

**SAN BERNARDINO COUNTY
DISTRICT ATTORNEY'S OFFICE
VERTICAL PROSECUTION PROGRAM
GRANT CONTRACT #VB08060360**

**FINANCIAL STATEMENT
WITH INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED JUNE 30, 2012**

SAN BERNARDINO COUNTY DISTRICT ATTORNEY'S OFFICE
VERTICAL PROSECUTION PROGRAM GRANT
CONTRACT #VB08060360
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JUNE 30, 2012

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INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors and
San Bernardino County District Attorney's Office
San Bernardino, California

We have audited the accompanying statement of grant revenues and expenditures of the San Bernardino County District Attorney's Office (Office) Vertical Prosecution Program Grant in accordance with the California Emergency Management Agency Contract #VB08060360 for the year ended June 30, 2012. This statement is the responsibility of the Office'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 California Emergency Management Agency *2011 Recipient Handbook*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. 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 California Emergency Management Agency *2011 Recipient Handbook* as described in Note 1 and is not intended to be a complete presentation of the Office's revenues and expenditures.

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In our opinion, the statement referred to above presents fairly, in all material respects, the grant revenues and expenditures of the San Bernardino County District Attorney's Office Vertical Prosecution Program Grant in accordance with the California Emergency Management Agency Contract #VB08060360 for the year ended June 30, 2012, 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 3, 2012, on our consideration of the Office's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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.

This report is intended solely for the information and use of the San Bernardino County District Attorney's Office management, Board of Supervisors for the County of San Bernardino, and the California Emergency Management Agency and is not intended to be and should not be used by anyone other than these specified parties.

Eadie and Payne, LLP

December 3, 2012
Redlands, California

SAN BERNARDINO COUNTY DISTRICT ATTORNEY'S OFFICE
VERTICAL PROSECUTION PROGRAM GRANT CONTRACT #VB08060360
STATEMENT OF GRANT REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2012

Revenues	
Reimbursements received/receivable	<u>\$ 216,926</u>
Expenditures	
Salaries and benefits	<u>216,926</u>
Total Expenditures	<u>216,926</u>
Excess of Revenues Over Expenditures	<u>\$ -</u>

The accompanying notes are an integral part of this financial statement.

**SAN BERNARDINO COUNTY DISTRICT ATTORNEY'S OFFICE
VERTICAL PROSECUTION PROGRAM GRANT CONTRACT #VB08060360
NOTES TO THE STATEMENT OF GRANT REVENUES AND EXPENDITURES
JUNE 30, 2012**

1. ORGANIZATION

A. Description of Reporting Entity

The statement represents the grant revenues and expenditures of the San Bernardino County District Attorney's Office (Office), California Emergency Management Agency (Cal EMA) Vertical Prosecution Program Grant Contract #VB08060360 for the year ended June 30, 2012. The grant was funded by Cal EMA and administered by the San Bernardino County District Attorney's Office. The accompanying statement of grant revenues and expenditures presents only the activities of the Vertical Prosecution Program Grant Contract #VB08060360 and is not intended to present the financial position of the San Bernardino County District Attorney's Office or the County of San Bernardino itself in conformity with accounting principles generally accepted in the United States of America.

B. Description of Grant

The grant funds were made available to enhance or create specialized vertical prosecution units in district attorney's offices to address career criminal, child abuser, and major narcotics prosecutions. The grant was amended extending the grant term date from June 30, 2011 to June 30, 2012 and revising the total project cost from \$1,516,275 to \$1,733,201.

2. SIGNIFICANT ACCOUNTING POLICIES

A. Use of Estimates

The preparation of this financial statement requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures. Actual results could differ from those estimates.

B. Statement of Grant Revenues and Expenditures

The statement of grant revenues and expenditures presents the eligible costs charged to the Vertical Prosecution Program Grant Contract #VB08060360 by the San Bernardino County District Attorney's Office and the revenues received in reimbursement of those costs by Cal EMA.

NOTES TO THE STATEMENT OF GRANT REVENUES AND EXPENDITURES (Continued)

C. Basis of Accounting

Revenues and expenditures are presented on a modified accrual basis. Expenditures are recognized in the accounting period in which they are incurred, that is, when goods are received or services are provided. Revenues are recognized in the accounting period in which reimbursable expenditures are incurred.



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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 and
San Bernardino County District Attorney's Office
San Bernardino, California

We have audited the statement of grant revenues and expenditures of the San Bernardino County District Attorney's Office (Office) Vertical Prosecution Program Grant in accordance with the California Emergency Management Agency (Cal EMA) Contract #VB08060360 for the year ended June 30, 2012, and have issued our report thereon dated December 3, 2012. The Grant was funded by Cal EMA and administered by the Office. 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 Cal EMA 2011 *Recipient Handbook*.

Internal Control over Financial Reporting

Management of the Office is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Office'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 Office's internal control over financial reporting for the Vertical Prosecution Program Grant. Accordingly, we do not express an opinion on the effectiveness of the Office's internal control over financial reporting.

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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 entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of 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 San Bernardino County District Attorney's Office Vertical Prosecution Program Grant 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. Such provisions also included those provisions of laws identified in the *Cal EMA 2011 Recipient Handbook*. 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 San Bernardino County District Attorney's Office management, the Board of Supervisors for the County of San Bernardino, and the California Emergency Management Agency and is not intended to be and should not be used by anyone other than these specified parties.

Eadie and Payne, LLP

December 3, 2012
Redlands, California