

COUNTY OF SAN MATEO

Anti-Drug Abuse Enforcement Program (Byrne NTF Grant)

Grant Contract No. DCO6170410

Grant Period: July 1, 2006 through June 30, 2007

STATEMENT OF GRANT REVENUES AND EXPENDITURES

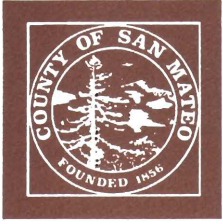
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San Mateo County
Anti-Drug Abuse Enforcement Program (Byrne NTF Grant)
For the Grant Period
July 1, 2006 through June 30, 2007

TABLE OF CONTENTS

	<u>Page</u>
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 - 3
III. Financial Statement:	
Statement of Grant Revenues and Expenditures.....	4
Notes to the Statement of Grant Revenues and Expenditures.....	5 - 6

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Independent Auditor's Report

To the Board of Supervisors
San Mateo County

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, 2006 through June 30, 2007 in accordance with the State of California Office of Emergency Services Grant Recipient Handbook. This statement is the responsibility of the County's 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 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.

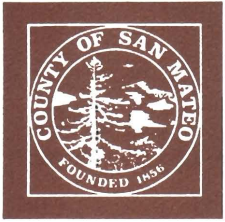
In our opinion, the Statement of Grant Revenues and Expenditures referred to above present fairly, in all material respects, the grant revenues and expenditures of the Byrne NTF Grant in accordance with the State of California Office of Emergency Services Grant Recipient Handbook for the period July 1, 2006 through June 30, 2007 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 September 17, 2007, on our consideration of the Byrne NTF Grant Program'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
September 17, 2007

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*

To the Board of Supervisors
San Mateo County

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, 2006 through June 30, 2007 in accordance with the State of California Office of Emergency Services Grant Recipient Handbook, and have issued our report thereon dated September 17, 2007. 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 Byrne NTF Grant Program's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the Statement of Grant Revenues and Expenditures, but not for the purposes of expressing an opinion on the effectiveness of the Byrne NTF Grant Program's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Byrne NTF Grant Program's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Byrne NTF Grant Program's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Byrne NTF Grant's Statement of Grant Revenues and Expenditures that is more than inconsequential will not be prevented or detected by the Byrne NTF Grant Program's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in a more than remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Byrne NTF Grant Program's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Byrne NTF Grant's Statement of Grant Revenues and Expenditures is 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 of Supervisors, management, the 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
September 17, 2007

San Mateo County
Anti-Drug Abuse Enforcement Program (Byrne NTF Grant)
Grant Contract No. DCO6170410

Statement of Grant Revenues and Expenditures
For the Grant Period July 1, 2006 through June 30, 2007

Revenues:

State Funds (Note 2)	\$ 194,361	
		<u>194,361</u>
Total Revenues		<u>194,361</u>

Expenditures (Note 8):

Personal Services	116,325	
Operating Expenditures	50,524	
Equipment	27,512	
		<u>194,361</u>
Total Expenditures		<u>194,361</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, 2006 through June 30, 2007

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 (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 (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) awarded \$200,423 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, 2007, Program funds expended for the Byrne NTF Grant totaled \$194,361. The remaining \$6,062 of awarded funds was unspent by the County. About eighty-four percent of the total spent was reimbursed from the OES as of June 30, 2007. The remaining balance of \$31,554 was reimbursed after the fiscal year-end.

3. The County's Reporting Structure

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 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 are included.

San Mateo County – Anti-Drug Abuse Enforcement Program (Byrne NTF Grant)
Notes to Statement of Grant Revenues and Expenditures
July 1, 2006 through June 30, 2007

5. Basis of Accounting

Basis of accounting refers to the timing of recognizing revenues and expenditures/expenses in an account and when to report them 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 Award Modifications

The Byrne NTF Grant was modified on March 9, 2007 and April 16, 2007 to re-allocate expenditures between budget categories.

7. Grant Revenues

Grant revenues reported for the fiscal year include \$31,554 reimbursed from OES after year-end, as explained in Note 2 above.

8. Grant Expenditures

Total grant expenditures for the fiscal year amounted to \$194,361.