

**SARASOTA COUNTY, FLORIDA
SHERIFF**

**Financial Statements
For the Year Ended
September 30, 2008**

**SARASOTA COUNTY, FLORIDA
SHERIFF**

Table of Contents

	Page
Independent Auditors' Report	1 - 2
 Basic Financial Statements	
Balance Sheet - Governmental Funds.....	3
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	4
Statement of Fiduciary Assets and Liabilities – All Agency Funds	5
Notes to Financial Statements.....	6 - 13
 Required Supplementary Information	
Schedule of Revenues and Expenditures – Budget and Actual - General Fund.....	14
 Other Financial Information	
Combining Statement of Fiduciary Assets and Liabilities - All Agency Funds	15
Combining Statement of Changes in Fiduciary Assets and Liabilities - All Agency Funds	16 - 17
 Supplementary Independent Auditors' Reports	
Independent Auditors' 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>	18 - 19
Independent Auditors' Management Letter.....	20 - 22



Independent Auditors' Report

To the Honorable William F. Balkwill,
Sheriff of Sarasota County, Florida:

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Sarasota County, Florida Sheriff (the "Sheriff") as of and for the year ended September 30, 2008, which comprise the basic financial statements of the Sheriff as listed in the table of contents. These financial statements are the responsibility of the Sheriff's management. Our responsibility is to express opinions on these financial statements 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 financial statements are 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 opinions.

As discussed in Note 1, the accompanying financial statements were prepared for the purpose of complying with Section 218.39(2) *Florida Statutes*, and Chapter 10.550, *Rules of the Auditor General-Local Government Entity Audits*, and are not intended to be a complete presentation of Sarasota County, Florida, and the results of its operations and the cash flows of its proprietary funds in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each of the major funds and the aggregate remaining fund information of the Sarasota County, Florida Sheriff as of September 30, 2008, and the respective changes in financial position thereof for the year then ended, 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 23, 2008 on our consideration of the Sheriff'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.

The budgetary comparison schedule on page 14 is not a required part of the basic financial statements but is supplementary information, required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and we express no opinion on it.

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's basic financial statements. The accompanying other financial information on pages 15-17, which is also the responsibility of the Sheriff's management, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management and applicable state agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Cherry, Bekaert & Holland, J.L.P.

Tampa, Florida
December 23, 2008

Basic Financial Statements

**SARASOTA COUNTY, FLORIDA
SHERIFF**

**Balance Sheet - Governmental Funds
September 30, 2008**

	Major Funds				Total Governmental Funds
	General Fund	Jail Commissary	Federal Forfeiture	Training	
Assets					
Cash and cash equivalents	\$ 6,496,322	\$ 256,188	\$ 488,511	\$ 381,048	\$ 7,622,069
Due from other funds	4,812	-	47	-	4,859
Other current assets	1,898	-	-	-	1,898
Total assets	\$ 6,503,032	\$ 256,188	\$ 488,558	\$ 381,048	\$ 7,628,826
Liabilities and fund balance					
Accounts payable	\$ 1,183,008	59,723	\$ -	\$ -	\$ 1,242,731
Accrued payroll	3,211,730	-	-	-	3,211,730
Deferred revenue	174,704	-	-	-	174,704
Due to other funds	-	1,254	-	-	1,254
Due to Board of County Commissioners	1,933,590	-	-	-	1,933,590
Total liabilities	6,503,032	60,977	-	-	6,564,009
Fund balances					
Unreserved in special revenue funds	-	195,211	488,558	381,048	1,064,817
Total fund balances	-	195,211	488,558	381,048	1,064,817
Total liabilities and fund balances	\$ 6,503,032	\$ 256,188	\$ 488,558	\$ 381,048	\$ 7,628,826

