

SAN MATEO COUNTY

Anti-Drug Abuse Enforcement Program (Byrne NTF Grant)

Grant Contract No. DCO5160410

Grant Period: July 1, 2005 through June 30, 2006

STATEMENT OF GRANT REVENUES AND EXPENDITURES

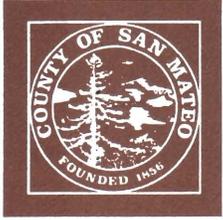
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San Mateo County
Anti-Drug Abuse Enforcement Program (Byrne NTF Grant)
For the Grant Period
July 1, 2005 through June 30, 2006

TABLE OF CONTENTS

	Page
I. Independent Auditor's Report	1
II. Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>	2
III. Financial Statement:	
Statement of Grant Revenues and Expenditures	3
Notes to Statement of Grant Revenues and Expenditures	4-5

Office of Controller



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Independent Auditor's Report

Board of Supervisors
San Mateo County
400 County Center
Redwood City, CA 94063

We have audited the accompanying Statement of Grant Revenues and Expenditures of the San Mateo County Anti-Drug Abuse Enforcement Program (Byrne NTF Grant) for the period July 1, 2005 through June 30, 2006 in accordance with the State of California Office of the Emergency Services Grant Recipient Handbook. This statement is the responsibility of the San Mateo County management. Our responsibility is to express an opinion on the Statement of Grant Revenues and Expenditures 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 Statement of Grant Revenues and Expenditures is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Statement of Grant Revenues and Expenditures was prepared for the purpose of complying with the audit requirements of the State of California Office of the Emergency Services Grant Recipient Handbook as described in Note 4 and is not intended to be a complete presentation of the County's revenues and expenditures.

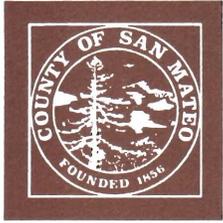
In our opinion, the Statement of Grant Revenues and Expenditures referred to above presents fairly, in all material respects, the grant revenues and expenditures of San Mateo County Anti-Drug Abuse Enforcement Program (Byrne NTF Grant) in accordance with the State of California Office of the Emergency Services Grant Recipient Handbook for the period July 1, 2005 through June 30, 2006 in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2006, on our consideration of the County'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

County of San Mateo Controller

Redwood City, California
December 18, 2006

Office of Controller



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Report on Internal Control over Financial
Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
In Accordance with *Government Auditing Standards*

Board of Supervisors
San Mateo County
400 County Center
Redwood City, CA 94063

We have audited the Statement of Grant Revenues and Expenditures of the San Mateo County Anti-Drug Abuse Enforcement Program (Byrne NTF Grant) for the period July 1, 2005 through June 30, 2006 in accordance with the State of California Office of the Emergency Services Grant Recipient Handbook, and have issued our report thereon dated December 18, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

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

This report is intended solely for the information and use of the Board, management, grantor and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

County of San Mateo Controller

Redwood City, California
December 18, 2006

San Mateo County
Anti-Drug Abuse Enforcement Program (Byrne NTF Grant)
Grant Contract No. DCO5160410

Statement of Grant Revenues and Expenditures
For the Grant Period July 1, 2005 through June 30, 2006

Revenues:

State Funds (Note 2)	\$ 293,630	
		<u>293,630</u>
Total Revenues		<u>293,630</u>

Expenditures (Note 8):

Personal Services	150,281	
Equipment	117,096	
Operating Expenditures	<u>26,253</u>	
Total Expenditures		<u>293,630</u>

Excess of Revenues Over Expenditures		<u><u>\$ -</u></u>
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The accompanying notes are an integral part of this statement.

San Mateo County – Anti-Drug Abuse Enforcement Program (Byrne NTF Grant)

Notes to Statement of Grant Revenues and Expenditures

July 1, 2005 through June 30, 2006

1. General Program Information

The Anti-Drug Abuse Enforcement Program funds grant recipients in each of California's 58 counties to combat drug abuse and associated violence through the federal Bureau of Justice Assistance, Edward Byrne Memorial State and Local Law Enforcement Assistance Formula Block Grant Program. The Program allows flexibility in determining appropriate strategies and outcome measures at the local level to address their unique drug and violent crime problems accordingly.

The San Mateo County Anti-Drug Abuse Enforcement Program (Byrne NTF Grant) was established in 2003. The goal of the program is the continued unification and collaboration efforts of City, County, State and Federal Law Enforcement agencies in the investigation, apprehension and arrest of narcotic offenders.

2. Description of Grant

The California Governor's Office of Emergency Services (OES) made a grant award of \$293,630 to San Mateo County. In accordance with federal law, funds for the Byrne NTF Grant were only used to develop a comprehensive plan detailing current problems, efforts, and projected resources needed to address the illegal drug and violence problems in San Mateo County communities and to fund personnel, operating and equipment expenditures for the Program.

As of June 30, 2006, total expenditures for the Byrne NTF Grant totaled \$293,630. As of June 30, 2006 about fifty percent of the total expenditures have been reimbursed by the OES. The remaining balance of \$129,319 was reimbursed after the fiscal year-end.

3. The County's Reporting Structure

The accounts of the County are organized on the basis of funds. A fund is defined as an independent accounting entity with self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities.

Components of the reporting structure applicable to the transactions under the grant contract:

Governmental Fund

Governmental funds use the current financial resources measurement focus. The measurement focus is based upon spending or funds flow and determination of changes in fund balance.

4. Basis of Financial Statement Presentation

The Statement of Grant Revenues and Expenditures was prepared for the purpose of complying with the audit requirements of the State of California Office of the Emergency Services Grant Recipient Handbook and is not intended to be a complete presentation of the County's revenues and expenditures. Only revenues and expenditures related to Byrne NTF Grant have been included.

San Mateo County – Anti-Drug Abuse Enforcement Program (Byrne NTF Grant)

Notes to Statement of Grant Revenues and Expenditures

July 1, 2005 through June 30, 2006

5. Basis of Accounting

Basis of accounting refers to the point when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied.

The modified accrual basis of accounting is used to record grant revenues and expenditures. Revenues are recognized in the accounting period in which they become both available and measurable (flow of current financial resources measurement focus). Expenditures are recognized in the accounting period in which the liability is incurred.

6. Grant Amendments

The Byrne NTF Grant was amended on April 12, 2006 to re-allocate expenses between budget categories.

7. Grant Revenues

Grant revenue includes \$129,319 reimbursed by OES after year-end, as explained in Note 2.

8. Grant Expenditures

Grant expenditures totaled \$293,630 as of June 30, 2006.