60,645	$ 16,433	$ 77,078
Total Revenue	60,645	16,433	77,078
EXPENDITURES			
Salaries	40,107	7,971	48,078
Fringe Benefits	10,475	4,411	14,886
Travel	1,774	658	2,432
Consumable Supplies	2,321	50	2,371
Other Costs	161	1,543	1,704
Program Costs	403	306	709
Administration Cost	5,404	1,494	6,898
Total Expenditures	60,645	16,433	77,078
REVENUE OVER/(UNDER) EXPENDITURES	$ -	$ -	$ -

COMMUNITY ACTION PARTNERSHIP OF KERN

Schedule of Revenue and Expenditures

Migrant Alternative Payment

California Department of Education Contract No. CMAP-8000

For the Period July 1, 2018 through June 30, 2019

	July 1, 2018 through Feb. 28, 2019	Mar. 1, 2019 through June 30, 2019	TOTAL
REVENUE			
Federal Grant Revenue	$ 3,135,432	$ 1,831,868	$ 4,967,300
State Grant Revenue	1,765,212	1,031,755	2,796,967
Other	248	-	248
Parent Fees	74,670	44,006	118,676
Total Revenue	4,975,562	2,907,629	7,883,191
EXPENDITURES			
Salaries	410,974	187,451	598,425
Fringe Benefits	78,597	39,965	118,562
Travel	7,681	5,488	13,169
Space Costs	49,881	29,512	79,393
Consumable Supplies	6,044	4,254	10,298
Consultant/Contract Services	576	2,389	2,965
Other Costs	50,764	21,495	72,259
Program Costs	4,146,767	2,356,663	6,503,430
Administration Cost	224,278	260,412	484,690
Total Expenditures	4,975,562	2,907,629	7,883,191
REVENUE OVER/(UNDER) EXPENDITURES	$ -	$ -	$ -

COMMUNITY ACTION PARTNERSHIP OF KERN

Schedule of Revenue and Expenditures

Migrant Child Care

California Department of Education Contract No. CMIG-8004

For the Period July 1, 2018 through June 30, 2019

	July 1, 2018 through Feb. 28, 2019	Mar. 1, 2019 through June 30, 2019	TOTAL
REVENUE			
State Grant Revenue	$ 173,772	$ 80,605	$ 254,377
Parent Fees	308	-	308
Total Revenue	174,080	80,605	254,685
EXPENDITURES			
Salaries	117,963	54,462	172,425
Fringe Benefits	40,094	18,520	58,614
Travel	123	99	222
Consumable Supplies	17	4	21
Consultant/Contract Services	-	99	99
Other Costs	110	93	203
Administration Cost	15,773	7,328	23,101
Total Expenditures	174,080	80,605	254,685
REVENUE OVER/(UNDER) EXPENDITURES	$ -	$ -	$ -

COMMUNITY ACTION PARTNERSHIP OF KERN

Schedule of Revenue and Expenditures

Supplemental Nutrition Assistance Program (CAL FRESH) Grant No. 16-SUB00876

For the Period October 1, 2018 through September 30, 2019

	Oct. 1, 2018 through Feb. 28, 2019	Mar. 1, 2019 through Sept. 30, 2019	TOTAL
REVENUE			
Federal Grant Revenue	$ 19,226	$ 27,591	$ 46,817
Total Revenue	19,226	27,591	46,817
EXPENDITURES			
Salaries	13,905	22,144	36,049
Fringe Benefits	3,573	3,611	7,184
Administration Cost	1,748	1,836	3,584
Total Expenditures	19,226	27,591	46,817
REVENUE OVER/(UNDER) EXPENDITURES	$ -	$ -	$ -

COMMUNITY ACTION PARTNERSHIP OF KERN

Schedule of Revenue and Expenditures

Migrant Child Care – Specialized Services

California Department of Education Contract No. CMSS-8004

For the Period July 1, 2018 through June 30, 2019

	July 1, 2018 through Feb. 28, 2019	Mar. 1, 2019 through June 30, 2019	TOTAL
REVENUE			
State Grant Revenue	$ 251	$ 35,236	$ 35,487
Total Revenue	251	35,236	35,487
EXPENDITURES			
Salaries	-	15,299	15,299
Fringe Benefits	-	3,280	3,280
Consumable Supplies	228	5,015	5,243
Consultant/Contract Services	-	3,500	3,500
Other Costs	-	4,939	4,939
Administration Cost	23	3,203	3,226
Total Expenditures	251	35,236	35,487
REVENUE OVER/(UNDER) EXPENDITURES	$ -	$ -	$ -

COMMUNITY ACTION PARTNERSHIP OF KERN

Schedule of Revenue and Expenditures

Women, Infants & Children (WIC) Grant No. 15-10064

For the Period October 1, 2018 through September 30, 2019

	Oct. 1, 2018 through Feb. 28, 2019	Mar. 1, 2019 through Sept. 30, 2019	TOTAL
REVENUE			
Federal Grant Revenue	$ 1,586,394	$ 2,330,023	$ 3,916,417
Other Revenue	923	6,612	7,535
Total Revenue	1,587,317	2,336,635	3,923,952
EXPENDITURES			
Salaries	967,566	1,314,753	2,282,319
Fringe Benefits	248,451	334,197	582,648
Travel	6,803	26,009	32,812
Space Costs	143,207	223,627	366,834
Consumable Supplies	77,192	199,093	276,285
Other Costs	3,734	16,224	19,958
Program Costs	6,007	15,694	21,701
Depreciation	-	8,580	8,580
Administration Cost	134,357	198,458	332,815
Total Expenditures	1,587,317	2,336,635	3,923,952
REVENUE OVER/(UNDER) EXPENDITURES	$ -	$ -	$ -

COMMUNITY ACTION PARTNERSHIP OF KERN

Schedule of Revenue and Expenditures

Wonderful Foundation – Farmer's Markets

For the Period January 1, 2019 through December 31, 2019

	Jan. 1, 2019 through Feb. 28, 2019	Mar. 1, 2019 through Dec. 31, 2019	TOTAL
REVENUE			
Private Revenue	$ 40,000	$ 40,000	$ 80,000
Deferred Revenue	(40,000)	40,000	-
Total Revenue	-	80,000	80,000
EXPENDITURES			
Salaries	-	5,124	5,124
Fringe Benefits	-	468	468
Travel	-	8,739	8,739
Consumable Supplies	-	1,574	1,574
Raw Food	-	56,966	56,966
Administration Cost	-	7,129	7,129
Total Expenditures	-	80,000	80,000
REVENUE OVER/(UNDER) EXPENDITURES	$ -	$ -	$ -

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

Board of Directors
Community Action Partnership of Kern

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 Community Action Partnership of Kern (the Organization), which comprise the statement of financial position as of February 29, 2020, the related statements of operations, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 19, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 Organization'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.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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*.

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 Organization'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 Organization's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
November 19, 2020

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Community Action Partnership of Kern

Report on Compliance for Each Major Federal Program

We have audited Community Action Partnership of Kern's (the Organization) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended February 29, 2020. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended February 29, 2020.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
November 19, 2020

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR FIRST 5 PROGRAMS AND ON INTERNAL CONTROL OVER COMPLIANCE WITH THE PROGRAM SPECIFIC AUDIT OPTION UNDER THE UNIFORM GUIDANCE

Board of Directors
Community Action Partnership of Kern

Report on Compliance for Each Major Federal Program

We have audited Community Action Partnership of Kern's (the Organization) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the First 5 Kern 211, East Kern Family Resource Center, and Help Me Grow Programs (the Programs) for the year ended February 29, 2020.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to the Programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance of the Organization's Programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above, that could have a direct and material effect on the Programs occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the Programs. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Programs for the year ended February 29, 2020.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on the Programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the Programs 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
November 19, 2020

COMMUNITY ACTION PARTNERSHIP OF KERN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED FEBRUARY 29, 2020

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
• Material weakness identified?	____Yes	X___No
• Significant deficiencies identified that are not considered to be material weaknesses?	____Yes	X___None Reported
Noncompliance material to financial statements noted?	____Yes	X___No

Federal Awards

Internal control over major federal programs:		
• Material weakness identified?	____Yes	X___No
• Significant deficiencies identified that are not considered to be material weaknesses?	____Yes	X___None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance	____Yes	X___No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
93.575/93.596	Child Care and Development Cluster
93.600	Head Start
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children

Dollar threshold used to distinguish between Type A and B programs:	$1,666,796	
Auditee qualified as low-risk auditee?	X___Yes	____No

COMMUNITY ACTION PARTNERSHIP OF KERN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
FOR THE YEAR ENDED FEBRUARY 29, 2020

SECTION II – FINDINGS RELATING TO FINANCIAL STATEMENTS REQUIRED UNDER GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS

None.

SECTION III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

COMMUNITY ACTION PARTNERSHIP OF KERN
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED FEBRUARY 28, 2019

SECTION II – FINDINGS RELATING TO FINANCIAL STATEMENTS REQUIRED UNDER GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS

None.

SECTION III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

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AGREED UPON CONDITIONS REPORT DESIGNED TO INCREASE EFFICIENCY, INTERNAL CONTROLS, AND/OR FINANCIAL REPORTING

Board of Directors
Community Action Partnership of Kern

We have audited the financial statements of the Community Action Partnership of Kern (the Organization) for the year ended February 29, 2020, and have issued our report dated November 19, 2020. In planning and performing our audit of the financial statements of the Organization, we considered its internal control structure over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of 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 Organization's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. We did not identify any deficiencies in internal control that we considered to be material weaknesses.

Current Year Agreed Upon Conditions and Recommendations

None.

Prior Year Agreed Upon Conditions and Recommendations

Agreed Upon Condition 1 – 2019-01

Program Title(s): Low Income Housing Energy Assistance Program (LIHEAP)
CFDA No.: 93.568
Federal Agency(ies): Department of Community Services and Development
Pass-Through: State of California
Federal Award No.: 93.568
Federal Award Year: 2018-2019
Compliance Requirement: Eligibility
Questioned Cost: N/A

Criteria:

Grantees may provide assistance to (a) households in which one or more individuals are receiving Temporary Assistance for Needy Families (TANF), Supplemental Security Income (SSI), Supplemental Nutrition Assistance Program (SNAP) benefits, or certain needs-tested veterans benefits; or (b) households with incomes which do not exceed the greater of 150 percent of the State's established poverty level, or 60 percent of the State median income. Grantees may establish lower income eligibility criteria, but no household may be excluded solely on the basis of income if the household income is less than 110 percent of the State's poverty level. Grantees may give priority to those households with the highest home energy costs or needs in relation to income (42 USC 8624(b)(2)).

Condition:

During our testing of eligibility for the LIHEAP grant, we noted one out of forty samples selected for testing had a personnel file that lacked the proper documents required to determine compliance per the *Audit Program for Federal Award Programs – Compliance Requirements, Section E. Eligibility.*

Cause of the Condition:

Per the *Audit Program for Federal Award Programs*, we would expect the Organization to maintain a proper personnel file for individuals who are receiving federal funding in order to be able to refer to this file at a later date to accurately determine the eligibility of the individual receiving the funds over a period of time.

Effect of the Condition:

A possible effect of this condition is a misappropriation of federal funding as funds would be disbursed to a recipient that does not meet the conditions to receive the federal funding.

Recommendations:

We recommend the Organization strengthen its procedures over the review of participant files in order to determine the correct information necessary for compliance are present.

Management Response and Planned Corrective Action:

This recommendation has already been addressed as staff self-identified the issue prior to the audit review. All new files are controlled and organized in an efficient and logical manner, which not only allow an efficient review by federal monitors, but to ensure that all documentation is accounted for. In addition, recently implemented all files are scanned and saved within the Hancock client management software. The file that was selected was prior to this change in document management and was found not to be complete. Action has already been taken with regards to this recommendation.

Current Year Status:

Implemented.

Agreed Upon Condition 2 – 2019-02

During our inventory count observation, we noted that one of the miscellaneous food items tested was recorded with the incorrect weight. We found that the records had been overstated by 538 pounds.

Recommendations:

We recommend the Organization calibrate the scale and have a reviewer check after donations are received, weighed, and recorded.

Management Response and Planned Corrective Action:

The Organization has changed the procedures at the Food Bank Warehouse. Historically, the process was completed by a single individual. In order to improve internal controls and the reliability of measurement, this procedure will now be completed by two individuals. Both individuals will initial the weights recorded.

Current Year Status:

Implemented.

Agreed Upon Condition 3 – 2019-03

Per our review of the food bank summary schedule, we noted that the Organization was using the prior year calculated pound value rate of $1.73 per pound to calculate the fair market value of the weight of the food bank inventory rather than the current year rate. While onsite, the Organization updated its calculations to use the corrected rate of $1.68 per pound and posted an adjusting journal entry to correct the values.

Recommendations:

We recommend that, going forward, the Organization review the calculations to ensure that the correct rate is used when calculating the fair market value of its food bank inventory.

Management Response and Planned Corrective Action:

Staff at the Food Bank and in Finance have received additional training about the source documentation that is used for the calculated pound value. Standard Operating Procedures have been created for use by both departments.

Current Year Status:

Implemented.

****

This communication is indented solely for the information and use of the Board of Directors and management of the Organization and is not intended to be, and should not be, used by anyone other than these specified parties.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
November 19, 2020

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AGREED UPON CONDITIONS REPORT DESIGNED TO INCREASE EFFICIENCY, INTERNAL CONTROLS, AND/OR INFORMATION TECHNOLOGY

Board of Directors
Community Action Partnership of Kern

In planning and performing our audit of the financial statements, we considered the Community Action Partnership of Kern's (CAPK or the Organization) internal control over information technology (IT) (internal control) as of February 29, 2020, to determine the 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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

However, during our prior year audit we became aware of certain matters that are opportunities for strengthening internal controls and operating efficiency. The list that follows summarizes our comments and suggestions regarding these matters.

We have already discussed many of these comments and suggestions with various Organization personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Current Year Agreed Upon Observations and Recommendations for Information Technology (IT)

None.

Status of Prior Year Agreed Upon Observations and Recommendations for Information Technology (IT)

Financial Systems Observation

1. **Password requirements are not configured to match the requirements specified by the "Passwords Policy" (2019 and 2018).** During our examination of the password requirement settings within the in-scope systems, it was noted that certain configured settings do not meet or exceed the requirements specified by CAPK's "Passwords Policy." Furthermore, given that there were no separate passwords for the Abila MIP application during the audit period, as its authentication was integrated with Active Directory, such that an employee's CIT Active Directory domain user account and password were used as their credentials for Abila MIP, and given that the password requirements for CIT Active Directory domain user accounts were determined by the capk.org Active Directory Default Domain Policy during the audit period, the discrepancies configured within the Policy extended to Abila MIP during the audit period as well. The following discrepancies were noted:

Requirement Description	Passwords Policy	capk.org Active Directory Default Domain Policy Setting
Minimum Password Length	8 characters	8 characters
Password Expires (aging)	90 days	180 days
Minimum Password Age	10 days	0 days
Complex Passwords	At least 1 upper case letter, 1 lower case letter, 1 number, and 1 special character	Complexity requirements enabled
Password History (# of passwords that cannot be reused)	Last 10 passwords cannot be re-used	24 passwords remembered
Account Lockout After X Number of Failed Attempts	5 invalid login attempts	16 invalid logon attempts
Duration of Account Lockout	30 minutes	30 minutes

Recommendation

It is recommended that CAPK examine and revise where appropriate the password requirement settings within the Active Directory Default Domain Policy to ensure that strong password requirements have been implemented.

Management Response

Staff acknowledges the misalignment of the Active Directory domain policy and the Password Policy. The two will be adjusted to ensure strong password requirements.

Current Year Status

CAPK implemented a new policy on February 26, 2020. The new policy aligns with the password settings, as such this matter was resolved.

Business Process Improvement Observations (IT Controls Only)

2. **Lack of backup files.** During our IT review, the IT department was unable to provide us backups of logs for our testing. The IT department stated that it does not have access to any type of files on the servers that were hosted by Diamond IT due to the termination of the contract with Diamond IT. Due to this, we were unable to test that the backups were functioning properly. There is also the associated risk that CAPK is unable to restore data if needed.

   Recommendation

   We recommend that the IT department attempt to obtain their data, and going forward ensure that their service provider contract include language stating that they have ownership to their data. In addition, we recommend that someone periodically test a sample of backups to ensure they are functioning correctly. Lastly, we recommend that the new procedures be codified in an updated written policy.

   Management Response

   Staff acknowledges the recommendation and has a backup system in place now. Staff are also researching an alternative and will establish written policy.

Current Year Status

During our testing we were able to view a sample of backups for current year.

****

This information is intended solely for the use of the Board of Directors and management of the Organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
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Bakersfield, California
November 19, 2020

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The Board of Directors
Community Action Partnership of Kern
Bakersfield, California

We have audited the special purpose financial statements of Community Action Partnership of Kern (the Organization) for the year ended June 30, 2020, and have issued our report thereon dated December 2, 2020. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards,* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 25, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices
Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 1 to the financial statements. In the current year, there were no new standards implemented. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. There are no significant accounting estimates reflected in the Organization's June 30, 2020 special purpose financial statements.

The special purpose financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit
We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements
Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no such misstatements.

Disagreements with Management
For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations
We have requested certain representations from management that are included in the management representation letter dated December 2, 2020.