**SARASOTA COUNTY, FLORIDA
SHERIFF**

**Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
Year ended September 30, 2008**

	Major Funds				Total Governmental Funds
	General	Jail Commissary	Federal Forfeiture	Training	
Revenues:					
Appropriations - Sarasota County, Florida					
Board of County Commissioners	86,664,146	\$ -	\$ -	\$ -	\$ 86,664,146
Fines and forfeitures	-	-	261,044	-	261,044
Court assessments	-	-	-	147,008	147,008
Interest income	254,850	5,298	21,557	8,874	290,579
Miscellaneous income	422,251	1,735,149	-	-	2,157,400
Total revenues	87,341,247	1,740,447	282,601	155,882	89,520,177
Expenditures:					
Current - Public safety:					
Personal services	72,466,785	85,773	-	-	72,552,558
Operating expenditures	11,418,340	1,531,511	55,753	65,584	13,071,188
Capital outlay	2,374,683	-	622,724	-	2,997,407
Debt service expenditures	226,546	-	-	-	226,546
Total expenditures	86,486,354	1,617,284	678,477	65,584	88,847,699
Excess (deficiency) of revenues over expenditures	854,893	123,163	(395,876)	90,298	672,478
Other financing sources (uses):					
Distribution of excess revenues to the Board of County Commissioners	(854,893)	-	-	-	(854,893)
Total other financing sources (uses)	(854,893)	-	-	-	(854,893)
Excess (deficiency) of revenues over expenditures and other financing uses	-	123,163	(395,876)	90,298	(182,415)
Fund balances, beginning of year	-	72,048	884,434	290,750	1,247,232
Fund balances, end of year	\$ -	\$ 195,211	\$ 488,558	\$ 381,048	\$ 1,064,817

**SARASOTA COUNTY, FLORIDA
SHERIFF**

**Statement of Fiduciary Assets and Liabilities
All Agency Funds
September 30, 2008**

Assets

Cash and cash equivalents	\$ 193,478
Due from individuals and miscellaneous	68,070
Total assets	<u><u>\$ 261,548</u></u>

Liabilities

Accounts payable	\$ 717
Due to other county governments	69,879
Due to other funds	3,605
Due to Board of County Commissioners	9
Due to individuals and miscellaneous	187,338
Total liabilities	<u><u>\$ 261,548</u></u>

**SARASOTA COUNTY, FLORIDA
SHERIFF**

**Notes to Financial Statements
September 30, 2008**

Note 1 – Summary of Significant Accounting Policies

The following is a summary of the significant accounting principles and policies used in the preparation of the accompanying financial statements.

Reporting entity – The Sarasota County, Florida Sheriff (the "Sheriff") is a separately elected county official established pursuant to the Constitution of the State of Florida and the Home Rule Charter of Sarasota County, Florida (the "County"). Pursuant to the Home Rule Charter, the Sheriff's budget is submitted to the Sarasota County Florida Board of County Commissioners (the "Board") for approval.

For financial reporting purposes, the Sheriff is deemed to be a part of the primary government of the County and, therefore, is included as such in the Sarasota County, Florida Comprehensive Annual Financial Report. However, the Sheriff's financial statements do not purport to reflect the financial position or the results of operations of the County taken as a whole.

Description of Funds – The accounting records are organized on the basis of funds classified for reporting purposes into two basic fund types:

Governmental Funds:

- *General Fund* - is used to account for all general operations of the Sheriff and all transactions that are not accounted for in another fund.
- *Jail Commissary Fund* - is a special revenue fund used to account for the purchase and sale of items to inmates, such as snack and toiletry articles, at the jail's commissary. The revenue generated by inmate sales and jail telephone commissions are used to fund the purchase of goods and services for the benefit of the inmates.
- *Federal Forfeiture Fund* - is a special revenue fund used to account for cash and other assets obtained through the arrest and prosecution of individuals for illicit drug activities. Eligible expenditures include investigations and surveillance activities and the purchase of certain capital outlay.
- *Training Fund* - is a special revenue fund used to account for the receipt of certain fees levied on traffic citations, and their expenditure for law enforcement training.

Fiduciary Funds:

- *Agency Funds* - are used to account for assets received and held by the Sheriff in the capacity of a trustee or as an agent for individuals, governmental agencies and other public organizations. Agency funds are custodial in nature and do not involve measurement of changes in financial position, and, therefore, do not carry fund balances.

