

SAN MATEO COUNTY

**California Multi-Jurisdictional Methamphetamine
Enforcement Team Program (NTF Cal-MMET Grant)
Grant Award No. MH08030410
Grant Period: July 1, 2010 through June 30, 2011**

STATEMENT OF GRANT REVENUES AND EXPENDITURES

With Auditor's Reports Thereon

**San Mateo County
California Multi-Jurisdictional Methamphetamine
Enforcement Team Program (NTF Cal-MMET Grant)
For the Grant Period
July 1, 2010 through June 30, 2011**

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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 California Multi-Jurisdictional Methamphetamine Enforcement Team Program (NTF Cal-MMET Grant) for the period July 1, 2010 through June 30, 2011 in accordance with the State of California Emergency Management Agency (CalEMA) 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 CalEMA Grant Recipient Handbook as described in Note 4 and is not intended to be a complete presentation of the County's revenues and expenditures.

As required by various statutes within the California Government Code, County Auditor-Controllers are mandated to perform certain accounting, auditing, and financial reporting functions. These activities, in themselves, necessarily impair *Government Auditing Standards* of independence. Specifically, "auditors should not audit their own work or provide non-audit services in situations where the amounts or services involved are significant and/or material to the subject of the audit." Although the County Controller is statutorily obligated to maintain the accounts of departments, agencies or funds that are contained within the county treasury, we believe adequate safeguards and division of responsibility exist. The Controller is independently elected and is directly accountable to the voters and the Controller's Internal Audit Division, which has the responsibility to perform audits, has no other responsibility for the accounts and records being audited including the approval or posting of the transactions subject to audit. This would therefore enable the reader of this report to rely on the information contained herein.

In our opinion, except for the effects, if any, of the disclosure noted above, the Statement of Grant Revenues and Expenditures referred to above presents fairly, in all material respects, the grant revenues and expenditures of the NTF Cal-MMET Grant in accordance with the CalEMA Grant Recipient Handbook for the period July 1, 2010 through June 30, 2011 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 March 7, 2012, on our consideration of the NTF Cal-MMET 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
March 7, 2012



**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 California Multi-Jurisdictional Methamphetamine Enforcement Team Program (NTF Ca-MMET Grant) for the period July 1, 2010 through June 30, 2011 in accordance with the State of California Emergency Management Agency Grant Recipient Handbook, and have issued our report thereon dated March 7, 2012. 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 NTF Ca-MMET 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 NTF Ca-MMET Grant Program's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the NTF Ca-MMET Grant Program's internal control over financial reporting.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting 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 financial reporting that might be deficiencies, 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 NTF Ca-MMET 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 and the grantor and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

County of San Mateo Controller

Redwood City, California
March 7, 2012

**San Mateo County
California Multi-Jurisdictional Methamphetamine
Enforcement Team Program (NTF Cal-MMET Grant)
Grant Award No. MH08030410**

**Statement of Grant Revenues and Expenditures
For the Grant Period July 1, 2010 through June 30, 2011**

Revenues:

State Funds (Note 7)	\$ 70,807	
Total Revenues		70,807

Expenditures (Note 8):

Personal Services	66,176	
Operating Expenditures	4,631	
Total Expenditures		70,807

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

**San Mateo County – California Multi-Jurisdictional Methamphetamine
Enforcement Team Program (NTF Cal-MMET Grant)
Grant Award No. MH08030410
Notes to Statement of Grant Revenues and Expenditures
July 1, 2010 through June 30, 2011**

1. General Program Information

The State of California Emergency Management Agency (CalEMA), formerly the Governor’s Office of Emergency Services (OES), Law Enforcement and Victims Services Division administers grant funding to the 58 counties in California for the California Multi-Jurisdictional Methamphetamine Enforcement Team (Cal-MMET) Program that supports a regional approach to reduction in methamphetamine production and distribution, reduction in availability of methamphetamine on the street, and reduction in methamphetamine related criminal offenses. Cal-MMET allows flexibility in determining appropriate strategies and outcome measures at the regional level to address their unique methamphetamine crime problems accordingly.

The San Mateo County (County) California Multi-Jurisdictional Methamphetamine Enforcement Team Program (NTF Cal-MMET Grant) was established in February 2007. The County is part of the South Bay sub-region, in cooperation with San Benito, Santa Cruz and Monterey Counties. The goals of the program are to (a) disrupt and dismantle clandestine labs and organizations that manufacture and distribute methamphetamine; and (b) focus on the safety and well being of children by coordinating activities to ensure that the children’s needs are not overlooked, assist children who have been endangered by exposure to illicit drug environments and its associated hazardous lifestyle, and remove children from these toxic environments.

2. Description of Grant

CalEMA awarded \$66,176 to the County for the fiscal year ended June 30, 2011. See Note 6 regarding grant modifications. As of June 30, 2011, Cal-MMET funds expended for the NTF Cal-MMET Grant totaled \$70,807, which included \$4,631 unspent funds from the prior fiscal year. As of June 30, 2011, CalEMA had reimbursed \$4,631. The remaining \$66,176 was reimbursed after the fiscal year-end.

In accordance with the program guidelines, funds for the NTF Cal-MMET Grant were only used to intensify the current methamphetamine eradication efforts of the County by providing additional resources for personnel (investigators and support staff) and operating expenditures.

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 funds

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.

**San Mateo County – California Multi-Jurisdictional Methamphetamine
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Notes to Statement of Grant Revenues and Expenditures
July 1, 2010 through June 30, 2011**

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 CalEMA Grant Recipient Handbook (2011 Revision) and is not intended to be a complete presentation of the County's revenues and expenditures. Only revenues and expenditures related to NTF Cal-MMET Grant are included.

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 NTF Cal-MMET Grant Award Agreement was amended on March 20, 2009 to change the ending date of the Grant from June 30, 2009 to June 30, 2010 and increase the initial award amount of \$127,679 by \$260,251 to a total of \$387,930.

On June 29, 2010, The NTF Cal-MMET Grant Award Agreement was amended to change the ending date of the Grant from June 30, 2010 to June 30, 2011.

The NTF Cal-MMET Grant Award Agreement was amended on April 29, 2011 to change the ending date of Grant from June 30, 2011 to December 31, 2011 and increase the award amount of \$387,930 by \$66,176 to a total of \$454,106.

7. Grant Revenues

Grant revenues reported for the fiscal year include \$66,176 reimbursed from CalEMA after year-end, as explained in Note 2 above.

8. Grant Expenditures

Total grant expenditures for the fiscal year amounted to \$70,807 and comprised of personal services of \$66,176 and operating expenditures of \$4,631.