Management Consultations with Other Independent Accountants
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Organization’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

****

This information is intended solely for the use of Board of Directors of the Organization and is not intended to be, and should not be, used by anyone other than this specified party.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 2, 2020

COMMUNITY ACTION PARTNERSHIP OF KERN

SPECIAL PURPOSE FINANCIAL STATEMENTS

JUNE 30, 2020

COMMUNITY ACTION PARTNERSHIP OF KERN
SPECIAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2020

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BROWN ARMSTRONG
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Community Action Partnership of Kern
Bakersfield, California

Report on the Financial Statements

We have audited the accompanying special purpose financial statements of Community Action Partnership of Kern (the Organization) for the year ended June 30, 2020, and the related notes to the special purpose financial statements, which comprise the Organization's special purpose financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these special purpose financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these special purpose financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special purpose financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special purpose financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the special purpose financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the special purpose financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the special purpose financial statements of the California Department of Education funds of the Organization for the year ended June 30, 2020, in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2020, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 2, 2020

COMMUNITY ACTION PARTNERSHIP OF KERN
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE PERIOD JULY 1, 2019 THROUGH JUNE 30, 2020

Pass-Through Grantor Program Title	State Number / Grantor Number	Amount
STATE:		
State of California - Department of Education		
General Child Care and Development Programs	CCTR - 9050	$ 3,689,408
California State Preschool Programs	CSPP - 9121	5,334,630
Migrant Child Care	CMIG - 9004	190,502
Migrant Specialized Services	CMSS - 9004	39,399
Migrant Alternative Payment	CMAP - 9000	9,747,560
Child and Adult Care Food	15-1248-OJ	1,240,982
Quality Rating And Improvement System Block Grant	N/A	32,126
		$ 20,274,607

Basis of Presentation

The accompanying Schedule of Expenditures of State Awards includes the state grant activity of the Organization and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of U.S. Office of Management and Budget (OMB) Uniform Guidance, 2 CFR Part 200, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.” The Organization has elected to use the 10% de minimis indirect cost rate in the fiscal year 2020.

COMMUNITY ACTION PARTNERSHIP OF KERN
GENERAL CHILD CARE AND DEVELOPMENT PROGRAMS
CALIFORNIA DEPARTMENT OF EDUCATION CONTRACT NO. CCTR-9050
SCHEDULE OF REVENUE AND EXPENDITURES
FOR THE PERIOD JULY 1, 2019 THROUGH JUNE 30, 2020

	July 1, 2019 through Feb. 29, 2020	Mar. 1, 2020 through June 30, 2020	TOTAL
REVENUE			
Federal Grant Revenue	$ 479,691	$ 323,272	$ 802,963
State Grant Revenue	1,456,109	981,443	2,437,552
Family Fees	498	26	524
Head Start	434,317	14,052	448,369
Total Revenue	2,370,615	1,318,793	3,689,408
EXPENDITURES			
Salaries	1,650,001	934,035	2,584,036
Fringe Benefits	538,706	263,480	802,186
Consultant/Contract Services	-	952	952
Travel	1,757	-	1,757
Space Costs	-	-	-
Consumable Supplies	142	445	587
Other Costs	3,984	1,270	5,254
Indirect Costs	176,025	118,611	294,636
Total Expenditures	2,370,615	1,318,793	3,689,408
REVENUE OVER/(UNDER) EXPENDITURES	$ -	$ -	$ -

See Notes to Special Purpose Financial Statements.

COMMUNITY ACTION PARTNERSHIP OF KERN
CALIFORNIA STATE PRESCHOOL PROGRAMS
CALIFORNIA DEPARTMENT OF EDUCATION CONTRACT NO. CSPP-9121
SCHEDULE OF REVENUE AND EXPENDITURES
FOR THE PERIOD JULY 1, 2019 THROUGH JUNE 30, 2020

	July 1, 2019 through Feb. 29, 2020	Mar. 1, 2020 through June 30, 2020	TOTAL
REVENUE			
Federal Grant Revenue	$ -	$ -	$ -
State Grant Revenue	2,398,879	1,968,818	4,367,697
Family Fees	2,662	135	2,797
Head Start	953,701	10,435	964,136
Total Revenue	3,355,242	1,979,388	5,334,630
EXPENDITURES			
Salaries	2,320,129	1,335,047	3,655,176
Fringe Benefits	787,421	452,269	1,239,690
Consultant/Contract Services	-	-	-
Travel	7,305	-	7,305
Space Costs	-	-	-
Consumable Supplies	7,266	1,869	9,135
Other Costs	14,809	11,215	26,024
Depreciation	-	-	-
Indirect Costs	218,312	178,988	397,300
Start Up Costs	-	-	-
Total Expenditures	3,355,242	1,979,388	5,334,630
REVENUE OVER/(UNDER) EXPENDITURES	$ -	$ -	$ -

COMMUNITY ACTION PARTNERSHIP OF KERN
MIGRANT CHILD CARE
CALIFORNIA DEPARTMENT OF EDUCATION CONTRACT NO. CMIG-9004
SCHEDULE OF REVENUE AND EXPENDITURES
FOR THE PERIOD JULY 1, 2019 THROUGH JUNE 30, 2020

	July 1, 2019 through Feb. 29, 2020	Mar. 1, 2020 through June 30, 2020	TOTAL
REVENUE			
State Grant Revenue	$ 79,365	$ 110,985	$ 190,350
Miscelleous Revenue	-	-	-
Family Fees	-	152	152
Head Start	-	-	-
Total Revenue	79,365	111,137	190,502
EXPENDITURES			
Salaries	53,244	75,094	128,338
Fringe Benefits	17,982	25,563	43,545
Consultant/Contract Services	-	-	-
Travel	184	-	184
Space Costs	-	-	-
Consumable Supplies	30	53	83
Other Costs	711	324	1,035
Indirect Costs	7,214	10,103	17,317
Total Expenditures	79,365	111,137	190,502
REVENUE OVER/(UNDER) EXPENDITURES	$ -	$ -	$ -

See Notes to Special Purpose Financial Statements.

COMMUNITY ACTION PARTNERSHIP OF KERN
MIGRANT SPECIALIZED SERVICES
CALIFORNIA DEPARTMENT OF EDUCATION CONTRACT NO. CMSS-9004
SCHEDULE OF REVENUE AND EXPENDITURES
FOR THE PERIOD JULY 1, 2019 THROUGH JUNE 30, 2020

	July 1, 2019 through Feb. 29, 2020	Mar. 1, 2020 through June 30, 2020	TOTAL
REVENUE			
State Grant Revenue	$ 18,828	$ 20,571	$ 39,399
Total Revenue	18,828	20,571	39,399
EXPENDITURES			
Salaries	9,987	16,419	26,406
Fringe Benefits	7,119	2,283	9,402
Consultant/Contract Services	-	-	-
Travel	-	-	-
Space Costs	-	-	-
Consumable Supplies	-	-	-
Other Costs	-	-	-
Indirect Costs	1,722	1,869	3,591
Total Expenditures	18,828	20,571	39,399
REVENUE OVER/(UNDER) EXPENDITURES	$ -	$ -	$ -

See Notes to Special Purpose Financial Statements.

COMMUNITY ACTION PARTNERSHIP OF KERN
MIGRANT ALTERNATIVE PAYMENT
CALIFORNIA DEPARTMENT OF EDUCATION CONTRACT NO. CMAP-9000
SCHEDULE OF REVENUE AND EXPENDITURES
FOR THE PERIOD JULY 1, 2019 THROUGH JUNE 30, 2020

	July 1, 2019 through Feb. 29, 2020	Mar. 1, 2020 through June 30, 2020	TOTAL
REVENUE			
Federal Grant Revenue	$ 3,460,370	$ 1,950,630	$ 5,411,000
State Grant Revenue	2,925,255	1,313,568	4,238,823
Family Fees	85,460	12,277	97,737
Total Revenue	6,471,085	3,276,475	9,747,560
EXPENDITURES			
Salaries	446,097	176,011	622,108
Fringe Benefits	88,310	38,315	126,625
Consultant/Contract Services	4,947	1,777	6,724
Travel	6,092	323	6,415
Space Costs	57,530	29,506	87,036
Consumable Supplies	6,196	5,656	11,852
Other Costs	43,758	22,362	66,120
Program Costs	5,494,608	2,707,455	8,202,063
Indirect Costs	323,547	295,070	618,617
Total Expenditures	6,471,085	3,276,475	9,747,560
REVENUE OVER/(UNDER) EXPENDITURES	$ -	$ -	$ -

See Notes to Special Purpose Financial Statements.

COMMUNITY ACTION PARTNERSHIP OF KERN
CHILD AND ADULT CARE FOOD
CALIFORNIA DEPARTMENT OF EDUCATION CONTRACT NO. 15-1248-OJ
SCHEDULE OF REVENUE AND EXPENDITURES
FOR THE PERIOD JULY 1, 2019 THROUGH JUNE 30, 2020

	July 1, 2019 through Feb. 28, 2020	Mar. 1, 2020 through June 30, 2020	TOTAL
REVENUE			
Federal Grant Revenue	$ 975,155	$ 265,827	$ 1,240,982
Head Start	-	-	-
Other Revenue	-	-	-
Total Revenue	975,155	265,827	1,240,982
EXPENDITURES			
Salaries	436,117	205,793	641,910
Fringe Benefits	147,518	61,384	208,902
Consultant/Contract Services	-		-
Travel	19,537	2,733	22,270
Space Costs	87,322	36,979	124,301
Consumable Supplies	75,766	22,149	97,915
Other Costs	53,927	17,947	71,874
Program Costs	65,730	(105,105)	(39,375)
Depreciation	1,058	-	1,058
Indirect Costs	88,180	23,947	112,127
Total Expenditures	975,155	265,827	1,240,982
REVENUE OVER/(UNDER) EXPENDITURES	$ -	$ -	$ -

See Notes to Special Purpose Financial Statements.

COMMUNITY ACTION PARTNERSHIP OF KERN
QUALITY RATING AND IMPROVEMENT SYSTEM BLOCK GRANT
SCHEDULE OF REVENUE AND EXPENDITURES
FOR THE PERIOD JULY 1, 2019 THROUGH JUNE 30, 2020

	July 1, 2019 through Feb. 29, 2020	Mar. 1, 2020 through June 30, 2020	TOTAL
REVENUE			
State Grant Revenue	$ 17,359	$ 14,767	$ 32,126
Total Revenue	17,359	14,767	32,126
EXPENDITURES			
Salaries	-	-	-
Fringe Benefits	-	-	-
Consultant/Contract Services	4,475	13,425	17,900
Travel	-	-	-
Space Costs	-	-	-
Consumable Supplies	11,713	-	11,713
Other Costs	-	-	-
Indirect Costs	1,171	1,342	2,513
Total Expenditures	17,359	14,767	32,126
REVENUE OVER/(UNDER) EXPENDITURES	$ -	$ -	$ -

See Notes to Special Purpose Financial Statements.

COMMUNITY ACTION PARTNERSHIP OF KERN
COMBINING SCHEDULE OF EXPENDITURES BY STATE CATEGORIES
FOR THE PERIOD JULY 1, 2019 THROUGH JUNE 30, 2020

	GENERAL CHILD CARE CCTR - 9050	STATE PRESCHOOL CSPP - 9121	MIGRANT CHILD CARE CMIG - 9004	MIGRANT SPECIALIZED SERVICES CMSS - 9004	MIGRANT ALTERNATIVE PAYMENT CMAP - 9000	TOTAL REIMBURSABLE
1000 CERTIFICATED SALARIES	$ 1,864,558	$ 2,607,439	$ 91,628	$ 20,765	$ -	$ 4,584,390
1100 TEACHERS' SALARIES	1,856,601	2,564,565	89,644	20,765	-	4,531,575
1300 CERTIFICATED SUPERVISORS' & ADMINISTRATORS' SALARIES	7,957	42,874	1,984	-	-	52,815
2000 CLASSIFIED SALARIES	719,478	1,047,737	36,710	5,641	622,108	2,431,674
2100 INSTRUCTIONAL AIDES' SALARIES	697,874	803,436	25,768	5,641	18,616	1,551,335
2300 CLASSIFIED SUPERVISORS' & ADMINISTRATORS' SALARIES	13,953	96,387	4,399	-	-	114,739
2400 CLERICAL, TECHNICAL, & OFFICE STAFF SALARIES	7,651	147,914	6,543	-	603,492	765,600
3000 EMPLOYEE BENEFITS	802,186	1,239,690	43,545	9,402	126,625	2,221,448
3301 OASDI/MEDICARE/ALTERNATIVE CERTIFICATED	93,462	868,047	30,537	1,483	-	993,529
3302 OASDI/MEDICARE/ALTERNATIVE CLASSIFIED	36,064	348,804	12,234	403	46,477	443,982
3401 HEALTH AND WELFARE BENEFITS CERTIFICATED	366,817	14,443	489	5,278	-	387,027
3402 HEALTH AND WELFARE BENEFITS CLASSIFIED	141,544	5,803	197	1,434	68,334	217,312
3501 STATE UNEMPLOYMENT INSURANCE CERTIFICATED	24,504	439	15	101	-	25,059
3502 STATE UNEMPLOYMENT INSURANCE CLASSIFIED	9,456	176	6	28	8,164	17,830
3601 WORKERS' COMPENSATION INSURANCE CERTIFICATED	94,048	1,411	48	531	-	96,038
3602 WORKERS' COMPENSATION INSURANCE CLASSIFIED	36,291	567	19	144	3,650	40,671
4000 BOOKS AND SUPPLIES	587	9,135	83	-	18,093	27,898
4300 MATERIALS & SUPPLIES	587	9,135	83	-	18,093	27,898
5000 SERVICES AND OTHER OPERATING EXPENSES	7,963	33,329	1,219	-	8,362,117	8,404,628
5200 TRAVEL AND CONFERENCES	1,757	7,305	184	-	6,414	15,660
5300 DUES AND MEMBERSHIPS	1,653	-	-	-	5,850	7,503
5400 INSURANCE	-	39	3	-	10,146	10,188
5500 OPERATIONS AND HOUSEKEEPING SERVICES	667	1,255	476	-	16,252	18,650
5600 RENTALS, LEASES, REPAIRS & NONCAPITALIZED IMPROVEMENTS	-	2,094	156	-	99,702	101,952
5800 PROFESSIONAL/CONSULTING SVCS & OPERATING EXPENDITURES	3,621	21,289	300	-	8,202,368	8,227,578
5900 COMMUNICATIONS	265	1,347	100	-	21,385	23,097
Start Up Costs	-	-	-	-	-	-
Start Up Costs	-	-	-	-	-	-
INDIRECT COSTS	294,636	397,300	17,317	3,591	618,617	1,331,461
TOTAL	$ 3,689,408	$ 5,334,630	$ 190,502	$ 39,399	$ 9,747,560	$ 19,001,499

We have examined the claims filed for reimbursement and the original supporting records covering the transactions under these contracts to an extent considered necessary to assure ourselves that the amounts claimed by the Organization were proper.

See Notes to Special Purpose Financial Statements.

COMMUNITY ACTION PARTNERSHIP OF KERN
COMBINING SCHEDULE OF ADMINISTRATIVE COSTS
FOR THE PERIOD JULY 1, 2019 THROUGH JUNE 30, 2020

	GENERAL CHILD CARE CCTR - 9050	STATE PRESCHOOL CSPP - 9121	MIGRANT CHILD CARE CMIG - 9004	MIGRANT SPECIALIZED SERVICES CMSS - 9004	MIGRANT ALTERNATIVE PAYMENT CMAP - 9000	Total Costs
CLERICAL, TECHNICAL, AND OFFICE STAFF SALARIES	$ 11,013	$ 102,504	$ 6,011	$ -	$ 449,097	$ 568,625
EMPLOYEE BENEFITS	3,820	54,007	1,879	-	92,186	151,892
MATERIALS AND SUPPLIES	587	2,363	61	-	10,015	13,026
TRAVEL AND CONFERENCES	1,596	6,635	168	-	4,763	13,162
DUES AND MEMBERSHIPS	-	-	-	-	6,083	6,083
INSURANCE	8	32	1	-	7,903	7,944
OPERATIONS AND HOUSEKEEPING SERVICES	249	10,854	417	-	11,555	23,075
RENTALS, LEASES, REPAIRS AND NONCAPITALIZED IMPROVEMENTS	406	1,700	55	-	71,948	74,109
PROFESSIONAL/CONSULTING SERVICES AND OPERATING EXPENDITURES	5,272	11,449	300	-	5,056	22,077
COMMUNICATIONS	265	1,089	35	-	15,504	16,893
INDIRECT COSTS	294,636	397,300	17,317	3,591	618,617	1,331,461
TOTAL ADMINISTRATIVE COSTS	$ 317,852	$ 587,933	$ 26,244	$ 3,591	$ 1,292,727	$ 2,228,347

COMMUNITY ACTION PARTNERSHIP OF KERN
COMBINING SCHEDULE OF RENOVATION AND REPAIR EXPENDITURES
FOR THE PERIOD JULY 1, 2019 THROUGH JUNE 30, 2020

	GENERAL CHILD CARE CCTR - 9050	STATE PRESCHOOL CSPP - 9121	MIGRANT CHILD CARE CMIG - 9004	MIGRANT SPECIALIZED SERVICES CMSS - 9004	MIGRANT ALTERNATIVE PAYMENT CMAP - 9000	Total Costs
Unit Costs Under $10,000 Items:	$ -	$ -	$ -	$ -	$ -	$ -
Unit Costs Over $10,000 Items With CDD Approval:	-	-	-	-	-	-
Unit Costs Over $10,000 Items Without CDD Approval:	-	-	-	-	-	-
Total Renovation and Repair Expenditures	$ -	$ -	$ -	$ -	$ -	$ -

See Notes to Special Purpose Financial Statements.