SARASOTA COUNTY, FLORIDA
SHERIFF

Notes to Financial Statements
September 30, 2008

Note 1 – Summary of Significant Accounting Policies (continued)

Basis of presentation, basis of accounting, and measurement focus – The Sheriff's financial statements are prepared in accordance with Section 218.39(2), Florida Statutes and Chapter 10.550, *Rules of the Auditor General-Local Governmental Entity Audits*, which require the Sheriff to only present fund financial statements. The general fund and special revenue funds are governmental funds which use the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments are recorded only when payments are due.

The agency funds are accounted for using the accrual basis of accounting.

The Sheriff reports the general fund and each special revenue fund as major governmental funds and agency funds as a fiduciary fund type. Agency funds are custodial in nature and do not involve measurement of results of operations.

The County funds the majority of the operating budget of the Sheriff. The payments by the County to fund the operations of the Sheriff are recorded as expenditures for personal services, operating expenditures, and capital outlay in governmental fund types in the financial statements of the County, and as charges for services revenues in the basic financial statements of the Sheriff.

Repayments to the County are recorded as other financing uses on the basic financial statements of the Sheriff and as a reduction in personal services, operating expenditures, and capital outlay, in the financial statements of the County.

Budgetary requirement – On or before May 1 of each year, the Sheriff submits a tentative budget for the ensuing fiscal year to the Board. The budget of the general fund is then adopted in the same manner as the budget of the Board.

A budget is legally adopted only for the general fund and is on a basis that differs from accounting principles generally accepted in the United States of America ("GAAP"). On a GAAP basis, debt proceeds and capital outlay are recorded in the year of acquisition, and financing payments are classified as debt service expenditures. Budgets are not legally adopted for special revenue funds; accordingly, budgetary information for those funds is not included in the schedule below.

**SARASOTA COUNTY, FLORIDA
SHERIFF**

**Notes to Financial Statements
September 30, 2008**

Note 1 – Summary of Significant Accounting Policies (continued)

	GAAP Basis	Budgetary Basis	Difference
Expenditures:			
Operating expenditures	11,418,340	\$ 11,644,886	\$ 226,546
Debt service	226,546	-	(226,546)
 Total expenditures	<u>\$ 11,644,886</u>	<u>\$ 11,644,886</u>	<u>\$ -</u>

Budgetary control is exercised at the expenditure classification level (personal services, operating expenditures and capital outlay). Budgetary changes within expenditure classification are made at the discretion of the Sheriff.

Distribution of "Excess Revenue" – The Board requires that the excess of the County appropriations (and other revenues) over expenditures be returned to the Board at the end of the fiscal year. Repayments to the County are recorded as other financing uses in the basic financial statements of the Sheriff and as a reduction in personal services, operating expenditures and capital outlay, in the basic financial statements of the County. The amount of undistributed excess appropriations at the end of the fiscal year is reported as amounts due to the Board.

Cash and Cash Equivalents – the Sheriff's cash and cash equivalents consist of cash on hand, demand deposits and highly liquid investments with maturities of 90 days or less when purchased.

Use of estimates – The preparation of financial statements require management to make use of estimates that affect the reported amounts. Actual results could differ from estimates.

Note 2 – Deposits and Investments

Deposits

At September 30, 2008, the book balance of deposits was \$7,764,357 and the bank balances was \$9,024,416. The Sheriff's bank balances include insured deposits under Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for each banking relationship. The remaining balances are collateralized pursuant to Chapter 280, Florida Statutes.

Investments

Florida Statutes authorize the Sheriff to invest in the State Board of Administration Local Government Surplus Funds Trust Funds Investments Pool (the "Surplus Funds Investment Pool" 's), certain obligations of the U.S. Treasury and U.S., Agencies, repurchase agreements, and interest-bearing time deposits and savings accounts held in banks and savings and loans. At September 30, 2008, the Sheriff had \$51,190 invested with the Surplus Funds Trust Funds Investments Pool.

