

SAN BERNARDINO COUNTY  
SHERIFF'S DEPARTMENT  
PROJECT SAFE NEIGHBORHOODS  
PROGRAM GRANT  
CONTRACT # US08010360

FINANCIAL STATEMENT  
WITH INDEPENDENT AUDITOR'S REPORT

FOR THE TWELVE MONTHS ENDED  
SEPTEMBER 30, 2009

SAN BERNARDINO COUNTY  
SHERIFF'S DEPARTMENT

PROJECT SAFE NEIGHBORHOODS PROGRAM GRANT

TABLE OF CONTENTS

	<u>Page Number</u>
INDEPENDENT AUDITOR'S REPORT .....	1
Statement of Grant Revenues and Expenditures for the Twelve Months Ended September 30, 2009 .....	3
Notes to Statement of Grant Revenues and Expenditures .....	4
Schedule of Findings and Questioned Costs for the Twelve Months Ended September 30, 2009 .....	5
Schedule of Prior Year Findings and Questioned Costs for the Twelve Months Ended September 30, 2008 .....	6
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> .....	7



CERTIFIED PUBLIC ACCOUNTANTS

- Brandon W. Burrows, CPA
- Donald L. Parker, CPA
- Michael K. Chu, CPA
- David E. Hale, CPA, CFP  
A Professional Corporation
- Donald G. Slater, CPA
- Richard K. Kikuchi, CPA
- Susan F. Matz, CPA
- Shelly K. Jackley, CPA

## INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors  
San Bernardino County Sheriff's Department

We have audited the accompanying statement of grant revenues and expenditures of the San Bernardino County Sheriff's Department (the Department) *Project Safe Neighborhood Program Grant* in accordance with the State of California's Office of Emergency Services Contract # US08010360 for the twelve months ended September 30, 2009. This statement is the responsibility of the Department's management. Our responsibility is to express an opinion on the statement based on our audit.

We conducted our audit 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 in accordance with the State of California's Office of Emergency Services Grant Recipient Handbook. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall 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's Office of Emergency Services Grant Recipient Handbook as described in Note I and is not intended to be a complete presentation of the Department's revenues and expenditures.

In our opinion, the statement referred to above presents fairly, in all material respects, the grant revenues and expenditures of the San Bernardino County Sheriff's Department *Project Safe Neighborhoods Program Grant* in accordance with the State of California's Office of Emergency Services Contract # US08010360 for the twelve months ended September 30, 2009, 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 January 22, 2010, on our consideration of the Department's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of this 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.



CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Supervisors  
San Bernardino County Sheriff's Office

This report is intended solely for the information and use of the County's Board of Supervisors, the Sheriff's Department management and the California Emergency Management Agency (Cal EMA) formerly Office of Emergency Services (OES), and is not intended to be, and should not be, used by anyone other than these specified parties.

*Lance, Soll & Loughard, LLP*

January 22, 2010

SAN BERNARDINO COUNTY SHERIFF'S DEPARTMENT  
PROJECT SAFE NEIGHBORHOODS PROGRAM GRANT

STATEMENT OF GRANT REVENUES AND EXPENDITURES

FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2009

**Revenues**

Reimbursements received/receivable \$ 41,262

**Expenditures**

Salaries and benefits 37,813

Conferences and Accommodations 3,449

Total Expenditures 41,262

Excess of expenditures over grant revenues received \$ -

The accompanying notes are an integral part of this statement

**SAN BERNARDINO COUNTY SHERIFF'S DEPARTMENT  
PROJECT SAFE NEIGHBORHOODS PROGRAM GRANT**

**NOTES TO STATEMENTS OF GRANT REVENUES AND EXPENDITURES**

**Note 1: Summary of Operations and Significant Accounting Policies**

**Description of the Reporting Entity**

The statement represents the grant revenues and expenditures of the San Bernardino County Sheriff's Department (the Department), State of California's Office of Emergency Services (OES) *Project Safe Neighborhoods Program Grant Contract # US08010360* for the twelve months ended September 30, 2009. The grant was funded by OES and administered by the San Bernardino County Sheriff's Department. Effective in the period ended September 30, 2009, OES changed its name to California Emergency Management Agency (Cal EMA). The accompanying statement of grant revenues and expenditures presents only the activities of the Project Safe Neighborhoods #US08010360 and is not intended to present the financial position of the San Bernardino County Sheriff's Department nor the County of San Bernardino itself in conformity with accounting principles generally accepted in the United States of America.

**Description of Grant**

The grant funds were made available to the Sheriff's Department to support new and expanded project safe neighborhoods programs. The preparation of this financial statement requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of revenues and expenditures, as well as the disclosure of contingent liabilities. Actual results could differ from those estimates. Management also determines the accounting principles to be used in the preparation of the statement. A description of the significant accounting policies employed in the preparation of this statement follows.

**Statement of Grant Revenues and Expenditures**

The statement of grant revenues and expenditures presents the eligible costs charged to the *Project Safe Neighborhoods Program Grant Contract # US08010360* by the San Bernardino County Sheriff's Department and the revenues received in reimbursement of those costs by OES and Cal EMA.

**Basis of Accounting**

The expenditures included in the accompanying schedule were reported on the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are incurred when the County becomes obligated for payment as a result of the receipt of the related goods and services. Expenditures reported included any property or equipment acquisitions incurred under the federal program.

**SAN BERNARDINO COUNTY SHERIFF'S DEPARTMENT  
PROJECT SAFE NEIGHBORHOODS PROGRAM GRANT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2009**

**Administrative Findings**

None noted.

**Grant Award Findings and Questioned Costs**

None noted.

**SAN BERNARDINO COUNTY SHERIFF'S DEPARTMENT  
PROJECT SAFE NEIGHBORHOODS PROGRAM GRANT**

**SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2008**

**Administrative Findings**

None noted.

**Grant Award Findings and Questioned Costs**

None noted.



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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 Bernardino County Sheriff's Department

We have audited the statement of grant revenues and expenditures of the San Bernardino County Sheriff's Department (the Department) *Project Safe Neighborhoods Program Grant* in accordance with the State of California's Office of Emergency Services Contract # US08010360 for the twelve months ended September 30, 2009, and have issued our report thereon dated January 22, 2010. The grant was funded by OES and Cal EMA, and administered by the San Bernardino County Sheriff's Department. 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 Department'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 purpose of expressing an opinion on the effectiveness of the department's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Department'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 Department'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 Department's statement of grant revenues and expenditures that is more than inconsequential will not be prevented or detected by the Department's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the statement of grant revenues and expenditures will not be prevented or detected by the Department's internal control.

Our consideration of 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. 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 over financial reporting that we consider to be material weaknesses, as defined above.



CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Supervisors  
San Bernardino County Sheriff's Department

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department'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 the 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* issued by the Comptroller General of the United States.

This report is intended solely for the information and use of the County's Board of Supervisors, the Sheriff's Department management and the California Emergency Management Agency (Cal EMA) formerly Office of Emergency Services (OES), and is not intended to be, and should not be, used by anyone other than these specified parties.

*Lance, Solt & Loughard, LLP*

January 22, 2010