COMMUNITY ACTION PARTNERSHIP OF KERN
COMBINING SCHEDULE OF EQUIPMENT EXPENDITURES
FOR THE PERIOD JULY 1, 2019 THROUGH JUNE 30, 2020

	GENERAL CHILD CARE CCTR - 9050	STATE PRESCHOOL CSPP - 9121	MIGRANT CHILD CARE CMIG - 9004	MIGRANT SPECIALIZED SERVICES CMSS - 9004	MIGRANT ALTERNATIVE PAYMENT CMAP - 9000	Total Costs
Unit Costs Under $7,500 Items:	$ -	$ -	$ -	$ -	$ -	$ -
Unit Costs Over $7,500 Items With CDD Approval:	-	-	-	-	-	-
Unit Costs Over $7,500 Items Without CDD Approval:	-	-	-	-	-	-
Total Equipment Expenditures	$ -	$ -	$ -	$ -	$ -	$ -

See Notes to Special Purpose Financial Statements.

COMMUNITY ACTION PARTNERSHIP OF KERN
CHILD AND ADULT CARE FOOD PROGRAM
SCHEDULE OF REPORTED, ADJUSTED, AND ALLOWED MEALS AND EARNED REIMBURSEMENT
FOR THE PERIOD JULY 1, 2019 THROUGH JUNE 30, 2020

FIXED PERCENTAGE METHOD

Federal Meal Compensation	Reported	Meals Adjusted	Allowed	Food Service Rates July 2019 to June 2020	Revenue Recognized	Audit Adjustments	Earned Reimbursements
Breakfast							
Free	181,116	-	181,116	$1.84	$ 333,253	$ -	$ 333,253
Reduced	-	-	-	$1.54	-	-	-
Base	-	-	-	$0.31	-	-	-
Total	181,116	-	181,116		$ 333,253	$ -	$ 333,253
Lunch							
Free	213,384	-	213,384	$3.41	$ 727,639	$ -	$ 727,639
Reduced	-	-	-	$3.01	-	-	-
Base	-	-	-	$0.32	-	-	-
Total	213,384	-	213,384		$ 727,639	$ -	$ 727,639
HS Snack							
Free	51,693	-	51,693	$0.94	$ 48,592	$ -	$ 48,592
Reduced	-	-	-	$0.47	-	-	-
Base	-	-	-	$0.08	-	-	-
Total	51,693	-	51,693		$ 48,592	$ -	$ 48,592
State Snack							
Free	85,978	-	85,978	$0.94	$ 80,819	$ -	$ 80,819
Reduced	-	-	-	$0.47	-	-	-
Base	-	-	-	$0.08	-	-	-
Total	85,978	-	85,978		$ 80,819	$ -	$ 80,819
Total Rate X Meals	532,171	-	532,171		$ 1,190,303	$ -	$ 1,190,303
Cash-in-Lieu	213,384	-	213,384	$0.2375	$ 50,679	$ -	$ 50,679
Total Federal Reimbursement					$ 1,240,982	$ -	$ 1,240,982

See Notes to Special Purpose Financial Statements.

COMMUNITY ACTION PARTNERSHIP OF KERN
CHILD AND ADULT CARE FOOD PROGRAM
SCHEDULE OF REPORTED, ADJUSTED, AND ALLOWED MEALS
FOR THE PERIOD JULY 1, 2019 THROUGH JUNE 30, 2020

FIXED PERCENTAGE METHOD

	Reported	Adjusted	Allowed	Reported	Adjusted	Allowed	Reported	Adjusted	Allowed
	July 1, 2019 to July 31, 2019			August 1, 2019 to August 31, 2019			September 1, 2019 to September 30, 2019		
Breakfast									
Free	5,500	-	5,500	13,882	-	13,882	21,452	-	21,452
Reduced	-	-	-	-	-	-	-	-	-
Base	-	-	-	-	-	-	-	-	-
Total	5,500	-	5,500	13,882	-	13,882	21,452	-	21,452
Lunch									
Free	5,785	-	5,785	15,412	-	15,412	24,888	-	24,888
Reduced	-	-	-	-	-	-	-	-	-
Base	-	-	-	-	-	-	-	-	-
Total	5,785	-	5,785	15,412	-	15,412	24,888	-	24,888
HS Snack									
Free	1,455	-	1,455	3,620	-	3,620	5,451	-	5,451
Reduced	-	-	-	-	-	-	-	-	-
Base	-	-	-	-	-	-	-	-	-
Total	1,455	-	1,455	3,620	-	3,620	5,451	-	5,451
State Snack									
Free	3,492	-	3,492	8,346	-	8,346	13,099	-	13,099
Reduced	-	-	-	-	-	-	-	-	-
Base	-	-	-	-	-	-	-	-	-
Total	3,492	-	3,492	8,346	-	8,346	13,099	-	13,099

See Notes to Special Purpose Financial Statements.

COMMUNITY ACTION PARTNERSHIP OF KERN
CHILD AND ADULT CARE FOOD PROGRAM
SCHEDULE OF REPORTED, ADJUSTED, AND ALLOWED MEALS (Continued)
FOR THE PERIOD JULY 1, 2019 THROUGH JUNE 30, 2020

FIXED PERCENTAGE METHOD

	Reported	Adjusted	Allowed	Reported	Adjusted	Allowed	Reported	Adjusted	Allowed
	October 1, 2019 to October 31, 2019			November 1, 2019 to November 30, 2019			December 1, 2019 to December 31, 2019		
Breakfast									
Free	25,228	-	25,228	18,150	-	18,150	16,232	-	16,232
Reduced	-	-	-	-	-	-	-	-	-
Base	-	-	-	-	-	-	-	-	-
Total	25,228	-	25,228	18,150	-	18,150	16,232	-	16,232
Lunch									
Free	29,662	-	29,662	21,428	-	21,428	28,546	-	28,546
Reduced	-	-	-	-	-	-	-	-	-
Base	-	-	-	-	-	-	-	-	-
Total	29,662	-	29,662	21,428	-	21,428	28,546	-	28,546
HS Snack									
Free	6,422	-	6,422	4,800	-	4,800	4,177	-	4,177
Reduced	-	-	-	-	-	-	-	-	-
Base	-	-	-	-	-	-	-	-	-
Total	6,422	-	6,422	4,800	-	4,800	4,177	-	4,177
State Snack									
Free	-	-	-	10,831	-	10,831	-	-	-
Reduced	-	-	-	-	-	-	-	-	-
Base	-	-	-	-	-	-	-	-	-
Total	-	-	-	10,831	-	10,831	-	-	-

See Notes to Special Purpose Financial Statements.

COMMUNITY ACTION PARTNERSHIP OF KERN
CHILD AND ADULT CARE FOOD PROGRAM
SCHEDULE OF REPORTED, ADJUSTED, AND ALLOWED MEALS (Continued)
FOR THE PERIOD JULY 1, 2019 THROUGH JUNE 30, 2020

FIXED PERCENTAGE METHOD

	Reported	Adjusted	Allowed	Reported	Adjusted	Allowed	Reported	Adjusted	Allowed
	January 1, 2020 to January 31, 2020			**February 1, 2020 to February 28, 2020**			**March 1, 2020 to March 31, 2020**		
Breakfast									
Free	20,194	-	20,194	19,111	-	19,111	11,275	-	11,275
Reduced	-	-	-	-	-	-	-	-	-
Base	-	-	-	-	-	-	-	-	-
Total	20,194	-	20,194	19,111	-	19,111	11,275	-	11,275
Lunch									
Free	23,859	-	23,859	22,538	-	22,538	13,240	-	13,240
Reduced	-	-	-	-	-	-	-	-	-
Base	-	-	-	-	-	-	-	-	-
Total	23,859	-	23,859	22,538	-	22,538	13,240	-	13,240
HS Snack									
Free	6,684	-	6,684	4,822	-	4,822	2,758	-	2,758
Reduced	-	-	-	-	-	-	-	-	-
Base	-	-	-	-	-	-	-	-	-
Total	6,684	-	6,684	4,822	-	4,822	2,758	-	2,758
State Snack									
Free	10,894	-	10,894	11,882	-	11,882	6,951	-	6,951
Reduced	-	-	-	-	-	-	-	-	-
Base	-	-	-	-	-	-	-	-	-
Total	10,894	-	10,894	11,882	-	11,882	6,951	-	6,951

See Notes to Special Purpose Financial Statements.

COMMUNITY ACTION PARTNERSHIP OF KERN
CHILD AND ADULT CARE FOOD PROGRAM
SCHEDULE OF REPORTED, ADJUSTED, AND ALLOWED MEALS (Continued)
FOR THE PERIOD JULY 1, 2019 THROUGH JUNE 30, 2020

FIXED PERCENTAGE METHOD

	Reported	Adjusted	Allowed	Reported	Adjusted	Allowed	Reported	Adjusted	Allowed
	April 1, 2020 to April 30, 2020			May 1, 2020 to May 31, 2020			June 1, 2020 to June 30, 2020		
Breakfast									
Free	9,870	-	9,870	13,166	-	13,166	7,056	-	7,056
Reduced	-	-	-	-	-	-	-	-	-
Base	-	-	-	-	-	-	-	-	-
Total	9,870	-	9,870	13,166	-	13,166	7,056	-	7,056
Lunch									
Free	7,655	-	7,655	13,166	-	13,166	7,205	-	7,205
Reduced	-	-	-	-	-	-	-	-	-
Base	-	-	-	-	-	-	-	-	-
Total	7,655	-	7,655	13,166	-	13,166	7,205	-	7,205
HS Snack									
Free	4,388	-	4,388	5,114	-	5,114	2,002	-	2,002
Reduced	-	-	-	-	-	-	-	-	-
Base	-	-	-	-	-	-	-	-	-
Total	4,388	-	4,388	5,114	-	5,114	2,002	-	2,002
State Snack									
Free	7,699	-	7,699	8,052	-	8,052	4,732	-	4,732
Reduced	-	-	-	-	-	-	-	-	-
Base	-	-	-	-	-	-	-	-	-
Total	7,699	-	7,699	8,052	-	8,052	4,732	-	4,732

COMMUNITY ACTION PARTNERSHIP OF KERN
CHILD AND ADULT CARE FOOD PROGRAM – CHILD CARE CENTERS
SCHEDULE OF REPORTED, ADJUSTED, AND ALLOWED ENROLLMENT
FOR THE PERIOD JULY 1, 2019 THROUGH JUNE 30, 2020

FIXED PERCENTAGE METHOD

Enrollment	July	August	September	October	November	December	January	February	March	April	May	June
Total												
Reported	707	1,718	2,014	2,038	2,016	2,016	2,038	2,025	1,873	1,998	2,017	633
Adjusted	2,974	1,963	1,667	1,643	1,665	1,665	1,643	1,656	1,808	1,683	1,664	3,048
Allowed	3,681	3,681	3,681	3,681	3,681	3,681	3,681	3,681	3,681	3,681	3,681	3,681
Free												
Reported	707	1,718	2,014	2,038	2,016	2,016	2,038	2,025	1,873	1,998	2,017	633
Adjusted	2,974	1,963	1,667	1,643	1,665	1,665	1,643	1,656	1,808	1,683	1,664	3,048
Allowed	3,681	3,681	3,681	3,681	3,681	3,681	3,681	3,681	3,681	3,681	3,681	3,681
Reduced												
Reported	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted	-	-	-	-	-	-	-	-	-	-	-	-
Allowed	-	-	-	-	-	-	-	-	-	-	-	-
Base												
Reported	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted	-	-	-	-	-	-	-	-	-	-	-	-
Allowed	-	-	-	-	-	-	-	-	-	-	-	-

See Notes to Special Purpose Financial Statements.

COMMUNITY ACTION PARTNERSHIP OF KERN
RECONCILIATION OF SINGLE AUDIT TO PROGRAM AUDIT
PERIODS ENDED FEBRUARY 28, 2020, AND JUNE 30, 2020

	Single Audit 2/29/2020	Less: 03/01/19 thru 06/30/19 and Eliminations *	3/1/2020 Thru 6/30/2020	Program Audit 6/30/2020
ASSETS				
Current Assets				
Cash - Unrestricted	$ 4,294,174	$ (3,705,513)	$ (167,528)	$ 421,133
Cash - Restricted	-	5	-	5
Grants and contracts receivable	4,795,724	(4,326,588)	865,435	1,334,571
Inventory	1,419,797	(1,419,797)	-	-
Prepaid expenses	442,824	(403,897)	11,212	50,139
Total current assets	10,952,519	(9,855,790)	709,119	1,805,848
Noncurrent Assets				
Property and equipment	10,435,484	(10,435,484)	-	-
Total assets	$ 21,388,003	$ (20,291,274)	$ 709,119	$ 1,805,848
LIABILITIES AND NET ASSETS				
Current liabilities				
Notes payable	$ -	$ -	$ -	$ -
Current maturities of long-term debt	379,602	(365,136)	-	14,466
Accounts payable	2,796,053	(1,825,437)	338,923	1,309,539
Accrued expenses	1,948,895	(1,822,787)	70,281	196,389
Advances payable	2,913	(2,913)	299,915	299,915
Deferred revenue	1,556,313	(1,556,313)	-	-
Total current liabilities	6,683,776	(5,572,586)	709,119	1,820,309
Noncurrent Liabilities				
Long-term debt, less current maturities	1,473,202	(1,502,335)	14,667	(14,466)
Total liabilities	8,156,978	(7,074,921)	723,786	1,805,843
Net Position:				
Temporarily restricted	63,819	(63,819)	-	-
Unrestricted	13,167,206	(13,167,201)	-	5
Total net position	13,231,025	(13,231,020)	-	5
Total liabilities and net position	$ 21,388,003	$ (20,305,941)	$ 723,786	$ 1,805,848
SUPPORT AND REVENUE				
Program Revenues				
Federal grants	$ 55,559,866	$ (49,256,632)	$ 2,564,217	$ 8,867,451
State grants	12,699,518	(5,803,724)	4,410,154	11,305,948
Local grants	441,905	(441,905)	-	-
Public Support				
Contributions in-kind	190,735	(190,735)	-	-
Donations				
Food	27,955,981	(27,955,981)	-	-
Cash	191,712	(191,712)	-	-
Gain on Sale of Assets	9,548	(9,548)	-	-
Other	1,825,828	(1,737,209)	12,590	101,209
Total support and revenue	98,875,093	(85,587,446)	6,986,961	20,274,608
EXPENDITURES	98,126,731	(84,839,084)	6,986,961	20,274,608
EXCESS SUPPORT AND REVENUE OVER (UNDER) EXPENDITURES	$ 748,362	$ (748,362)	$ -	$ -

* Eliminations are non-California Department of Education programs.

See Notes to Special Purpose Financial Statements.

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities: Community Action Partnership of Kern (the Organization) is a non-profit organization which has been designated as the Community Action Agency of Kern County (the County). The purpose of this organization is to mobilize and utilize public and private resources of the urban and rural communities in the County of Kern to combat poverty through community action programs.

These special purpose financial statements represent only specific information for the year ended June 30, 2020, and they are not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America. The general purpose financial statements for the Organization for the year ended February 29, 2020, were prepared in conformity with accounting principles generally accepted in the United States of America. A copy can be obtained by contacting the Organization.

The Schedules of Revenue and Expenditures presented on pages 4 - 10 represent the program activity for each state grant for the year ended June 30, 2020. They are intended to assist the California Department of Education in reconciling to the Organization's fiscal year ended February 29, 2020.

The special purpose financial statements presented herein on pages 11 - 20 and 25 - 63 were prepared specifically to comply with California Department of Education reporting requirements at each program level, using the fiscal year of the state.

A summary of the Organization's significant accounting policies follows:

Basis of Presentation: The accompanying Schedule of Expenditures of State Awards includes the state grant activity of the Organization and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of U.S. Office of Management and Budget (OMB) Uniform Guidance, 2 CFR Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards."

Property: Property purchased with California Department of Education contract funds during the fiscal year 2019-2020 has been separately accounted for in the property management system.

Claim Preparation: Due to the provisions in the Improving Head Start for School Readiness Act of 2007 (Public Law 110-134) (Head Start), any child enrolled in Head Start is now automatically eligible for free meals provided by the United States Department of Agriculture (USDA) National School Breakfast Program, National School Lunch Program, and the Child and Adult Care Food Program.

NOTE 2 – CONTINGENCIES AND COMMITMENTS

The Organization discovered that the eligibility requirements of the Community Action Partnership of Kern 401(a) Plan have not been applied correctly for certain individuals. The Organization has filed an application under the Voluntary Compliance Program with the Internal Revenue Service to provide for correction. The Internal Revenue Service approved the Voluntary Compliance Program application on July 28, 2020. The Organization will be working with The Standard to process corrective contributions for impacted individuals. This has an estimated cost of approximately $200,000 plus applicable earnings.

NOTE 3 – LINE OF CREDIT

As of June 30, 2020, the Organization has a $4,000,000 revolving line of credit with a bank. The note bears interest daily one month LIBOR rate, plus 3.75% unsecured. There was no interest expense claimed for reimbursement on the AUD forms.

NOTE 4 – SUBSEQUENT EVENTS

Subsequent to June 30, 2020, and through December 2, 2020, the date through which management evaluated subsequent events and the date of the Independent Auditor's Report, the Organization did not identify any subsequent events that require disclosure.

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. The COVID-19 outbreak in the United States has resulted in increased activities and funding to the Organization. At the current time, the Organization is unable to quantify all the potential effects of the pandemic on the future financial statements.

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BROWN ARMSTRONG
Certified Public Accountants

INDEPENDENT AUDITOR'S 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 Directors
Community Action Partnership 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 special purpose financial statements of Community Action Partnership of Kern (the Organization) for the year ended June 30, 2020, and the related notes to the special purpose financial statements, which comprise the Organization's special purpose financial statements, as noted in the table of contents, and have issued our report thereon dated December 2, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the special purpose financial statements, we considered the Organization'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 opinion on the special purpose financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 Organization'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.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's special purpose 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*.