The Surplus Funds Investment Pool is administered by the State Board of Administration, under regulatory oversight of the State of Florida, Chapter 19-7 of the Florida administrative Code. The repurchase agreements are uninsured and unregistered, and are collateralized by securities held by the counterparty in the name of the qualified public depository. The repurchase agreements are carried at cost, which approximates fair value. This investment pool is not currently rated.

**SARASOTA COUNTY, FLORIDA
SHERIFF**

**Notes to Financial Statements
September 30, 2008**

Note 3 – Interfund Receivables and Payables

Summary of interfund receivables and payables:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 4,812	\$ -
Federal Forfeiture Fund	47	-
Jail Commissary Fund	-	1,254
Agency Funds	-	3,605
	\$ 4,859	\$ 4,859

Note 4 – Capital Assets

Tangible personal property used in the Sheriff's operations is recorded as an expenditure in the governmental fund types of the Sheriff at the time of purchase. Capital assets with an initial cost greater than \$1,000 are capitalized at historical cost in the government-wide financial statements of the County. The Sheriff maintains record keeping and custodial responsibility for certain tangible capital assets used by his office. Information on vehicles and equipment used in the operations of the Sheriff's office are presented below.

	Balance October 1, 2007	Increases	Decreases	Balance September 30, 2008
Vehicles and equipment	\$ 32,011,859	\$ 2,997,407	\$ (3,707,118)	\$ 31,302,148
Accumulated depreciation	(22,125,913)	(4,010,031)	3,622,980	(22,512,964)
Capital assets, net	\$ 9,885,946	\$ (1,012,624)	\$ (84,138)	\$ 8,789,184

The Board provides the Sheriff's administration and operations buildings, the fleet facility and the jail to the Sheriff at no cost.

Note 5 – Deferred Revenue

Deferred revenue represents unspent funds related to grants from the Department of Justice. It is expected that expenditures will be incurred during fiscal year 2008 in an amount that will result in the full recognition of the deferred revenue.

**SARASOTA COUNTY, FLORIDA
SHERIFF**

**Notes to Financial Statements
September 30, 2008**

Note 6 – Capital Lease Obligations

The Sheriff has a capital lease obligation payable to Koch Financial Corporation for the lease-purchase of a helicopter. This lease is payable in 84 equal monthly installments of \$18,879 beginning July 2005 and bears interest at 4.10%.

The principal balance outstanding under this capital lease obligation was recorded as a liability in the basic financial statements of the County (statement of net assets). The change in the capital lease obligation is as follows:

Beginning balance	\$	960,738
Principal retirements		<u>(190,713)</u>
Ending balance	\$	<u>770,025</u>
Current portion	\$	<u>198,681</u>

The future minimum payments under the remaining capital lease obligation follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	198,681	27,865	226,546
2010	206,981	19,565	226,546
2011	215,629	10,917	226,546
2012	<u>148,734</u>	<u>2,296</u>	<u>151,030</u>
	<u>770,025</u>	<u>60,643</u>	<u>830,668</u>

Note 7 – Accumulated Compensated Absences

Employees earn vacation and sick leave based upon length of employment. The Sheriff's financial obligation for unused compensated absences is reported as a liability in the statement of net assets of the County. That liability consists of four components:

- 100% of earned, but unused vacation leave
- 25% of earned, but unused sick leave, for employees with greater than ten years of service
- 50% of earned, but unused sick leave, for employees with greater than twenty years of service
- 100% of earned, but unused compensatory leave

**SARASOTA COUNTY, FLORIDA
SHERIFF**

**Notes to Financial Statements
September 30, 2008**

Note 7 – Accumulated Compensated Absences (continued)

The following is a summary of changes in the compensated absences liability during fiscal year 2008:

	<u>Balance October 1, 2007</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance September 30, 2008</u>
Accumulated compensated absences	<u>\$ 9,332,859</u>	<u>\$ 8,446,900</u>	<u>\$ (7,408,483)</u>	<u>\$ 10,371,276</u>

The current portion of the above liability at September 30, 2008 is \$7,567,742.