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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 2, 2020

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BROWN ARMSTRONG
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Community Action Partnership of Kern
Bakersfield, California

Report on Compliance for Each Major Federal Program

We have audited Community Action Partnership of Kern's (the Organization) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2020. The Organization's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of 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, 2020.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 2, 2020

California Department of Education
Audited Attendance and Fiscal Report
for Child Development Programs

A U D 9500 Page 1 of 8

Fiscal Year Ending	June 30, 2020
Contract Number	CCTR - 9050
Vendor Code	Y320

Full Name of Contractor Community Action Partnership of Kern

Section 1 - Days of Enrollment Certified Children

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Infants (up to 18 months) Full-time-plus	430		430	2.8792	1,238.056
Infants (up to 18 months) Full-time	6,897		6,897	2.4400	16,828.68
Infants (up to 18 months) Three-quarters-time	3,493		3,493	1.8300	6,392.19
Infants (up to 18 months) One-half-time				1.3420	0
Toddlers (18 up to 36 months) Full-time-plus	1,148		1,148	2.1240	2,438.352
Toddlers (18 up to 36 months) Full-time	16,294		16,294	1.8000	29,329.2
Toddlers (18 up to 36 months) Three-quarters-time	6,812		6,812	1.3500	9,196.2
Toddlers (18 up to 36 months) One-half-time				0.9900	0
Three Years and Older Full-time-plus				1.1800	0
Three Years and Older Full-time				1.0000	0
Three Years and Older Three-quarters-time				0.7500	0
Three Years and Older One-half-time				0.5500	0
Exceptional Needs Full-time-plus				1.8172	0
Exceptional Needs Full-time				1.5400	0
Exceptional Needs Three-quarters-time				1.1550	0
Exceptional Needs One-half-time				0.8470	0

Page 1

Contract Number CCTR - 9050

Full Name of Contractor Community Action Partnership of Kern

Section 1 - Days of Enrollment Certified Children (continued)

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Limited and Non-English Proficient Full-time-plus				1.2980	0
Limited and Non-English Proficient Full-time				1.1000	0
Limited and Non-English Proficient Three-quarters-time				0.8250	0
Limited and Non-English Proficient One-half-time				0.6050	0
At Risk of Abuse or Neglect Full-time-plus				1.2980	0
At Risk of Abuse or Neglect Full-time				1.1000	0
At Risk of Abuse or Neglect Three-quarters-time				0.8250	0
At Risk of Abuse or Neglect One-half-time				0.6050	0
Severely Disabled Full-time-plus				2.2774	0
Severely Disabled Full-time				1.9300	0
Severely Disabled Three-quarters-time				1.4475	0
Severely Disabled One-half-time				1.0615	0
TOTAL CERTIFIED DAYS OF ENROLLMENT	**35,074**		**35,074**	**N/A**	**65,422.678**
DAYS OF OPERATION	**248**		**248**	**N/A**	**N/A**
DAYS OF ATTENDANCE	**34,863**		**34,863**	**N/A**	**N/A**

☐ NO NON-CERTIFIED CHILDREN Check this box (omit pages 3-4) and continue to Revenue Section on page 5.

Contract Number CCTR - 9050

Full Name of Contractor Community Action Partnership of Kern

Section 2 - Days of Enrollment Non-Certified Children

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Infants (up to 18 months) Full-time-plus				2.8792	0
Infants (up to 18 months) Full-time				2.4400	0
Infants (up to 18 months) Three-quarters-time	473		473	1.8300	865.59
Infants (up to 18 months) One-half-time				1.3420	0
Toddlers (18 up to 36 months) Full-time-plus				2.1240	0
Toddlers (18 up to 36 months) Full-time				1.8000	0
Toddlers (18 up to 36 months) Three-quarters-time	6,063		6,063	1.3500	8,185.05
Toddlers (18 up to 36 months) One-half-time				0.9900	0
Three Years and Older Full-time-plus				1.1800	0
Three Years and Older Full-time				1.0000	0
Three Years and Older Three-quarters-time				0.7500	0
Three Years and Older One-half-time				0.5500	0
Exceptional Needs Full-time-plus				1.8172	0
Exceptional Needs Full-time				1.5400	0
Exceptional Needs Three-quarters-time				1.1550	0
Exceptional Needs One-half-time				0.8470	0

Contract Number: CCTR - 9050

Full Name of Contractor: Community Action Partnership of Kern

Section 2 - Days of Enrollment Non-Certified Children (continued)

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Limited and Non-English Proficient Full-time-plus				1.2980	0
Limited and Non-English Proficient Full-time				1.1000	0
Limited and Non-English Proficient Three-quarters-time				0.8250	0
Limited and Non-English Proficient One-half-time				0.6050	0
At Risk of Abuse or Neglect Full-time-plus				1.2980	0
At Risk of Abuse or Neglect Full-time				1.1000	0
At Risk of Abuse or Neglect Three-quarters-time				0.8250	0
At Risk of Abuse or Neglect One-half-time				0.6050	0
Severely Disabled Full-time-plus				2.2774	0
Severely Disabled Full-time				1.9300	0
Severely Disabled Three-quarters-time				1.4475	0
Severely Disabled One-half-time				1.0615	0
TOTAL NON-CERTIFIED DAYS OF ENROLLMENT	**6,536**		**6,536**	**N/A**	**9,050.64**

Contract Number CCTR - 9050

Full Name of Contractor Community Action Partnership of Kern

Section 3 - Revenue

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Child Nutrition Programs			
Restricted Income - County Maintenance of Effort (EC Section 8279)			
Restricted Income - Other:			
Restricted Income - Subtotal			
Transfer From Reserve			
Family Fees for Certified Children	524		524
Interest Earned on Child Development Apportionment Payments			
Unrestricted Income - Fees for Non-Certified Children			
Unrestricted Income - Head Start	448,369		448,369
Unrestricted Income - Other:			
Total Revenue	**448,893**		**448,893**

Comments:

Page 5

Contract Number CCTR - 9050

Full Name of Contractor Community Action Partnership of Kern

Section 4 - Reimbursable Expenses

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers (FCCH only)			
1000 Certificated Salaries	1,864,558		1,864,558
2000 Classified Salaries	719,478		719,478
3000 Employee Benefits	802,186		802,186
4000 Books and Supplies	587		587
5000 Services and Other Operating Expenses	7,963		7,963
6100/6200 Other Approved Capital Outlay			
6400 New Equipment (program-related)			
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance			
Start-up Expenses (service level exemption)			
Budget Impasse Credit			
Indirect Costs (include in Total Administrative Cost)	294,636		294,636
Non-Reimbursable (State use only)			
Total Reimbursable Expenses	**3,689,408**		**3,689,408**
Total Administrative Cost (included in Section 4 above)	317,852		317,852
Total Staff Training Cost (included in Section 4 above)			

Approved Indirect Cost Rate: 10.0%

☒ NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 7.

Page 6

Contract Number CCTR - 9050

Full Name of Contractor Community Action Partnership of Kern

Section 7 - Summary

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit
Total Certified Days of Enrollment	35,074		35,074
Days of Operation	248		248
Days of Attendance	34,863		34,863
Restricted Program Income			
Transfer from Reserve			
Family Fees for Certified Children	524		524
Interest Earned on Child Development Apportionment Payments			
Direct Payments to Providers			
Start-up Expenses (service level exemption)			
Total Reimbursable Expenses	3,689,408		3,689,408
Total Administrative Cost	317,852		317,852
Total Staff Training Cost			

Total Certified Adjusted Days of Enrollment 65,422.678   Total Non-Certified Adjusted Days of Enrollment 9,050.64

Independent auditor's assurances on agency's compliance with contract funding terms and conditions and program requirements of the California Department of Education, Early Learning and Care Division:

Eligibility, enrollment and attendance records are being maintained as required (select YES or NO from the drop-down box): YES

Reimbursable expenses claimed on page 6 are eligible for reimbursement, reasonable, necessary, and adequately supported (select YES or NO from the drop-down box): YES

Include any comments in the comments box on page 5. If necessary, attach additional sheets to explain adjustments.

California Department of Education
Audited Attendance and Fiscal Report for California State Preschool Programs

A U D 8501 Page 1 of 8

Fiscal Year Ending	June 30, 2020
Contract Number	CSPP 9121
Vendor Code	Y320

Full Name of Contractor Community Action Partnership of Kern

Section 1 - Days of Enrollment Certified Children

	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Three Years and Older Full-time-plus	781		781	1.1800	921.58
Three Years and Older Full-time	18,422		18,422	1.0000	18,422
Three Years and Older Three-quarters-time	8,474		8,474	0.7500	6,355.5
Three Years and Older One-half-time	71,232		71,232	0.6193	44,113.9776
Exceptional Needs Full-time-plus				1.8172	0
Exceptional Needs Full-time	646		646	1.5400	994.84
Exceptional Needs Three-quarters-time				1.1550	0
Exceptional Needs One-half-time	957		957	0.9537	912.6909
Limited and Non-English Proficient Full-time-plus	1,474		1,474	1.2980	1,913.252
Limited and Non-English Proficient Full-time	1,662		1,662	1.1000	1,828.2
Limited and Non-English Proficient Three-quarters-time	1,699		1,699	0.8250	1,401.675
Limited and Non-English Proficient One-half-time	9,758		9,758	0.6193	6,043.1294

Page 1

Contract Number CSPP 9121

Full Name of Contractor Community Action Partnership of Kern

Section 1 - Days of Enrollment Certified Children (continued)

	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
At Risk of Abuse or Neglect Full-time-plus	114		114	1.2980	147.972
At Risk of Abuse or Neglect Full-time	4,229		4,229	1.1000	4,651.9
At Risk of Abuse or Neglect Three-quarters-time	482		482	0.8250	397.65
At Risk of Abuse or Neglect One-half-time	937		937	0.6193	580.2841
Severely Disabled Full-time-plus				2.2774	0
Severely Disabled Full-time				1.9300	0
Severely Disabled Three-quarters-time				1.4475	0
Severely Disabled One-half-time				1.1952	0
TOTAL DAYS OF ENROLLMENT	**120,867**		**120,867**	N/A	**88,684.651**
DAYS OF OPERATION	**248**		**248**	N/A	N/A
DAYS OF ATTENDANCE	**119,443**		**119,443**	N/A	N/A

☐ NO NON-CERTIFIED CHILDREN Check this box (omit pages 3 and 4) and continue to Revenue Section on page 5.

Contract Number CSPP 9121

Full Name of Contractor Community Action Partnership of Kern

Section 2 - Days of Enrollment Non-Certified Children

	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Toddlers (18 up to 36 months) Full-time-plus				2.1240	0
Toddlers (18 up to 36 months) Full-time				1.8000	0
Toddlers (18 up to 36 months) Three-quarters-time				1.3500	0
Toddlers (18 up to 36 months) One-half-time				0.9900	0
Three Years and Older Full-time-plus				1.1800	0
Three Years and Older Full-time				1.0000	0
Three Years and Older Three-quarters-time				0.7500	0
Three Years and Older One-half-time	31,230		31,230	0.6193	19,340.739
Exceptional Needs Full-time-plus				1.8172	0
Exceptional Needs Full-time				1.5400	0
Exceptional Needs Three-quarters-time				1.1550	0
Exceptional Needs One-half-time				0.9537	0

 Contract Number CSPP 9121

Full Name of Contractor Community Action Partnership of Kern

Section 2 - Days of Enrollment Non-Certified Children (continued)

	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Limited and Non-English Proficient Full-time-plus				1.2980	0
Limited and Non-English Proficient Full-time				1.1000	0
Limited and Non-English Proficient Three-quarters-time				0.8250	0
Limited and Non-English Proficient One-half-time				0.6193	0
At Risk of Abuse or Neglect Full-time-plus				1.2980	0
At Risk of Abuse or Neglect Full-time				1.1000	0
At Risk of Abuse or Neglect Three-quarters-time				0.8250	0
At Risk of Abuse or Neglect One-half-time				0.6193	0
Severely Disabled Full-time-plus				2.2774	0
Severely Disabled Full-time				1.9300	0
Severely Disabled Three-quarters-time				1.4475	0
Severely Disabled One-half-time				1.1952	0
TOTAL NON-CERTIFIED DAYS OF ENROLLMENT	**31,230**		**31,230**	**N/A**	**19,340.739**

Contract Number CSPP 9121

Full Name of Contractor Community Action Partnership of Kern

Section 3 - Revenue

	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Child Nutrition Programs			
Restricted Income - County Maintenance of Effort (EC Section 8279)			
Restricted Income - Other:			
Restricted Income - Subtotal			
Transfer from Reserve - General			
Transfer from Reserve - Professional Development			
Transfer from Reserve Total			
Family Fees for Certified Children	2,797		2,797
Interest Earned on Child Development Apportionment Payments			
Unrestricted Income - Fees for Non-Certified Children			
Unrestricted Income - Head Start	964,136		964,136
Unrestricted Income - Other:			
Total Revenue	**966,933**		**966,933**

Comments:

Page 5

Contract Number CSPP 9121

Full Name of Contractor Community Action Partnership of Kern

Section 4 - Reimbursable Expenses

	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers (FCCH only)			
1000 Certificated Salaries	2,607,439		2,607,439
2000 Classified Salaries	1,047,737		1,047,737
3000 Employee Benefits	1,239,690		1,239,690
4000 Books and Supplies	9,135		9,135
5000 Services and Other Operating Expenses	33,329		33,329
6100/6200 Other Approved Capital Outlay			
6400 New Equipment (program-related)			
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance			
Start-up Expenses (service level exemption)			
Budget Impasse Credit			
Indirect Costs (include in Total Administrative Cost)	397,300		397,300
Non-Reimbursable (State use only)			
Total Reimbursable Expenses	**5,334,630**		**5,334,630**
Total Administrative Cost (included in Section 4 above)	587,933		587,933
Total Staff Training Cost (included in Section 4 above)			

Approved Indirect Cost Rate: 10.0%

☒ NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 7.

Page 6

Contract Number CSPP 9121

Full Name of Contractor Community Action Partnership of Kern

Section 7 - Summary

	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit
Total Certified Days of Enrollment	120,867		120,867
Days of Operation	248		248
Days of Attendance	119,443		119,443
Restricted Program Income			
Transfer from Reserve			
Family Fees for Certified Children	2,797		2,797
Interest Earned on Apportionment Payments			
Direct Payments to Providers			
Start-up Expenses (service level exemption)			
Total Reimbursable Expenses	5,334,630		5,334,630
Total Administrative Cost	587,933		587,933
Total Staff Training Cost			

Total Certified Adjusted Days of Enrollment 88,684.651 Total Non-Certified Adjusted Days of Enrollment 19,340.739

Independent auditor's assurances on agency's compliance with the contract funding terms and conditions and program requirements of the California Department of Education, Early Learning and Care Division:

Eligibility, enrollment and attendance records are being maintained as required (select YES or NO from the drop-down box): Yes

Reimbursable expenses claimed on page 6 are eligible for reimbursement, reasonable, necessary, and adequately supported (select YES or NO from the drop-down box): Yes

Include any comments in the comments box on page 5. If necessary, attach additional sheets to explain adjustments.

Page 8

California Department of Education
Audited Attendance and Fiscal Report
for Child Development Programs

A U D 9500 Page 1 of 8

Fiscal Year Ending	June 30, 2020
Contract Number	CMIG 9004
Vendor Code	Y320

Full Name of Contractor: Community Action Partnership of Kern

Section 1 - Days of Enrollment Certified Children

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Infants (up to 18 months) Full-time-plus				2.8792	0
Infants (up to 18 months) Full-time				2.4400	0
Infants (up to 18 months) Three-quarters-time				1.8300	0
Infants (up to 18 months) One-half-time				1.3420	0
Toddlers (18 up to 36 months) Full-time-plus				2.1240	0
Toddlers (18 up to 36 months) Full-time				1.8000	0
Toddlers (18 up to 36 months) Three-quarters-time				1.3500	0
Toddlers (18 up to 36 months) One-half-time				0.9900	0
Three Years and Older Full-time-plus	107		107	1.1800	126.26
Three Years and Older Full-time	381		381	1.0000	381
Three Years and Older Three-quarters-time	206		206	0.7500	154.5
Three Years and Older One-half-time				0.5500	0
Exceptional Needs Full-time-plus				1.8172	0
Exceptional Needs Full-time				1.5400	0
Exceptional Needs Three-quarters-time				1.1550	0
Exceptional Needs One-half-time				0.8470	0

Page 1

Contract Number CMIG 9004

Full Name of Contractor Community Action Partnership of Kern

Section 1 - Days of Enrollment Certified Children (continued)

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Limited and Non-English Proficient Full-time-plus	2,086		2,086	1.2980	2,707.628
Limited and Non-English Proficient Full-time	255		255	1.1000	280.5
Limited and Non-English Proficient Three-quarters-time	237		237	0.8250	195.525
Limited and Non-English Proficient One-half-time				0.6050	0
At Risk of Abuse or Neglect Full-time-plus				1.2980	0
At Risk of Abuse or Neglect Full-time				1.1000	0
At Risk of Abuse or Neglect Three-quarters-time				0.8250	0
At Risk of Abuse or Neglect One-half-time				0.6050	0
Severely Disabled Full-time-plus				2.2774	0
Severely Disabled Full-time				1.9300	0
Severely Disabled Three-quarters-time				1.4475	0
Severely Disabled One-half-time				1.0615	0
TOTAL CERTIFIED DAYS OF ENROLLMENT	**3,272**		**3,272**	**N/A**	**3,845.413**
DAYS OF OPERATION	**248**		**248**	**N/A**	**N/A**
DAYS OF ATTENDANCE	**3,253**		**3,253**	**N/A**	**N/A**

☒ NO NON-CERTIFIED CHILDREN Check this box (omit pages 3-4) and continue to Revenue Section on page 5.