Note 8 – Retirement Plan

Plan description – All full-time and temporary employees who have been working for longer than six months are eligible to participate in the Florida Retirement System (the “FRS”) administered by the State of Florida Department of Administration. Employees elect to participate in either the defined benefit plan (the “Pension Plan”), a multiple-employer cost-sharing defined benefit retirement plan, or the defined contribution plan (the “Investment Plan”) under the FRS. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the State of Florida Legislature.

Benefits are computed on the basis of age, average final compensation and service credit. Regular class employees who retire at or after age 62 with 6 years of credited service or 30 years of service regardless of age (age 55 or 25 years of service for special risk members) are entitled to a retirement benefit payable monthly for life, equal to 1.6% - 3.0%, depending on their service class, of their final average compensation for each year of credited service. Final average compensation is the employee’s average of the five highest fiscal years of salary earned during credited service. Vested employees with less than 30 years of service may retire before age 62 and receive benefits that are reduced 5% for each year prior to normal retirement age or date.

For employees electing to participate in the Investment Plan rather than the Pension Plan, vesting occurs at one year of service. These participants receive a contribution of self-direction in an investment product with a third party administrator selected by the State Board of Administration.

The Deferred Retirement Option Program (“DROP”) is a program that provides an alternative method for payment of retirement benefits for a specified and limited period for members of the FRS. It was effective July 1, 1998. Under this program, the employee may retire and have their benefits accumulate in the FRS Trust Fund, earning interest, while continuing to work for an FRS employer. Participation in DROP does not change conditions of employment. When the DROP period ends,

SARASOTA COUNTY, FLORIDA
SHERIFF

Notes to Financial Statements
September 30, 2008

Note 8 – Retirement Plan (continued)

which may be for a maximum of 60 months, employment must be terminated. At the time of termination of employment, the employees will receive payment of their accumulated DROP benefits and will begin receiving their monthly retirement benefits (in the same amount determined at retirement, plus annual cost-of-living increases).

The state of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, 2639 North Monroe Street, Building C, Tallahassee, FL 32299-1560, by calling (850) 488-5706, or by accessing their Internet site at <http://dms.myflorida.com>.

Funding policy – The FRS is noncontributory for members. Governmental employers are required to make contributions to the FRS based upon statewide rates. The FRS establishes contributions by the state fiscal year, which begins on July 1. The contribution rates by job class were as follows: regular employees 9.85%, special risk 20.92%, administrative support 12.55%, County elected officials 16.53%, senior management 13.12%, and DROP participants 10.91% for the entire fiscal year of the Sheriff's, as the FRS rates did not change on July 1, 2008. During the year ended September 30, 2008, the Sheriff contributed an amount equal to 17.61% of covered payroll. The Sheriff's contributions to the plan for the years ended September 30, 2008, 2007 and 2006 were \$8,883,209, \$8,685,481, and \$7,328,063, respectively, equal to the actuarially determined contribution requirements for each fiscal year.

Note 9 – Deferred Compensation Plan

The Sheriff's employees can voluntarily participate in Sarasota County's Deferred Compensation Plan. The County offers a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The plan, available to all County and elected official employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

Note 10 – Post Employment Benefits Other than Pensions

In accordance with Florida Statutes Section 112.0801, the Sheriff participates with Sarasota County in offering retiring employees the opportunity to continue participating in the group insurance and self-insurance plans. Retirees who do not choose to continue participation lose eligibility to participate in the future. The participating retirees pay 100% (employer and employee portion) of the premium cost applicable to an active employee. Expenditures for these benefits are recognized as claims and are reported as part of the County's financial statements. Costs for retiree claims are included, with active employee participants in calculating premium and claims liability amounts.

**SARASOTA COUNTY, FLORIDA
SHERIFF**

**Notes to Financial Statements
September 30, 2008**

Note 10 – Post Employment Benefits Other than Pensions (continued)

In the County's latest actuarial plan dated October 1, 2007, the portion of the accrued liability for the County-wide plan applicable to the Sheriff was \$6,925,000, the Annual Required Contribution (ARC), beginning with FY 2008 was \$651,000 and the amount contributed on behalf of employees (pay as you go) was \$292,626. The Sheriff's employer paid premiums, as paid to the County-wide self-insurance plan, include the portion related to post employment benefits other than pension. The details of the plan, methodology and costs are more fully described in the County's Notes to Financial Statements.