 Contract Number CMIG 9004

Full Name of Contractor Community Action Partnership of Kern

Section 3 - Revenue

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Child Nutrition Programs			
Restricted Income - County Maintenance of Effort (EC Section 8279)			
Restricted Income - Other:			
Restricted Income - Subtotal			
Transfer From Reserve			
Family Fees for Certified Children	152		152
Interest Earned on Child Development Apportionment Payments			
Unrestricted Income - Fees for Non-Certified Children			
Unrestricted Income - Head Start			
Unrestricted Income - Other:			
Total Revenue	**152**		**152**

Comments:

Page 5

Contract Number CMIG 9004

Full Name of Contractor Community Action Partnership of Kern

Section 4 - Reimbursable Expenses

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers (FCCH only)			
1000 Certificated Salaries	91,628		91,628
2000 Classified Salaries	36,710		36,710
3000 Employee Benefits	43,545		43,545
4000 Books and Supplies	83		83
5000 Services and Other Operating Expenses	1,219		1,219
6100/6200 Other Approved Capital Outlay			
6400 New Equipment (program-related)			
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance			
Start-up Expenses (service level exemption)			
Budget Impasse Credit			
Indirect Costs (include in Total Administrative Cost)	17,317		17,317
Non-Reimbursable (State use only)			
Total Reimbursable Expenses	**190,502**		**190,502**
Total Administrative Cost (included in Section 4 above)	26,244		26,244
Total Staff Training Cost (included in Section 4 above)			

Approved Indirect Cost Rate: 10.0%

☒ NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 7.

Contract Number CMIG 9004

Full Name of Contractor Community Action Partnership of Kern

Section 7 - Summary

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit
Total Certified Days of Enrollment	3,272		3,272
Days of Operation	248		248
Days of Attendance	3,253		3,253
Restricted Program Income			
Transfer from Reserve			
Family Fees for Certified Children	152		152
Interest Earned on Child Development Apportionment Payments			
Direct Payments to Providers			
Start-up Expenses (service level exemption)			
Total Reimbursable Expenses	190,502		190,502
Total Administrative Cost	26,244		26,244
Total Staff Training Cost			

Total Certified Adjusted Days of Enrollment 3,845.413 Total Non-Certified Adjusted Days of Enrollment 0

Independent auditor's assurances on agency's compliance with contract funding terms and conditions and program requirements of the California Department of Education, Early Learning and Care Division:

Eligibility, enrollment and attendance records are being maintained as required (select YES or NO from the drop-down box): YES

Reimbursable expenses claimed on page 6 are eligible for reimbursement, reasonable, necessary, and adequately supported (select YES or NO from the drop-down box): YES

Include any comments in the comments box on page 5. If necessary, attach additional sheets to explain adjustments.

Page 8

California Department of Education
Audited Fiscal Report for
Migrant Special Services Contracts

A U D 9500A Page 1 of 4

Fiscal Year Ending	June 30, 2020
Contract Number	CMSS 9004
Vendor Code	Y320

Full Name of Contractor Community Action Partnership of Kern

Section 1 - Revenue

	Column A Cumulative CDNFS 9500A	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Other:			
Restricted Income - Other:			
Restricted Income - Subtotal			
Interest Earned on Child Development Apportionment Payments			
Unrestricted Income - Other:			
Total Revenue			

Page 1

Contract Number CMSS 9004

Full Name of Contractor Community Action Partnership of Kern

Section 2 - Reimbursable Expenses

	Column A Cumulative CDNFS 9500A	Column B Audit Adjustments	Column C Cumulative per Audit
1000 Certificated Salaries	20,765		20,765
2000 Classified Salaries	5,641		5,641
3000 Employee Benefits	9,402		9,402
4000 Books and Supplies			
5000 Services and Other Operating Expenses			
Indirect Costs (include in Total Administrative Cost)	3,591		3,591
Non-Reimbursable (State use only)			
Total Reimbursable Expenses	**39,399**		**39,399**
Total Administrative Cost (included in Section 2 above)	3,591		3,591
Days of Operation	248		248

Approved Indirect Cost Rate: 10.0%

☒ NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 3.

Contract Number CMSS 9004

Full Name of Contractor Community Action Partnership of Kern

Section 5 - Summary

	Column A Cumulative CDNFS 9500A	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Program Income			
Interest Earned on Child Development Apportionment Payments			
Total Reimbursable Expenses	39,399		39,399
Total Administrative Cost	3,591		3,591
Days of Operation	248		248

Comments:

California Department of Education
Audited Fiscal Report for CalWORKs, Alternative Payment or Family Child Care Home Programs

A U D 9500AP Page 1 of 4

Fiscal Year End	**June 30, 2020**
Contract Number	**CMAP 9000**
Vendor Code	**Y320**

Full Name of Contractor **Community Action Partnership of Kern**

Section 1 - Revenue

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Child Nutrition Programs				
Restricted Income - County Maintenance of Effort (EC Section 8279)				
Restricted Income - Uncashed Checks to Providers				
Restricted Income - Other:				
Restricted Income - Subtotal				
Transfer from Reserve (alternative payment only)				
Family Fees for Certified Children	97,460		277	97,737
Interest Earned on Child Development Apportionment Payments				
Unrestricted Income - Other:				
Total Revenue	**97,460**		**277**	**97,737**

Contract Number CMAP 9000

Full Name of Contractor Community Action Partnership of Kern

Section 2 - Reimbursable Expenses

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers	8,257,483	-55,420		8,202,063
1000 Certificated Salaries				
2000 Classified Salaries	622,108			622,108
3000 Employee Benefits	126,453	172		126,625
4000 Books and Supplies	14,012	4,081		18,093
5000 Services and Other Operating Expenses	162,600	-2,546		160,054
6100/6200 Other Approved Capital Outlay				
6400 New Equipment (program-related)				
6500 Equipment Replacement (program-related)				
Depreciation or Use Allowance				
Indirect Costs (include in Total Administrative Cost)	527,937	90,680		618,617
Non-Reimbursable (State use only)				
Total Reimbursable Expenses	**9,710,593**	**36,967**		**9,747,560**
Total Administrative Cost (included in Section 2 above)	1,200,340	92,387		1,292,727
Days of Operation	249			249

Approved Indirect Cost Rate: 10.0%

☒ NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 3.

Page 2

Contract Number CMAP 9000

Full Name of Contractor Community Action Partnership of Kern

Section 5 - Summary

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Program Income				
Transfer from Reserve (alternative payment only)				
Family Fees for Certified Children	97,460	277		97,737
Interest Earned on Child Development Apportionment Payments				
Direct Payments to Providers	8,257,483	-55,420		8,202,063
Total Administrative Cost	1,200,340	92,387		1,292,727
Days of Operation	249			249
Total Reimbursable Expenses	9,710,593	36,967		9,747,560

Comments:

Page 4

California Department of Education
Audited Reserve Account Activity Report

A U D 9530A Page 1 of 1

Fiscal Year End	June 30, 2020
Reserve Account Type	Center-Based
Vendor Code	Y320

Full Name of Contractor **Community Action Partnership of Kern**

Section 1 - Prior Year Reserve Account Activity

1. Beginning Balance (2018–19 AUD 9530A Ending Balance)	3
2. Plus Transfers to Reserve Account:	Per 2018–19 Post-Audit CDNFS 9530
Contract No. CCTR-8049	7,516
Contract No.	
Contract No.	
Contract No.	
Contract No.	
Contract No.	
Total Transferred from 2018–19 Contracts to Reserve	**7,516**
3. Less Excess Reserve to be Billed	
4. Ending Balance per 2018–19 Post-Audit CDNFS 9530	**7,519**

Section 2 - Current Year Reserve Account Activity

	Column A CDNFS 9530A	Column B Audit Adjustments	Column C per Audit
5. Plus Interest Earned This Year on Reserve			
6. Less Transfers to Contracts from Reserve:			
CSPP General-Contract No.			
CSPP General-Contract No.			
CSPP Professional Development-Contract No.			
CSPP Professional Development-Contract No.			
Subtotal CSPP Transfers			
Other Contract No.			
Other Contract No.			
Other Contract No.			
Other Contract No.			
Other Contract No.			
Subtotal Other Contract Transfers			
Total Transferred to Contracts from Reserve Account			
7. Ending Balance on June 30, 2020	**7,519**		**7,519**

COMMENTS - If necessary, attach additional sheets to explain adjustments.

Recorded reserve ending balance as deferred revenue.

Page 1

California Department of Education
Audited Reserve Account Activity Report

A U D 9530A Page 1 of 1

Fiscal Year End	June 30, 2020
Reserve Account Type	Alternative Payment
Vendor Code	Y320

Full Name of Contractor **Community Action Partnership of Kern**

Section 1 - Prior Year Reserve Account Activity

1. Beginning Balance (2018–19 AUD 9530A Ending Balance)	2
2. Plus Transfers to Reserve Account:	Per 2018–19 Post-Audit CDNFS 9530
Contract No. CMAP-8000	34,944
Contract No.	
Contract No.	
Contract No.	
Contract No.	
Contract No.	
Total Transferred from 2018–19 Contracts to Reserve	**34,944**
3. Less Excess Reserve to be Billed	
4. Ending Balance per 2018–19 Post-Audit CDNFS 9530	**34,946**

Section 2 - Current Year Reserve Account Activity

	Column A CDNFS 9530A	Column B Audit Adjustments	Column C per Audit
5. Plus Interest Earned This Year on Reserve			
6. Less Transfers to Contracts from Reserve:			
CSPP General-Contract No.			
CSPP General-Contract No.			
CSPP Professional Development-Contract No.			
CSPP Professional Development-Contract No.			
Subtotal CSPP Transfers			
Other Contract No.			
Other Contract No.			
Other Contract No.			
Other Contract No.			
Other Contract No.			
Subtotal Other Contract Transfers			
Total Transferred to Contracts from Reserve Account			
7. Ending Balance on June 30, 2020	**34,946**		**34,946**

COMMENTS - If necessary, attach additional sheets to explain adjustments.

Recorded reserve ending balance as deferred revenue.

Page 1

COMMUNITY ACTION PARTNERSHIP OF KERN
CALIFORNIA DEPARTMENT OF EDUCATION
CHILD CARE PROGRAMS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

SECTION I: SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

* Material weakness(es) identified?	________	yes	X	no
* Significant deficiency(ies) identified?	________	yes	X	none reported
* Noncompliance material to financial statements noted?	________	yes	X	no

Federal Awards

Internal control over major programs:

* Material weakness(es) identified?	________	yes	X	no
* Significant deficiency(ies) identified?	________	yes	X	none reported

Type of auditor's report issued: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	________	yes	X	no

Identification of major programs:

Department of Health and Human Services		
Alternative Payment	CFDA Number:	93.596
General Child Care	CFDA Number:	93.575/93.596
State Preschool	CFDA Number:	93.575/93.596

Dollar threshold used to distinguish Type A programs from Type B programs was $1,666,796

The Agency qualified as a low-risk auditee in accordance with the Uniform Guidance.

SECTION II: FINANCIAL STATEMENTS FINDINGS

PRIOR YEAR AUDIT FINDINGS AND RECOMMENDATIONS

None.

SIGNIFICANT DEFICIENCIES

None.

MATERIAL WEAKNESSES

None.

SECTION III: FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

PRIOR YEAR AUDIT FINDINGS AND RECOMMENDATIONS

None.

SIGNIFICANT DEFICIENCIES

None.

MATERIAL WEAKNESSES

None.

MATERIAL INSTANCES OF NONCOMPLIANCE OR QUESTIONED COSTS

None.

BROWN
ARMSTRONG

CERTIFIED
PUBLIC
ACCOUNTANTS

BROWN ARMSTRONG

Certified Public Accountants

To the Board of Directors
Community Action Partnership of Kern
Defined Contribution Pension Plan

We have conducted a Department of Labor (DOL) limited-scope audit of the financial statements and supplemental schedule of Community Action Partnership of Kern Defined Contribution Pension Plan (the Plan) for the year ended February 28, 2019, and have issued our report thereon December 13, 2019. As permitted by 29 Code of Federal Regulations (CFR) 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3 to those financial statements. Because of the significance of the information that we did not audit, we are unable to, and have not, expressed an opinion on those financial statements and supplemental schedule as a whole. We did, however, audit the form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, in accordance with auditing standards generally accepted in the United States of America and found them to be presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 7, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices
Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Plan are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Plan during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

> Management's estimate of the fair value of investments is based on various methods as detailed in the notes to the financial statements. We evaluated the key factors and assumptions used to develop the estimate of the fair value of investments in determining that it is reasonable in relation to the financial statements taken as a whole.

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Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was the disclosure of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820-10 in Note 3 to the financial statements which expands the disclosure about the fair value measurement.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit
We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements
Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. There were no such misstatements noted as a result of our audit procedures.

Disagreements with Management
For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations
We have requested certain representations from management that are included in the management representation letter dated December 13, 2019.

Management Consultations with Other Independent Accountants
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Plan's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Plan's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of Board of Directors and management of the Plan and is not intended to be, and should not be, used by anyone other than these specified parties.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 13, 2019

COMMUNITY ACTION PARTNERSHIP OF KERN

DEFINED CONTRIBUTION PENSION PLAN

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

FEBRUARY 28, 2019 AND 2018

COMMUNITY ACTION PARTNERSHIP OF KERN
DEFINED CONTRIBUTION PENSION PLAN
FEBRUARY 28, 2019 AND 2018

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BROWN ARMSTRONG
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Community Action Partnership of Kern
Defined Contribution Pension Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Community Action Partnership of Kern Defined Contribution Pension Plan (the Plan), which comprise the statements of net assets available for benefits as of February 28, 2019 and 2018, the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 Code of Federal Regulations (CFR) 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Standard Insurance Company, the trustee of the Plan in 2019, and Mutual of America, the trustee of the Plan in 2018, except for comparing the information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended February 28, 2019 and 2018, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental schedule, Schedule H, Line 4I – Schedule of Assets Held at End of Year for the year ended February 28, 2019, is required by the DOL Rules and Regulations for Reporting and Disclosure under ERISA and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule referred to above.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the DOL Rules and Regulations for Reporting and Disclosure under ERISA.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 13, 2019

COMMUNITY ACTION PARTNERSHIP OF KERN
DEFINED CONTRIBUTION PENSION PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
FEBRUARY 28, 2019 AND 2018

	2019	2018
ASSETS:		
Cash	$ 1,008	$ -
Investments at Fair Value	17,432,803	16,720,918
Total Assets	17,433,811	16,720,918
Net Assets Available for Benefits	$ 17,433,811	$ 16,720,918

The accompanying notes are an integral part of these financial statements.

COMMUNITY ACTION PARTNERSHIP OF KERN
DEFINED CONTRIBUTION PENSION PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED FEBRUARY 28, 2019 AND 2018

	2019	2018
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Investment Income:		
Net Increase in Fair Value of Investments	$ 415,909	$ 1,563,754
Interest	36,555	16,339
Other Income	-	126,449
Contributions:		
Employer Contributions	1,265,451	1,077,811
Rollovers	-	5,419
Total Additions	1,717,915	2,789,772
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Benefits Paid to Participants	938,259	2,484,074
Administrative Expenses	66,763	179
Total Deductions	1,005,022	2,484,253
Net Increase	712,893	305,519
Net Assets Available for Benefits:		
Beginning of the Period	16,720,918	16,415,399
End of the Period	$ 17,433,811	$ 16,720,918

The accompanying notes are an integral part of these financial statements.

NOTE 1 – PLAN DESCRIPTION

The following description of the Community Action Partnership of Kern (the Organization) Defined Contribution Pension Plan (the Plan) provides only general information. The trustee of the Plan's assets is Standard Insurance Company and the Custodian of the Plan is Charles Schwab Trust Company. On March 1, 2018, trustee services switched over from Mutual of America to Standard Insurance Company. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution pension plan covering all employees who have been employed by the Organization for one year or more with at least 1,000 hours worked during the year and who are at least 21 years of age. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions

The Plan's provisions stipulate that the Organization will contribute as follows:

> Group "A" – 10% of the Participant's Compensation for that Plan Year. Group "A" is defined as "Executive Director".
>
> Group "B" – 7.5% of the Participant's Compensation for that Plan Year. Group "B" is defined as "Division Director".
>
> Group "C" – 5% of the Participant's Compensation for that Plan Year. Group "C" is defined as "all Participants who are not in Group A or Group B".

Participants direct the investment of the Organization's contribution into various investment options offered by the Plan.

Participants' Accounts

Each participant's account is credited with an allocation of (a) the Organization's contribution and (b) Plan earnings. Allocations are based on participants' earnings, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. Any contributions made on behalf of a participant, for whom no investment direction is in effect, shall be allocated to a retirement fund appropriate to his or her age at the time of allocation.

Vesting

Vesting in the Organization's contributions plus earnings thereon is based on years of continuous service. A participant is 100 percent vested after 5 years of credited service.

Year(s) of Vesting Service	Vesting Percentage
Less than 2 years	0%
2 years	25%
3 years	50%
4 years	75%
5 years	100%

NOTE 1 – PLAN DESCRIPTION (Continued)

Payment of Benefits

On termination due to death, disability, or retirement, a participant may elect to receive an amount equal to the value of the participant's vested interest in his or her account either in a lump sum amount or as a joint and survivor annuity. For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a rollover distribution. Amounts allocated to accounts of persons who have elected to withdraw from the Plan but have not yet been paid as of February 28, 2019 and 2018, were $0 for both years.

Forfeited Accounts

During fiscal years 2019 and 2018, forfeitures were allocated among the participants who were employees on the last day of the Plan year in the ratio that each such participant's compensation for that Plan year bears to the compensation of all such Plan participants for that Plan year. As of February 28, 2019, forfeitures reallocated to participant accounts were $92,368. In fiscal year 2018, forfeitures reallocated to participant accounts were $100,949.

Party-in-Interest Transactions

Plan investments include shares of registered investment company funds managed by Standard Insurance Company. Standard Insurance Company, as the trustee of the Plan, is a party-in-interest.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting. Plan revenues and expenses are recognized when they become measurable.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments are recorded at fair value as determined by quoted market prices of the securities held in the funds. The unrealized appreciation or depreciation of the investments, based on the quoted market value at February 28, 2019 and 2018, is recorded as an increase or decrease to net assets available for plan benefits. See Note 3 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis of accounting. Net appreciation (depreciation) of the investments includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Payment of Benefits

Benefits are recorded when paid.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements for the Future

- Accounting Standard Update (ASU) No. 2017-06, *Plan Accounting: Defined Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965), Employee Benefit Plan Master Trust Reporting (a Consensus of the Emerging Issues Taskforce)*. This update was issued in February 2017 and relates primarily to the reporting by an employee benefit plan for its interest in a master trust. The amendments in this update are effective for fiscal years beginning after December 15, 2018. Early adoption is permitted. The Plan currently does not have any investments in master trusts; as such, this update does not affect the Plan.

- ASU No. 2016-01, *Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*. This update addresses certain aspects of recognition, measurement, presentation, and disclosure or financial instruments. The provisions of this update are effective for Plan years beginning after December 15, 2018. With certain exceptions, early adoption is permitted. This update is not expected to have a material impact on the financial statements.

- ASU No. 2018-03, *Technical Corrections and Improvements to Financial Improvements – Overall (Subtopic 825-10) Recognition and Measurement of Financial Assets and Financial Liabilities*. This update addresses certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. In addition to amending Topic 825, *Financial Instruments*, the amendments in this update include certain aspects of the guidance issued in Update No. 2016-01. The provisions of this update are the same effective date in Update No. 2016-01 as described above. This update is not expected to have a material impact on the financial statements.

- ASU No. 2018-09, *Codification Improvements*. This update amends several Subtopics including Subtopic 962-325, *Plan Accounting – Defined Contribution Pension Plans – Investments – Other*, which removes the stable value common collective trust fund from the illustrative example in paragraph 962-325-55-17 to avoid the interpretation that such an investment would never have a readily determinable fair value and, therefore, would always use the net asset value per share practical expedient. The transition and effective date guidance is based on the facts and circumstances of each amendment. Subtopic 962-325 is effective for Plan years beginning after December 15, 2019. Early adoption is allowed. The Plan has opted not to early implement and is determining the impact of this update on its financial statements.

- ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework, Changes to the Disclosure Requirements for Fair Value Measurement*. This update modifies the disclosure requirements on fair value measurements in Topic 820, *Fair Value Measurement*, based on the concepts in the Concepts Statement, including the consideration of costs and benefits. The ASU is effective for fiscal years beginning after December 15, 2019. Early adoption is permitted. Management has not yet determined the impact of this update on its financial statements.

- ASU No. 2019-04, *Codification Improvements to Topic 326, Financial Instruments – Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments*. This update is to clarify and correct previous updates issued, including ASU No. 2016-01, *Financial Instruments – Overall (Subtopic 825-10),* ASU No. 2016-13*, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments,* and ASU No. 2017-012, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities*. The amendments in this update apply to all reporting entities within the scope of the affected accounting guidance. The amendments on recognizing and measuring financial instruments are effective for fiscal years beginning after December 15, 2019, including interim periods in those years. Management has not yet determined the impact of this update on its financial statements.

NOTE 3 – FAIR VALUE MEASUREMENTS

The Organization has adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820-10, *Fair Value Measurements* (formerly Statement of Financial Accounting Standards (SFAS) No. 157). ASC Topic 820-10 defines fair value, establishes a framework for measuring fair value, and expands disclosures regarding fair value measurements.

ASC Topic 820-10 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

ASC Topic 820-10 also establishes a fair value hierarchy which requires the use of observable inputs and to minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities that the Plan has the ability to access at the measurement date.

Level 2 Inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly or indirectly through corroboration with observable market data. Level 2 inputs include (a) quoted prices for similar assets or liabilities in active markets, (b) quoted prices for identical or similar assets or liabilities in markets that are not active, (c) inputs other than quoted prices that are observable for the asset or liability (for example, interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks, and default rates), and (d) inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 Unobservable inputs used to measure fair value to the extent that observable market based inputs are not available and that are supported by little or no market activity for the asset or liability. These unobservable inputs reflect the Plan's own estimates about the assumptions that market participants would use in pricing the asset or liability.

Level 1 Fair Value Measurements

The fair value of mutual funds is based on quoted net asset values of the shares as reported by the fund. The mutual funds held by the Plan are open-end mutual funds registered with the U.S. Securities and Exchange Commission. The funds must publish their daily net asset value and transact at that price. The mutual funds held by the Plan are considered to be actively traded. The fair values of mutual funds are based on the closing price reported on the active market where the individual securities are traded.

Level 2 Fair Value Measurements

There are no plan assets requiring the use of Level 2 inputs for the periods presented.

Level 3 Fair Value Measurements

There are no plan assets requiring the use of Level 3 inputs for the periods presented.

The following tables set forth by level, within the fair value hierarchy, the Plan's fair value measurements at February 28, 2019 and 2018:

NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

	Investments at Fair Value as of February 28, 2019			
Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Vanguard Tot Bd Mkt Idx Adm	$ 434,045	$ -	$ -	$ 434,045
Putnam Dynamic AA Growth Y	424,115	-	-	424,115
Putnam Dynamic AA Conserv Y	376,483	-	-	376,483
BlackRock LifePth Idx Ret K	464,389	-	-	464,389
BlackRock LifePth Idx 2020 K	1,620,860	-	-	1,620,860
BlackRock LifePth Idx 2025 K	2,001,533	-	-	2,001,533
BlackRock LifePth Idx 2030 K	1,415,484	-	-	1,415,484
BlackRock LifePth Idx 2035 K	1,726,534	-	-	1,726,534
BlackRock LifePth Idx 2040 K	1,267,091	-	-	1,267,091
BlackRock LifePth Idx 2045 K	1,722,850	-	-	1,722,850
BlackRock LifePth Idx 2050 K	498,914	-	-	498,914
BlackRock LifePth Idx 2055 K	153,654	-	-	153,654
BlackRock LifePth Idx 2060 K	14,919	-	-	14,919
Putnam Dynamic AA Balanced Y	819,096	-	-	819,096
MFS Value R6	979,784	-	-	979,784
iShares S&P 500 Index K	481,710	-	-	481,710
TIAA-CREF Inst Lg Cp Gr Inst	180,290	-	-	180,290
Wells Fargo Spec MdCpVal Ins	3,907	-	-	3,907
Vanguard Mid Cap Index Adm	76,615	-	-	76,615
MassMutual Select MidCapGr I	612,588	-	-	612,588
DFA US Small Cap Value I	181,365	-	-	181,365
Janus Henderson Triton T	135,631	-	-	135,631
American Funds New World R6	283,935	-	-	283,935
Principal Real Estate Sec I	5,673	-	-	5,673
Total Mutual Funds	$ 15,881,465	$ -	$ -	$ 15,881,465
Investments Measured at Net Asset Value (NAV)				
Group Annuity Contract (1)	$ 1,551,338	$ -	$ -	$ 1,551,338
Total Investments Measured at NAV	$ 1,551,338	$ -	$ -	$ 1,551,338
Total Investments	$ 17,432,803	$ -	$ -	$ 17,432,803

(1) In accordance with ASU Subtopic 820-10, certain investments that were measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the Statement of Net Assets Available for Plan Benefits.

NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

	Investments at Fair Value as of February 28, 2018			
Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Mutual of America General Account Fund	$ 1,561,411	$ -	$ -	$ 1,561,411
Pooled Separate Funds:				
Mutual of America All America Fund	3,303	-	-	3,303
Mutual of America Bond Fund	306,344	-	-	306,344
Mutual of America Composite Fund	17,283	-	-	17,283
Mutual of America Mid-Term Bond Fund	122,360	-	-	122,360
Mutual of America Mid-Cap Equity Index	64,545	-	-	64,545
Mutual of America Equity Index Fund	429,825	-	-	429,825
Mutual of America Conservative Allocation	400,519	-	-	400,519
Mutual of America Moderate Allocation	543,808	-	-	543,808
Mutual of America Aggressive Allocation	417,650	-	-	417,650
Mutual of America Mid-Cap Value Fund	8,888	-	-	8,888
Mutual of America Small Cap Growth Fund	112,553	-	-	112,553
Mutual of America Small Cap Value Fund	178,506	-	-	178,506
Mutual of America International Fund	3,869	-	-	3,869
Mutual of America Retirement Income Fund	1,944			1,944
Mutual of America 2010 Retirement Fund	1,443	-	-	1,443
Mutual of America 2015 Retirement Fund	504,480	-	-	504,480
Mutual of America 2020 Retirement Fund	1,601,267	-	-	1,601,267
Mutual of America 2025 Retirement Fund	1,893,101	-	-	1,893,101
Mutual of America 2030 Retirement Fund	1,338,776	-	-	1,338,776
Mutual of America 2035 Retirement Fund	1,662,043	-	-	1,662,043
Mutual of America 2040 Retirement Fund	1,226,089	-	-	1,226,089
Mutual of America 2045 Retirement Fund	1,573,151	-	-	1,573,151
Mutual of America 2050 Retirement Fund	378,105	-	-	378,105
Mutual of America 2055 Retirement Fund	51,656	-	-	51,656
DWS Capital Growth	25,907	-	-	25,907
VP Capital Appreciation	219,734	-	-	219,734
Calvert VP SRI Balanced Portfolio	5,103	-	-	5,103
Fidelity Investments VIP Asset Manager	269,354	-	-	269,354
Fidelity Investments VIP Equity Income	109,221	-	-	109,221
Fidelity Investments VIP Contra Fund	732,204	-	-	732,204
Fidelity Investments VIP Mid-Cap	349,785	-	-	349,785
Vanguard VIF Diversified Value	244,655	-	-	244,655
Vanguard VIF International	309,890	-	-	309,890
T. Rowe Price Blue Chip Growth Fund	42,526	-	-	42,526
Oppenheimer Main Street VA	3,038	-	-	3,038
American Funds Insurance Series New World Fund	2,072	-	-	2,072
Vanguard VIF REIT Index Portfolio	4,510	-	-	4,510
Total:	$ 16,720,918	$ -	$ -	$ 16,720,918

NOTE 4 – CERTIFIED INFORMATION

The fiscal years 2019 and 2018 financial statements and the financial information presented in Note 3 are prepared from information supplied by the Plan's trustee, Mutual of America in 2018 and Standard Insurance Company in 2019. Specifically, investments and contributions received as of and for the years ended February 28, 2019 and 2018, were supplied by the trustee and such information has been certified by the trustee as being complete and accurate.

NOTE 5 – PLAN ADMINISTRATION

As trustee of the Plan, Standard Insurance Company provides recordkeeping and investment services to the Plan. Organization contributions are managed by the trustee who invests cash received, interest and dividend income, and makes distributions to participants. The Plan assets are held by Charles Schwab Trust Company, the custodian.

NOTE 5 – PLAN ADMINISTRATION (Continued)

Administrative functions are jointly performed by Standard Insurance Company and by officers or employees of the Organization. No office or employee receives compensation from the Plan. Trustee administrative expenses, along with fees paid to Pensionmark, the Plan's investment advisor, are absorbed by the Plan and allocated among the participants' accounts. The independent auditor's fees are paid directly by the Organization.

Administrative fees consist of trustee and advisor fees, which totaled $66,762 and $179 for the years ended February 28, 2019 and 2018.

NOTE 6 – PLAN TERMINATION

Although it has not expressed any intent to do so, the Organization has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants shall become 100 percent vested in their accounts. Upon such termination, the Organization may direct either a complete distribution of the Plan assets in a manner consistent with Plan requirements, or continue to hold the investments of the Plan as though the Plan had not been terminated. In the event that the Plan is terminated, the trustee will have the right to charge a fair value assessment on funds withdrawn prior to maturity. The amount of this assessment is equal to the amount required to cover the investment losses, if any, resulting from making an early payment of funds.

NOTE 7 – TAX STATUS

The Internal Revenue Service has determined and informed the Organization with a letter dated June 23, 2016, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the Plan administrator and the Plan's tax counsel believe the Plan is currently being operated in compliance with the applicable provisions of the IRC.

The FASB issued guidance on accounting for uncertainty in income taxes. The Plan adopted this guidance for the year ended February 28, 2010. Management evaluated the Plan's tax positions and concluded that the Plan had maintained its tax exempt status and had taken no uncertain tax positions that require adjustment to the financial statements. Therefore, no provision for income taxes has been included in the financial statements.

Uncertain Tax Positions

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain tax position that, more likely than not, would not be sustained upon examination by the Internal Revenue Service. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of February 28, 2019 and 2018, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

NOTE 8 – CONTINGENCIES AND COMMITMENTS

The Plan Sponsor discovered that a group of employees were inadvertently excluded from participation in the Plan. The Plan Sponsor has filed a filing under the Voluntary Compliance Program ("VCP") with the Internal Revenue Service to obtain a compliance statement in order to retain the Plan's qualified status. The filing is currently active with the Internal Revenue Service.

Subsequent to the filing with the Internal Revenue Service, the Plan Sponsor has discovered an additional operational defect in which the definition of compensation for new participants was inadvertently changed during the transition from different service providers. The Plan Sponsor is in the process of preparing an amendment to the VCP filing to obtain approval for correction of the operational defect.

NOTE 9 – RISK AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level or risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near-term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

NOTE 10 – TRANSACTIONS WITH PARTIES-IN-INTEREST

The Plan invests in annuities sponsored by the Plan's trustee, as defined by the Plan, and therefore, these transactions qualify as party-in-interest transactions. Administrative fees related to the administration of the Plan are paid by the Plan. Administrative expenses will be allocated either proportionately based on the value of the account balances or as an equal dollar amount based on the number of participants in the Plan. The method of allocating the expenses depends on the nature of the expense itself.

NOTE 11 – SUBSEQUENT EVENTS

Subsequent to February 28, 2019, and through December 13, 2019, the date through which management evaluated subsequent events and on which the financial statements were issued, the Organization did not identify any other subsequent events that require disclosure.

SUPPLEMENTAL SCHEDULE

COMMUNITY ACTION PARTNERSHIP OF KERN
DEFINED CONTRIBUTION PENSION PLAN
EIN 95-2402760 – PN 001
SCHEDULE H, LINE 4I – SCHEDULE OF ASSETS HELD AT END OF YEAR
FEBRUARY 28, 2019

(A)	(B) Identity of Issuer, Borrower, Lessor, or Similar Party	(C) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(D) Cost	(E) Carrying Value
*	The Standard	Group Annuity Contract	$ -	$ 1,551,338
	Vanguard Tot Bd Mkt Idx Adm	Mutual Funds	-	434,045
	Putnam Dynamic AA Growth Y	Mutual Funds	-	424,115
	Putnam Dynamic AA Conserv Y	Mutual Funds	-	376,483
	BlackRock LifePth Idx Ret K	Mutual Funds	-	464,389
	BlackRock LifePth Idx 2020 K	Mutual Funds	-	1,620,860
	BlackRock LifePth Idx 2025 K	Mutual Funds	-	2,001,533
	BlackRock LifePth Idx 2030 K	Mutual Funds	-	1,415,484
	BlackRock LifePth Idx 2035 K	Mutual Funds	-	1,726,534
	BlackRock LifePth Idx 2040 K	Mutual Funds	-	1,267,091
	BlackRock LifePth Idx 2045 K	Mutual Funds	-	1,722,850
	BlackRock LifePth Idx 2050 K	Mutual Funds	-	498,914
	BlackRock LifePth Idx 2055 K	Mutual Funds	-	153,654
	BlackRock LifePth Idx 2060 K	Mutual Funds	-	14,919
	Putnam Dynamic AA Balanced Y	Mutual Funds	-	819,096
	MFS Value R6	Mutual Funds	-	979,784
	iShares S&P 500 Index K	Mutual Funds	-	481,710
	TIAA-CREF Inst Lg Cp Gr Inst	Mutual Funds	-	180,290
	Wells Fargo Spec MdCpVal Ins	Mutual Funds	-	3,907
	Vanguard Mid Cap Index Adm	Mutual Funds	-	76,615
	MassMutual Select MidCapGr I	Mutual Funds	-	612,588
	DFA US Small Cap Value I	Mutual Funds	-	181,365
	Janus Henderson Triton T	Mutual Funds	-	135,631
	American Funds New World R6	Mutual Funds	-	283,935
	Principal Real Estate Sec I	Mutual Funds	-	5,673
	Total assets held for investment purposes		$ -	$ 17,432,803

Cost omitted as investments are participant directed.

*Represents a party-in-interest

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BROWN ARMSTRONG
Certified Public Accountants

AGREED UPON CONDITIONS REPORT DESIGNED TO INCREASE EFFICIENCY, INTERNAL CONTROLS, AND/OR FINANCIAL REPORTING

To the Board of Directors
Community Action Partnership of Kern
Defined Contribution Pension Plan

We have audited the financial statements of the Community Action Partnership of Kern (CAPK) Defined Contribution Pension Plan (the Plan) for the year ended February 28, 2019, and have issued our report dated December 13, 2019. In planning and performing our audit of the financial statements of the Plan, we considered its internal control structure over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan's internal control.