Note 11 – Risk Management

Sarasota County has established various self-insurance funds, in which the Sheriff participates. These funds are accounted for as internal service funds on the books of the Board. Workers' Compensation claims exceeding \$500,000 per claim are covered with specific excess insurance. The County is also self-insured under sovereign immunity up to a maximum of \$100,000 per person, \$200,000 per occurrence for claims against the County involving negligence, including automobile and general liability. Negligence claims in excess of the statutory limits set forth in Section 768.28, Florida Statutes, can only be recovered through an act of the State of Florida Legislature. Reserves have been established for both claims that have been reported but not paid, and for employee medical benefits claims incurred but not reported. Employee medical benefits claims exceeding \$100,000 per claim are covered with specific excess insurance up to \$1,000,000 (the medical benefits fund is covered by aggregate excess insurance through reinsurance purchased from private insurance carriers).

Note 12 – Litigation

The Sheriff is involved as a defendant or plaintiff in certain litigation and claims arising from the ordinary course of operations. It is reasonably possible that the liability for known and unknown claims existing at the balance sheet date may be material. However, the responsibility for such claims is with the County's Risk Management Program. Accordingly, no contingent liabilities have been accrued in the accompanying financial statements.

Required Supplementary Information

**SARASOTA COUNTY, FLORIDA
SHERIFF**

**Schedule of Revenues and Expenditures -
Budget and Actual - General Fund
Year ended September 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Appropriations - Sarasota County, Florida				
Board of County Commissioners	\$ 86,461,058	\$ 86,850,757	\$ 86,664,146	\$ (186,611)
Proceeds from asset disposition	-	-	422,251	422,251
Interest income	-	-	254,850	254,850
Total revenues	<u>86,461,058</u>	<u>86,850,757</u>	<u>87,341,247</u>	<u>490,490</u>
Expenditures:				
Current - Public safety:				
Personal services	73,440,978	72,526,743	72,466,785	59,958
Operating expenditures	12,338,077	12,424,808	11,644,886	779,922
Capital outlay	682,003	1,899,206	2,374,683	(475,477)
Total expenditures	<u>86,461,058</u>	<u>86,850,757</u>	<u>86,486,354</u>	<u>364,403</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>854,893</u>	<u>854,893</u>
Other financing sources (uses):				
Distribution of excess revenues to the Board of County Commissioners	-	-	(854,893)	(854,893)
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>(854,893)</u>	<u>(854,893)</u>
Excess (deficiency) of revenues over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Other Financial Information

**SARASOTA COUNTY, FLORIDA
SHERIFF**

**Combining Statement of Fiduciary Assets and Liabilities
All Agency Funds
September 30, 2008**

	<u>Cash Bond</u>	<u>Individual Depositors</u>	<u>Suspense</u>	<u>Prisoner</u>	<u>Total All Agency Funds</u>
Assets					
Cash and cash equivalents	\$ 54	\$ 36	\$ 137,965	\$ 55,423	\$ 193,478
Due from individual and miscellaneous	-	-	-	68,070	68,070
Total assets	<u>\$ 54</u>	<u>\$ 36</u>	<u>\$ 137,965</u>	<u>\$ 123,493</u>	<u>\$ 261,548</u>
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ 717	\$ 717
Due to other county governments	-	-	69,879	-	69,879
Due to other funds	54	36	2,621	894	3,605
Due to Board of County Commissioners	-	-	-	9	9
Due to individuals and miscellaneous	-	-	65,465	121,873	187,338
Total liabilities	<u>\$ 54</u>	<u>\$ 36</u>	<u>\$ 137,965</u>	<u>\$ 123,493</u>	<u>\$ 261,548</u>