A deficiency in internal control exists when the design or operation of 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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. We did not identify any deficiencies in internal control that we considered to be material weaknesses.

Current Year Agreed Upon Conditions and Recommendations

None.

Prior Year Agreed Upon Conditions and Recommendations

Agreed Upon Condition 1 – Active Population

During our selection of active participants for our pension audit participant testing, we were informed that one of forty participants selected was not active, but rather terminated for the period selected for testing. CAPK had not notified Mutual of America of this participant's termination.

Recommendations:

We recommend that CAPK provide Mutual of America consistent and frequent status updates regarding participant status.

Views of Responsible Officials:

Effective February 28, 2018, CAPK terminated its relationship with Mutual of America (MOA). Plan assets were transferred to Standard Insurance Company (The Standard) effective March 1, 2018. The data in MOA was difficult to analyze and review in comparison with an active employee roster. Moving assets to The Standard has improved the ability to compare employee active and terminated dates. The Standard has a more transparent and user-friendly system. All files transmitted to The Standard were reviewed and terminated records were properly updated.

Going forward, staff will regularly use relational data analysis to compare the participant roster from The Standard to the CAPK employee directory.

Current Year Status

All files are transmitted to The Standard. We tested a sample, and no misstatements were noted.

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This communication is indented solely for the information and use of the Board of Directors and management of the Plan and is not intended to be, and should not be, used by anyone other than these specified parties.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong Accountancy Corporation

Bakersfield, California
December 13, 2019

BROWN
ARMSTRONG

CERTIFIED
PUBLIC
ACCOUNTANTS

BROWN ARMSTRONG
Certified Public Accountants

To the Board of Directors of the
Community Action Partnership of
Kern's 403(b) Plan
Bakersfield, California

We have conducted a Department of Labor (DOL) limited-scope audit of the financial statements of Community Action Partnership of Kern's 403(b) Plan (the Plan) for the year ended December 31, 2019, and have issued our report thereon dated October 7, 2020. As permitted by 29 Code of Federal Regulations (CFR) 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4 to those financial statements. Because of the significance of the information that we did not audit, we are unable to, and have not, expressed an opinion on those financial statements and supplemental schedule as a whole. We did, however, audit the form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, in accordance with auditing standards generally accepted in the United States of America and found them to be presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 26, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices
Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Plan are described in Note 2 to the financial statements. In current year, the plan implemented Financial Accounting Standards Board (FASB) Accounting Standard Update (ASU) 2017-06 *Plan Accounting: Plan Accounting: Defined Pension Plans (Topic 960) Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965), Employee Benefit Plan Master Trust Reporting (a consensus of the Emerging Issues Taskforce),* ASU No. 2016-01, *Financial Instruments – Overall (Subtopic 825-10)*: *Recognition and Measurement of Financial Assets and Financial Liabilities,* and ASU 2018-03, *Technical Corrections and Improvements to Financial Improvements – Overall (Subtopic 825-10) Recognition and Measurement of Financial Assets and Financial Liabilities.* We noted no transactions entered into by the Plan during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

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1919 GRAND CANAL BLVD
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Management's estimate of the fair value of investments is based on various methods as detailed in the notes to the financial statements. We evaluated the key factors and assumptions used to develop the estimated fair value of investments in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of Fair Value Measurements in Note 4 to the financial statements, which expands the disclosure about the fair value measurements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit
We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements
Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no such misstatements.

Disagreements with Management
For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations
We have requested certain representations from management that are included in the management representation letter dated October 7, 2020.

Management Consultations with Other Independent Accountants
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Plan's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Plan's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

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This information is intended solely for the use of the Board of Directors and management of Community Action Partnership of Kern's 403(b) Plan and is not intended to be, and should not be, used by anyone other than these specified parties.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
October 7, 2020

COMMUNITY ACTION PARTNERSHIP OF KERN'S 403(B) PLAN

FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2019 WITH COMPARATIVE TOTALS FOR 2018

**COMMUNITY ACTION PARTNERSHIP
OF KERN'S 403(B) PLAN
FOR THE YEAR ENDED DECEMBER 31, 2019
WITH COMPARATIVE TOTALS FOR 2018**

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BROWN ARMSTRONG
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Community Action Partnership of
Kern's 403(b) Plan
Bakersfield, California

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Community Action Partnership of Kern's 403(b) Plan (the Plan), which comprise the statement of net assets available for plan benefits as of December 31, 2019, the related statement of changes in net assets available for plan benefits for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 Code of Federal Regulations (CFR) 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by the Standard Insurance Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of and for the year ended December 31, 2019, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

Report on Summarized Comparative Information

We previously audited the Agency's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 15, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements which it has been derived.

Other Matter—Supplemental Schedule

The supplemental schedule, Schedule H, Line 4i – Schedule of Assets Held at End of Year for the year ended December 31, 2019, is required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. It is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule referred to above.

Report on Form and Content in Compliance with the DOL's Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
October 7, 2020

COMMUNITY ACTION PARTNERSHIP
OF KERN'S 403(B) PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR PLAN BENEFITS
DECEMBER 31, 2019
WITH COMPARATIVE TOTALS FOR 2018

	2019	2018
ASSETS:		
Cash and Cash Equivalents	$ 7	$ 246
Investments at Fair Value (Note 6):		
Mutual Funds	4,896,761	3,743,955
Group Annuity Contract	577,834	720,487
Total Assets	5,474,602	4,464,688
NET ASSETS AVAILABLE FOR PLAN BENEFITS	$ 5,474,602	$ 4,464,688

The accompanying notes are an integral part of these financial statements.

COMMUNITY ACTION PARTNERSHIP
OF KERN'S 403(B) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2019
WITH COMPARATIVE TOTALS FOR 2018

	2019	2018
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Contributions:		
Participants	$ 756,885	$ 637,746
Rollovers	-	98,180
Investment Income:		
Interest/Dividends	18,462	12,026
Net Appreciation (Depreciation) in Fair Value of Investments	876,434	(225,664)
Total Additions	1,651,781	522,288
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Benefits Paid to Participants	601,963	464,620
Administrative Expenses	39,904	18,619
Total Deductions	641,867	483,239
Change in Net Assets Available for Plan Benefits	1,009,914	39,049
Net Assets Available for Plan Benefits:		
Beginning of Year	4,464,688	4,425,639
End of Year	$ 5,474,602	$ 4,464,688

The accompanying notes are an integral part of these financial statements.

NOTE 1 – DESCRIPTION OF PLAN

Community Action Partnership of Kern (the Administrator or the Agency) originally established a tax deferred annuity plan (the Plan) under Section 403(b) of the Internal Revenue Code (IRC), effective date of January 27, 2010. The Plan's restated effective date is February 1, 2018. The total number of participants in the Plan with account balances as of December 31, 2019 and 2018, were 660 and 628, respectively. The trustee of the Plan's assets is Standard Insurance Company and the Custodian of the Plan is Charles Schwab Trust Company. On March 1, 2018, trustee services switched over from Mutual of America to Standard Insurance Company.

The following brief description of the Plan is provided for general information purposes only. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Agency established the Plan to provide employees with a systematic means of saving and investing for the future. All eligible employees are able to enter the Plan and participate for the purposes of making elective deferrals upon his or her employment commencement date. This date is the entry date. All eligible employees are able to enter the Plan and participate for the purposes of receiving an allocation of matching contributions or non-elective contributions upon completing 1,000 hours worked. The Plan is a defined contribution plan subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Plan Contributions

Participants may contribute from $1 up to the maximum amount allowed by law and certain discrimination tests prescribed by the IRC. For 2019 and 2018, the 403(b) elective deferral limit was $19,000 and $18,500, respectively (the limit is increased by $6,000 for participants that have reached age 50 by the end of the Plan year and make catch-up contributions).

Participant Accounts

Each participant's account is credited with the participant's contributions, allocation of the Agency's contribution, plan earnings, and an allocation of administrative expenses. The benefit to which a participant is entitled is the vested benefit that can be provided from the participant's account.

Investment Options

All contributions to the Plan are directed by the participants into investments in funds made available through a contract with the trustee.

Vesting

A participant's vested interest will be 100% at all times, meaning participants are entitled to all of the amounts in their accounts attributable to the following:

- Elective deferrals including Roth elective deferrals and catch-up contributions
- Rollover contributions

NOTE 1 – <u>DESCRIPTION OF PLAN</u> (Continued)

<u>Distributions</u>

Upon termination of employment, retirement, or death, a participant or his/her beneficiary may elect to have the benefits distributed in one lump sum cash payment or elect to have a transfer of the vested interest directly to an individual retirement account (IRA) of the participant's choosing.

If a participant terminates employment for any reason and at any age (including retirement), and the value of their vested benefit does not exceed $5,000, including any rollover contributions, then a distribution will automatically be paid to them even if they do not consent. Any distribution under this paragraph will be paid to in a lump-sum distribution within a year after termination.

If the vested benefit exceeds $5,000, then the participant will be entitled to a distribution in a reasonable time after termination.

<u>Participant Investment Rollovers</u>

Participants are allowed to transfer or rollover funds into the Plan from other qualified plans, tax shelter annuity plans, government 457 plans, or traditional IRAs that qualify.

NOTE 2 – <u>SUMMARY OF ACCOUNTING POLICIES</u>

The financial statements of the Plan have been prepared in conformity with accounting principles generally accepted in the United States of America and in accordance with the terms of the Plan agreement.

The following are the significant accounting policies followed by the Plan:

<u>Basis of Accounting</u>

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, except for distributions paid to participants which are prepared on the cash basis of accounting.

<u>Use of Estimates</u>

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of certain assets, liabilities, and changes therein, and disclosures of contingent assets and liabilities. Accordingly, the actual amounts could differ from those estimates. Any adjustments applied to estimated amounts are recognized in the year in which such adjustments are determined.

<u>Valuation of Investments and Income Recognition</u>

At December 31, 2019 and 2018, the Plan's investments were held in mutual funds and unallocated contracts and are stated at fair value as certified by the Plan's trustee. The net appreciation/depreciation in the fair value of investments includes realized and unrealized gains and losses on the fair value of investments held by the Plan. Purchases and sales of investments are recorded on a settlement date basis. Interest and dividend income are accrued as it is earned.

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES (Continued)

Excluded Contracts and Accounts

As allowed by the Department of Labor (DOL) Field Assistance Bulletin (FAB) 2009-02, the plan administrator has the ability to exclude certain contracts and accounts from Plan assets. Certain contracts and accounts may be excluded due to the fact that:

- The contract or account was issued to a current or former employee before January 1, 2009;
- The employer ceased to have any obligation to make contributions (including employee salary reduction contributions), and in fact stopped making contributions to the contract on or before January 1, 2009;
- All the rights under the contract or account are legally enforceable against the insurer or custodian by the individual owner of the contract or account without any involvement by the employer; and
- The individual owner of the contract is fully vested in the contract or account.

For the years ended December 31, 2019 and 2018, there were no contracts or accounts excluded. The Plan assets include all the contracts and accounts.

Contributions

Contributions from employees and the employer are recorded in the period in which the Agency makes the payroll deductions from participant earnings.

Distributions

Distributions are recorded when paid. At December 31, 2019 and 2018, there were no benefits processed and approved for payment, but not paid.

Expenses

A certain amount of the Plan's administrative expenses are paid by the Agency. Other expenses such as loan fees are paid from Plan assets and deducted from participant accounts in accordance with the Plan document.

NOTE 3 – FUNDING POLICY

A summary of the funding policy of the Plan is as follows:

Contributions:

1. Employee Salary Reduction: At participant's discretion up to maximum permitted by law.
2. Matching: Employer may elect to make a matching contribution each Plan year in an amount to be determined by the Employer.
3. Non-Elective: Employer may also make other discretionary contributions to the Plan. In any Plan year in which non-elective contributions are made, an allocation is made to an employee's non-elective contribution account based on the ratio that each employee's compensation bears to the total compensation of all eligible participants for that year.

Limits:

1. Maximum Employee Contribution for 2019: $19,000.
2. Maximum Contribution Limit – Employer plus Employee for 2019: $56,000.
3. Maximum Compensation for 2019: $280,000.

Vesting: Employee: 100% full and immediate

NOTE 4 – INVESTMENTS

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurements and Disclosures,* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FASB ASC Topic 820 also established a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities that the Agency has the ability to access at the measurement date.

Level 2 Inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly or indirectly, through corroboration with observable market data. Level 2 inputs include (a) quoted prices for similar assets or liabilities in active markets, (b) quoted prices for identical or similar assets or liabilities in markets that are not active, (c) inputs other than quoted prices that are observable for the asset or liability (for example, interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks, and default rates), and (d) inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 Unobservable inputs used to measure fair value to the extent that observable market based inputs are not available and that are supported by little or no market activity for the asset or liability. These unobservable inputs reflect the Agency's own estimates about the assumptions that market participants would use in pricing the asset or liability.

Level 1 Fair Value Measurements

The fair value of mutual funds is based on quoted net asset values of the shares as reported by the fund. The mutual funds held by the Plan are open-end mutual funds registered with the U.S. Securities and Exchange Commission. The funds must publish their daily net asset value and transact at that price. The mutual funds held by the Plan are considered to be actively traded. The fair values of mutual funds are based on the closing price reported on the active market where the individual securities are traded.

Level 2 Fair Value Measurements

There are no Plan assets requiring the use of Level 2 inputs for the periods presented.

Level 3 Fair Value Measurements

There are no Plan assets requiring the use of Level 3 inputs for the periods presented.

NOTE 4 – <u>INVESTMENTS</u> (Continued)

The following tables set forth by level, within the fair value hierarchy, the Plan's fair value measurements at December 31, 2019 and 2018:

	Fair Value Measurements at December 31, 2019			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Mutual Funds:				
Equity Index Funds	$ 4,543,730	$ -	$ -	$ 4,543,730
Balanced Funds	93,980	-	-	93,980
Value Funds	94,490	-	-	94,490
Growth Funds	164,561	-	-	164,561
Total Mutual Funds	4,896,761	-	-	4,896,761
Total Assets at Fair Value	$ 4,896,761	$ -	$ -	$ 4,896,761
Investments Measured at Net Asset Value (NAV)				
Group Annuity Contract (1)	$ 577,834			
Total Investments Measured at NAV	$ 577,834			
Total Investments	$ 5,474,595			

	Fair Value Measurements at December 31, 2018			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Mutual Funds:				
Equity Index Funds	$ 3,406,926	$ -	$ -	$ 3,406,926
Balanced Funds	89,969	-	-	89,969
Value Funds	110,908	-	-	110,908
Growth Funds	136,152	-	-	136,152
Total Mutual Funds	3,743,955	-	-	3,743,955
Total Assets at Fair Value	$ 3,743,955	$ -	$ -	$ 3,743,955
Investments Measured at Net Asset Value (NAV)				
Group Annuity Contract (1)	$ 720,487			
Total Investments Measured at NAV	$ 720,487			
Total Investments	$ 4,464,442			

(1) In accordance with Accounting Standards Update (ASU) Subtopic 820-10, certain investments that were measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the Statement of Net Assets Available for Plan Benefits.

NOTE 5 – INVESTMENTS CERTIFIED BY PLAN TRUSTEE

Standard Insurance Company, trustee, certified all investments (at fair value) and investment transactions (individually and in summary) as of December 31, 2019 and 2018, and for the years then ended. The certifications include realized and unrealized gains and losses and certain supplemental schedule information.

NOTE 6 – ADMINISTRATION OF PLAN NET ASSETS

As trustee of the Plan, Standard Insurance Company provides recordkeeping and investment services to the Plan. Agency contributions are management by the trustee who invests cash received, interest and dividend income and makes distributions to participants. The Plan assets are held by Charles Schwab Trust Company, the custodian.

Administrative functions are jointly performed by Standard Insurance Company and by officers or employees of the Agency. No office or employee receives compensation from the Plan. Trustee administrative expenses, along with fees paid to Pensionmark, the Plan's investment advisor, are absorbed by the Plan and allocated among the participants' accounts. The independent auditor's fees are paid directly by the Agency.

Administrative fees consist of trustee and advisor fees, which totaled $39,904 and $18,619, for the years ended December 31, 2019 and 2018, respectively.

NOTE 7 – RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statement of Net Assets Available for Plan Benefits.

NOTE 8 – PLAN TERMINATION

Although it has not expressed any intent to do so, the Agency has the right under the Plan to discontinue its contribution at any time and to terminate the Plan subject to the provisions of ERISA. However, no such action may deprive any participant or beneficiary under the Plan of any vested right.

NOTE 9 – TRANSACTIONS WITH PARTIES-IN-INTEREST

The Plan invests in annuities sponsored by the Plan's trustee, as defined by the Plan, and therefore, these transactions qualify as party-in-interest transactions. Administrative fees related to the administration of the Plan are paid by the Plan.

NOTE 10 –PRONOUNCEMENTS IMPLEMENTED IN CURRENT YEAR

Accounting Standard Update (ASU) No. 2017-06, *Plan Accounting: Defined Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965), Employee Benefit Plan Master Trust Reporting (a consensus of the Emerging Issues Taskforce*). This update was issued in February 2017 and relates primarily to the reporting by an employee benefit plan for its interest in a master trust. The amendments in this update are effective for fiscal years beginning after December 15, 2018. Early adoption is permitted. The Plan currently does not have any investments in master trusts; as such, this update does not affect the Plan.