**SARASOTA COUNTY, FLORIDA
SHERIFF**

**Combining Statement of Changes in Fiduciary
Assets and Liabilities - All Agency Funds
Year ended September 30, 2008**

	<u>Balance October 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2008</u>
Cash Bond Fund				
Assets:				
Cash and cash equivalents	\$ 192	2,178,838	\$ 2,178,976	54
Total assets	<u>\$ 192</u>	<u>\$ 2,178,838</u>	<u>\$ 2,178,976</u>	<u>54</u>
Liabilities:				
Due to other funds	\$ 192	\$ 54	\$ 192	54
Total liabilities	<u>\$ 192</u>	<u>\$ 54</u>	<u>\$ 192</u>	<u>54</u>
 Individual Depositors Fund				
Assets:				
Cash and cash equivalents	\$ 49	\$ 311,588	\$ 311,601	\$ 36
Due from other county governments	20	310,616	310,636	\$ -
Total assets	<u>\$ 69</u>	<u>\$ 622,204</u>	<u>\$ 622,237</u>	<u>\$ 36</u>
Liabilities:				
Accounts payable	-	\$ 310,346	\$ 310,346	\$ -
Due to other funds	69	166	199	36
Total liabilities	<u>\$ 69</u>	<u>\$ 310,512</u>	<u>\$ 310,545</u>	<u>\$ 36</u>
 Suspense Fund				
Assets:				
Cash and cash equivalents	\$ 133,022	\$ 2,073,807	\$ 2,068,864	\$ 137,965
Total assets	<u>\$ 133,022</u>	<u>\$ 2,073,807</u>	<u>\$ 2,068,864</u>	<u>\$ 137,965</u>
Liabilities:				
Due to other county governments	\$ 42,042	\$ 1,831,747	\$ 1,803,910	\$ 69,879
Due to other funds	1,214	2,621	1,214	2,621
Due to individuals and miscellaneous	89,766	178,041	202,342	65,465
Total liabilities	<u>\$ 133,022</u>	<u>\$ 2,012,409</u>	<u>\$ 2,007,466</u>	<u>\$ 137,965</u>

**SARASOTA COUNTY, FLORIDA
SHERIFF**

**Combining Statement of Changes in
Assets and Liabilities - All Agency Funds (continued)
Year ended September 30, 2008**

	<u>Balance October 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2008</u>
Prisoner Fund				
Assets:				
Cash and cash equivalents	\$ 25,971	\$ 3,446,942	\$ 3,417,490	\$ 55,423
Due from individuals and miscellaneous	-	1,031,429	963,359	68,070
Total assets	<u>\$ 25,971</u>	<u>\$ 4,478,371</u>	<u>\$ 963,359</u>	<u>\$ 123,493</u>
Liabilities:				
Accounts payable	\$ -	\$ 717	\$ -	\$ 717
Due to other funds	603	291	-	894
Due to Board of County Commissioners	-	9	-	9
Due to individuals and miscellaneous	25,368	3,743,036	3,646,531	121,873
Total liabilities	<u>\$ 25,971</u>	<u>\$ 3,744,053</u>	<u>\$ 3,646,531</u>	<u>\$ 123,493</u>
 Total All Agency Funds				
Assets:				
Cash and cash equivalents	\$ 159,234	\$ 8,011,175	\$ 7,976,931	\$ 193,478
Due from other county governments	20	310,616	310,636	-
Due from individuals and miscellaneous	-	1,031,429	963,359	68,070
Total assets	<u>\$ 159,254</u>	<u>\$ 9,353,220</u>	<u>\$ 9,250,926</u>	<u>\$ 261,548</u>
Liabilities:				
Accounts payable	\$ -	\$ 717	\$ -	\$ 717
Due to other county governments	42,042	1,831,747	1,803,910	69,879
Due to other funds	2,078	3,132	1,605	3,605
Due to Board of County Commissioners	-	9	-	9
Due to individuals and miscellaneous	115,134	3,921,077	3,848,873	187,338
Total liabilities	<u>\$ 159,254</u>	<u>\$ 5,756,682</u>	<u>\$ 5,654,388</u>	<u>\$ 261,548</u>

Supplementary Independent Auditors' Reports



Independent Auditors' 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 Honorable William F. Balkwill,
Sheriff of Sarasota County, Florida:

We have audited the financial statements of each major fund and the aggregate remaining fund information of Sarasota County, Florida Sheriff (the "Sheriff") as of and for the year ended September 30, 2008, and have issued our report thereon dated December 23, 2008. These financial statements were prepared in accordance with Chapter 10.550, *Rules of the Auditor General-Local Governmental Entity Audits*. 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 Sheriff's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Sheriff's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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 entity'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 entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying Independent Auditors' Management Letter – Appendix A as Finding 2008-01 to be a significant deficiency.