NOTE 10 –<u>PRONOUNCEMENTS IMPLEMENTED IN CURRENT YEAR</u> (Continued)

ASU No. 2016-01, *Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*. This update addresses certain aspects of recognition, measurement, presentation, and disclosure or financial instruments. The provisions of this update are effective for Plan years beginning after December 15, 2018. With certain exceptions, early adoption is permitted. This update is not expected to have a material impact on the financial statements.

ASU 2018-03, *Technical Corrections and Improvements to Financial Improvements – Overall (Subtopic 825-10) Recognition and Measurement of Financial Assets and Financial Liabilities*. This update addresses certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. In addition to amending Topic 825, *Financial Instruments*, the amendments in this update include certain aspects of the guidance issued in Update 2016-01. The provisions of this update are the same effective date in Update 2016-01 as described above. This update is not expected to have a material impact on the financial statements.

NOTE 11 – <u>RECENTLY ISSUED PRONOUNCEMENTS APPLICABLE TO FUTURE YEARS</u>

ASU 2018-09, *Codification Improvements*. This update amends several Subtopics including Subtopic 962-325, *Plan Accounting – Defined Contribution Pension Plans – Investments – Other*, which removes the stable value common collective trust fund from the illustrative example in paragraph 962-325-55-17 to avoid the interpretation that such an investment would never have a readily determinable fair value and, therefore, would always use the net asset value per share practical expedient. The transition and effective date guidance is based on the facts and circumstances of each amendment. Subtopic 962-325 is effective for Plan years beginning after December 15, 2019. Early adoption is allowed. The Plan has opted not to early implement and is determining the impact of this update on it financial statements.

ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework, Changes to the Disclosure Requirements for Fair Value Measurement*. This update modifies the disclosure requirements on fair value measurements in Topic 820, *Fair Value Measurement*, based on the concepts in the Concepts Statement, including the consideration of costs and benefits. The update is effective for fiscal years beginning after December 15, 2019. Early adoption is permitted. Management has not yet determined the impact of this update on its financial statements.

ASU 2019-04, *Codification Improvements to Topic 326, Financial Instruments – Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments*. This update is to clarify and correct previous updates issued, including ASU 2016-01, *Financial Instruments – Overall (Subtopic 825-10),* ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments,* and ASU 2017-012, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities*. The amendments in this update apply to all reporting entities within the scope of the affected accounting guidance. The amendments on recognizing and measuring financial instruments are effective for fiscal years beginning after December 15, 2019, including interim periods in those years. Management has not yet determined the impact of this update on its financial statements.

ASU 2020-01 – *Investments – Equity Securities (Topic 321), Investments – Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815) – Clarifying the Interactions between Topic 321, Topic 323, and Topic 815 (a consensus of the Emerging Issues Task Force).* The amendment is effective for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years. The amendment is meant to clarify the accounting for investments under Topic 321, 323, and 815. Management has not yet determined the impact of this update on its financial statements.

NOTE 12 – SUBSEQUENT EVENTS

For the year ended December 31, 2019, the Agency has evaluated subsequent events for potential recognition and disclosure through October 7, 2020, the date the financial statements were available to be issued. No material subsequent event items that required recognition or disclosure were identified.

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. The COVID-19 outbreak in the United States has resulted in increased activities and funding to the Agency. At the current time, the Agency is unable to quantify all the potential effects of the pandemic on the future financial statements.

On July 28, 2020, the Agency received approval from the IRS to proceed with the Voluntary Correction Plan (VCP). As of October 2020, the Agency is currently working with The Standard to make contributions described in the VCP application. The Agency expects this process to take a few months.

SUPPLEMENTAL SCHEDULE

COMMUNITY ACTION PARTNERSHIP
OF KERN COUNTY'S 403(B) PLAN
SCHEDULE H, LINE 4I – SCHEDULE OF ASSETS HELD AT END OF YEAR
EIN – 95-2410253 PN - 001
FOR THE YEAR ENDED DECEMBER 31, 2019

(A)	(B) Identity of Issuer, Borrower, Lessor, or Similar Party	(C) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(D) Cost**	(E) Current Value
*	Standard Stable Asset	Group Annuity Contract	$ -	$ 577,834
	Vanguard Total Bond Market Index Adm	Mutual Funds	-	117,109
	Putnam Dynamic AA Growth Y	Mutual Funds	-	164,561
	Blackrock LifePath Index Retiree K	Mutual Funds	-	622,712
	Blackrock LifePath Index Retiree 2025 K	Mutual Funds	-	753,035
	Blackrock LifePath Index Retiree 2030 K	Mutual Funds	-	468,649
	Blackrock LifePath Index Retiree 2035 K	Mutual Funds	-	514,475
	Blackrock LifePath Index Retiree 2040 K	Mutual Funds	-	482,350
	Blackrock LifePath Index Retiree 2045 K	Mutual Funds	-	495,515
	Blackrock LifePath Index Retiree 2050 K	Mutual Funds	-	312,115
	Blackrock LifePath Index Retiree 2055 K	Mutual Funds	-	58,531
	Blackrock LifePath Index Retiree 2060 K	Mutual Funds	-	45,231
	Putnam Dynamic AA Balanced	Mutual Funds	-	93,980
	MFS Value R6	Mutual Funds	-	94,490
	IShares S&P 500 Index	Mutual Funds	-	69,570
	Putnam Dynamic AA Conservative	Mutual Funds	-	64,670
	TIAA-CREF Lifecycle Retire Income Instl	Mutual Funds	-	218,333
	Wells Fargo Special Small Cap Value Inst	Mutual Funds	-	1,470
	Vanguard Mid-Cap Growth Index Admiral	Mutual Funds	-	32,608
	MassMutual Select Mid Cap GR 1	Mutual Funds	-	132,098
	DFA US Small Cap I	Mutual Funds	-	26,742
	Janus Henderson Triton T	Mutual Funds	-	48,361
	Hartford Intl Opportunities R6	Mutual Funds	-	1,337
	American Funds New Perspective R6	Mutual Funds	-	67,261
	Principal Real Estate Sec I	Mutual Funds	-	11,558
			$ -	$ 5,474,595

* Party-in-interest to the Plan.
** Cost omitted for participant directed accounts.

MEMORANDUM

To: Audit & Pension Committee

From: Tracy Webster, Chief Financial Officer

Date: January 14, 2021

Subject: *Agenda Item 5c*: Independent Audit RFP Results - **Action Item**

Per the direction of the Audit and Pension Committee, CAPK staff issued a Request for Proposal (RFP) for independent audit services for the period of 2020-21 through 2024-25. Brown Armstrong, CPA, has been the auditing firm for CAPK since 2011 and has consistently delivered timely audited financial statements to the Board and funding agencies. The staff and Board of CAPK takes great pride in the transparent fiscal practices deployed throughout the agency. Therefore, the selection of an independent audit firm is critical.

CAPK procurement solicited proposals from 95 reputable audit firms. Six valid and complete responses were received. A committee consisting of Lorraine Casillas, Director of Finance, Emilio Wagner, Director of Operations, and Tracy Webster, Chief Financial Officer, reviewed and scored the RFP responses based on the following weighted criteria:

Category	Score
Prior experience auditing a community action agency and/or non-profit agency of similar size, scope & complexity	20
Prior experience auditing programs similar to those at CAPK financed by Federal, State of California, county and local government funds	15
Prior experience auditing Defined Contribution Pension Plans	5
Auditor's organization, size, structure and capacity	15
Staff qualifications and relevant experience	15
Auditor's approach to the engagement	10
All-inclusive, not-to-exceed fees	20
TOTAL	**100**

Additionally, the committee reviewed the recent Peer Review available through AICPA (American Institute of CPA's) for each firm. The overall scores for the responding firms were as follows:

Audit Firm	Score	Rank
Brown Armstrong	98.26	1
Daniells Phillips Vaughn and Bock	97.20	2
Pun Group	93.42	3
CLA (ClintonLarsonAllen), LLP	68.68	4
Harshwal & Company, LLP	63.00	5
Squarmilner	53.93	6

The separating factor between the two top ranking firms was the fee structure. Daniells Phillips Vaughn and Bock's fee proposal was 6.2% higher than Brown Armstrong. Both firms have equal experience with non-profits and community action organizations. Both have equivalent organizational resiliency and expertise.

Based on the equivalency between the two responses, the reviewing committee considered the long-term relationship with Brown Armstrong. To promote continued audit independence, the committee recommends Daniells Phillips Vaughn and Bock as the independent audit firm for 2020-21 through 2024-25.

Recommendation:
Staff recommends that the Audit and Pension Committee approves the recommendation to the Board of Directors to execute a contract with Daniells Phillips Vaughn and Bock as the independent audit firm for CAPK for 2020-21 through 2024-25.

MEMORANDUM

To: Audit & Pension Committee

From: Tracy Webster, Chief Financial Officer

Date: January 14, 2021

Subject: *Agenda Item 5d*: New External Audit Policy - **Action Item**

The following proposed policy is being presented to the Audit & Pension Committee for consideration. Per the direction of the Executive Committee and the Audit & Pension Committee, the Finance Department drafted the External Audit Policy that outlines the guidelines within which an external audit provides objective and independent assurance to the agency and the Board of Directors. The External Audit Policy outlines the responsibilities, policy, process, and rotation of the audit firm.

As stated in the Executive Committee, the importance of implementing this audit policy is to establish the rotation of the audit firm to maintain integrity of the processes as well as layout the agency's policy and procedure.

Recommendation:
Staff recommends that the Audit and Pension Committee approve the newly developed External Audit Policy.

Attachment:
External Audit Policy

POLICY AND PROCEDURE

TITLE:	External Audit Policy
APPROVED:	[Enter Date of Board Approval]
APPLIES TO:	Community Action Partnership of Kern

POLICY:

It is the policy that Community Action Partnership of Kern (CAPK) will undergo an annual Independent Audit from a qualified CPA audit firm of fiscal and administrative management to ensure that funds and resources are used and reported in accordance with appropriate methods prescribed by law, Generally Accepted Accounting Principles, and state and local rules and regulations. Audits ensure compliance with Federal and State regulations, confirm appropriate application of accounting rules and principles, verify existence of adequate internal controls and attest whether financial statements are relevant, accurate, complete and fairly represent the position and performance of the agency to interested parties.

SCOPE:

This policy applies to all eligible CAPK departments and units.

DEFINITIONS:

Audit: independent and object appraisal to examine or review the fair presentation of financial statements, economy and efficiency of operations, effectiveness of achieving program results, compliance with laws and regulations, and/or the detection of fraudulent activities. Audits include reviews, site visits, and desk audits.

Audit Firm: an auditor not employed by CAPK; external auditors represent certified public accounting firms.

Request for Proposal: an invitation for service providers to submit a proposal to perform audit activities for a specific fiscal period or an entity. The request for proposal (RFP) process brings structure to the procurement decision and is meant to allow the risks and benefits to be identified clearly upfront.

RESPONSIBILITIES:

The Audit and Pension Committee is responsible for appointing the external auditor, subject to confirmation by the Board of Directors.

The Audit and Pension Committee is responsible for implementing a selection process and making a recommendation to the Board of Directors based on their assessment of the responses received from potential external auditors. Further, the Audit and Pension Committee is also responsible for the removal of an auditor, the scope of the external audit, engagement terms, and the remuneration of the auditor.

AUDITOR ENGAGEMENT PROCESS:

1. Request for Proposal (RFP) - A formal RFP process shall be used to seek qualified accounting firms for independent audit services. Content of the RFP shall include, but not limited to, the following:
    a. Preface and Invitation - a description of the agency operations and the range of audit services sought, together with a request to submit engagement proposal.
    b. Qualifications - The RFP is to contain a statement identifying the minimum qualifications required from proposing firms and shall require the accounting firms to list by name and experience the audit team members to be assigned to the engagement.
    c. References - Proposers are to provide a list of contacts with any current and/or former nonprofits organizations they have performed financial audits.
    d. Compensation. The RFP is to request information on the method and basis of compensation for services

SELECTION OF EXTERNAL AUDITORS:

The agency, through the Board of Directors, will conduct a formal process to select a qualified audit firm. Audit firms are evaluated in accordance with criteria, as appropriate from time to time on the following:

1. Professional standing and reputation
2. Ability to provide quality and efficient audit services, including audit approach and methodology
3. Relevant experience
4. Independence of the audit firm
5. Global resources, including relevant industry with Community Action agencies and technical experience
6. Cost

AUDIT PLAN:

Upon completion of the annual audit, CAPK will require from the auditors a closing report, a statement of independence, and an audit opinion. The final closing report will be presented to the Audit and Pension Committee and to the Board of Directors for review and discussion.

ROTATION OF EXTERNAL AUDIT FIRM:

It is the responsibility of the Audit and Pension Committee to make recommendations to the Board of Directors on the rotation of external audit firms. It is CAPK's policy to review and rotate the existing external audit firm. Any contracted audit firm may not supply audit services for more than seven (7) consecutive years. Whenever a rotation of the audit firm occurs, the past firm may not be reappointed before two years have lapsed since their previous appointment ceased.

The Audit and Pension Committee will monitor the rotation of audit firms and the appointment and independence of replacement firms.

If CAPK experiences a material change in Executive leadership, the Audit and Pension Committee may elect to extend the relationship with the independent audit firm beyond the seven (7) year maximum period, but in no case shall the extension be for a period of more than one (1) year in order to maintain organizational continuity. In this extraordinary case, a contracted audit firm may supply audit services for no more than eight (8) consecutive years.

BETTY T. YEE
California State Controller

October 30, 2020

Jeremy T. Tobias, Chief Executive Officer
Community Action Partnership of Kern
5005 Business Park N.
Bakersfield, CA 93309

Re: Single Audit Report Review for Fiscal Year 2018

Dear Mr. Tobias:

We completed a desk review of your Single Audit Report relative to the WIC program for the fiscal year ended 2018. We determined that the report meets the requirements for Single Audits as required by Title 2, *Code of Federal Regulations,* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Uniform Guidance prescribes the audit and reporting standards for private non-profit organizations that expend federal awards.

Your audit satisfies the financial and compliance audit requirements under the WIC program. This does not preclude state and federal agencies from conducting additional audits that are necessary to carry out their responsibilities under federal laws and regulations. State and federal agencies may contact you to arrange for additional audits.

If you have any questions regarding this letter, please contact Iryna Bush, Audit Manager, by telephone at (916) 327-5005 or by email at wicsingleaudits@sco.ca.gov.

Sincerely,

JOEL JAMES, Chief
Financial Audits Bureau
Division of Audits

P.O. Box 942850, Sacramento, CA 94250 ♦ (916) 445-2636
3301 C Street, Suite 700, Sacramento, CA 95816 ♦ (916) 324-8907
901 Corporate Center Drive, Suite 200, Monterey Park, CA 91754 ♦ (323) 981-6802

cc: Tiffany Evangelista, Chief
Local Services Branch–Local Support Section
Women, Infants, and Children Division
California Department of Public Health
Ofelia Franco, Administration Section Chief
Women, Infants, and Children Division
California Department of Public Health
Cheryl Ungerman, Audit Review Unit Chief
Women, Infants, and Children Division
California Department of Public Health
Adrianna Blea, Audit Review Analyst
Women, Infants, and Children Division
California Department of Public Health
Derek Robinson, Analyst
Women Infants, and Children Division
California Department of Public Health
Efren Loste, Bureau Chief
Division of Audits

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES
744 P Street • Sacramento, CA 95814 • *www.cdss.ca.gov*

KIM JOHNSON
DIRECTOR

GAVIN NEWSOM
GOVERNOR

November 20, 2020

Ms. Carmen Segovia, Division Director
Community Action Partnership of Kern
1825 Felize Dr.
Bakersfield, CA 93307

SUBJECT: CSFP COMPLIANCE REVIEW

Dear Ms. Segovia:

Thank you for your time and cooperation during the recent Compliance Review of the Commodity Supplemental Food Program (CSFP) operated by the Community Action Partnership of Kern (CAPK) conducted during the week of September 01, 2020. The review was conducted by California Department of Social Services (CDSS) staff members, Lori Coopwood and Victoria Fisher.

The purpose of the review was to determine the local agency is compliance with the Code of Federal Regulations (CFR), United States Department of Agriculture (USDA) regulations, the terms of your approved Memorandum of Understanding with the California Department of Social Services (CDSS), and the CSFP procedures. The review covered Federal Fiscal Year (FFY) 2019 through the date of review in FFY 2020. We are pleased to let you know that there were zero findings from your review.

Documents and procedures related to key functional areas of the program were reviewed. The following outlines the seven functional areas of review:

The following outlines the seven functional areas of review:

I. General Administration
II. Caseload Management and Outreach
III. Nutrition Education
IV. Civil Rights and Religious Organizations
V. Certification Procedures
VI. Food Storage and Inventory Control
VII. Financial Management, Audits and Records

Areas of Recognition and Merit

While USDA regulation only requires CDSS to submit a report of review findings to you, I also observed numerous noteworthy areas of merit during the review.

- All documents were turned in on time and very organized
- The CSFP coordinator was organized CAPK staff is very responsive and seeks guidance when appropriate
- Staff was receptive to feedback provided during the compliance review
- The receiving and receipting of commodities is completed accurately and in a timely manner
- Financial records were organized and clear to understand

Conclusion

Your assistance and cooperation during the review was greatly appreciated. Your staff was very helpful throughout the review. For additional information or questions please contact Kahea Fernandez, CSFP Consultant at (916)229-4324 or Kahea.Fernandez@dss.ca.gov

Sincerely,

KAHEA FERNANDEZ
Program Consultant

11/20/2020

Reviewed and Approved by
LORI COOPWOOD
Program Manager

Date