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 financial statements will not be prevented or detected by the Sheriff'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 and accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, the significant deficiency indicated above is considered to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sheriff'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 management and applicable state agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Cherry, Rekaert & Holland, L.L.P.

Tampa, Florida
December 23, 2008



Independent Auditors' Management Letter

Honorable William F. Balkwill
Sheriff of Sarasota County, Florida:

We have audited the financial statements of the Sarasota County, Florida Sheriff (the "Sheriff"), as of and for the year ended September 30, 2008, and have issued our report thereon dated December 23, 2008.

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. We have issued our Independent Auditors' 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*, dated December 23, 2008, and it should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, *Rules of the Auditor General-Local Governmental Entity Audits*, which govern the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditors' reports.

The Rules of the Auditor General (Section 10.554(1)(i)1) requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial report. There were no recommendations made in the preceding annual financial audit report.

The Rules of the Auditor General (Section 10.554(1)(i)2) require our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit of the financial statement of the Sheriff, nothing came to our attention that would cause us to believe that the Sheriff was in noncompliance with Section 218.415 regarding the investment of public funds.

The Rules of the Auditor General (Section 10.554(1)(i)3) requires that we address in the management letter any recommendations to improve financial management. See Appendix A for management letter comments.

The Rules of the Auditor General (Section 10.554(1)(i)4) requires that we address violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, that have an effect on the determination of financial statement amounts that is less than material, but, more than inconsequential. In connection with our audit, we did not have any such findings.

The Rules of the Auditor General (Section 10.554(1)(i)5) provides that the auditor may, based on professional judgment, report the following matters that are inconsequential to the determination of financial statement amounts, considering both quantitative and qualitative factors: (1) violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, and (2) control deficiencies that are not significant deficiencies, including but not limited to; (a) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the annual financial statements); (b) failures to properly record financial transactions; and (c) inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of the auditor. In connection with our audit, we did not have any such findings.

The Rules of the Auditor General (Section 10.554(1)(i)6) requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Sheriff is a separately elected county official established pursuant to the Constitution of the State of Florida. There are no component units related to the Sheriff.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America requires us to indicate that this letter is intended solely for the information and use of management and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

Cherry, Bekacit & Holland, L.L.P.

Tampa, Florida
December 23, 2008

**SARASOTA COUNTY, FLORIDA
SHERIFF**

**Appendix A – Management Letter Comments
September 30, 2008**

In planning and performing our audit of the financial statements of each major fund and the aggregate remaining fund information of Sarasota County, Florida Sheriff (the “Sheriff”) as of and for the year ended September 30, 2008, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinions on the basic financial statements and not to provide assurance on internal control.

Current Year’s Observation and Recommendation

Material Weakness

Finding 2008-01 – Financial Reporting

Criteria: Management and those charged with governance are responsible for overseeing the financial reporting and disclosure process. The Director of Fiscal Operations serves as the chief financial officer and is responsible for overseeing an \$87 million budget, establishing and maintaining internal controls over financial reporting, reviewing journal entries and other fiscal reports, ensuring compliance with laws and regulations and preparing financial statements in accordance with generally accepted accounting principles.

Condition and Effect: The Sheriff’s was without a Director of Fiscal Operations since January 2008. As a result, there could be intentional or unintentional errors in financial reporting that may not be timely detected by management.

Recommendation: We recommend that the Sheriff hire a Director of Fiscal Operations.

Management’s Response: The Sheriff agrees with the recommendation. The Sheriff’s office has interviewed candidates for the position, selected an individual, and made a conditional offer of employment. The tentative start date is February 5, 2009.