

Honorable Thomas M. Knight
Sheriff
Sarasota County, Florida

We have audited the financial statements of each major fund and the aggregate remaining fund information of the Sarasota County, Florida, Sheriff (the "Sheriff") for the year ended September 30, 2014, and have issued our report thereon dated December 19, 2014. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Sheriff are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during 2014.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Honorable Thomas M. Knight
Sheriff
Sarasota County, Florida
Page 2

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

Management did not identify and we did not notify them of any financial statement misstatements detected and corrected as a result of audit procedures.

Disagreements with management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated December 19, 2014.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Other information in documents containing audited financial statements

With respect to combining fiduciary fund financial schedules (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit

Honorable Thomas M. Knight
Sheriff
Sarasota County, Florida
Page 3

of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated December 19, 2014.

Our auditors' opinion, the audited financial statements, and the notes to the financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

* * *

This communication is intended solely for the information and use of the Sheriff and management of the Sarasota Sheriff and is not intended to be, and should not be, used by anyone other than these specified parties.

Shinn & Company LLC

Shinn & Company LLC
Bradenton, Florida

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP
Tampa, Florida

December 19, 2014

**SARASOTA COUNTY, FLORIDA
SHERIFF**

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2014

**SARASOTA COUNTY, FLORIDA
SHERIFF
Year Ended September 30, 2014**

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditors' Report	1 – 3
 Financial Statements	
Balance Sheet – Governmental Funds	4
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	5
Statement of Revenues and Expenditures – Budget and Actual – General Fund.....	6
Statement of Fiduciary Net Position – All Agency Funds	7
Notes to Financial Statements	8 - 14
 Supplementary Financial Information	
Combining Statement of Fiduciary Net Position – All Agency Funds	15
Combining Statement of Changes in Fiduciary Net Position – All Agency Funds	16 – 17
 Supplemental 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
Management Letter	20 – 21
Independent Accountants' Report	22

INDEPENDENT AUDITORS' REPORT

Honorable Thomas M. Knight
Sheriff
Sarasota County, Florida

Report on the Financial Statements

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, 2014, and the related notes to the financial statements, which collectively comprise the entity's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditors' Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Honorable Thomas M. Knight
Sheriff
Sarasota County, Florida

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Sheriff as of September 30, 2014, and the respective changes in financial position and budgetary comparison for the general fund thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information of Sarasota County that is attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of Sarasota County as of September 30, 2014 and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's financial statements. The combining statements are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements are fairly stated in all material respects in relation to the financial statements as a whole.

Honorable Thomas M. Knight
Sheriff
Sarasota County, Florida

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 19, 2014, 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 included under the heading Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

Shinn & Company LLC

Shinn & Company LLC
Bradenton, Florida

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP
Tampa, Florida

December 19, 2014

Financial Statements

SARASOTA COUNTY, FLORIDA
SHERIFF
BALANCE SHEET – GOVERNMENTAL FUNDS
September 30, 2014

	Major Funds				Total Government Funds
	General Fund	Jail Commissary	Federal Forfeiture	Training	
ASSETS					
Cash & cash equivalents	\$ 4,266,900	\$ 820,885	\$ 689,897	\$ 149,971	\$ 5,927,653
Due from other government agencies	38,554	-	-	-	38,554
Due from other funds	4,921	-	-	-	4,921
Other current assets - prepaid	282	-	-	-	282
Total assets	\$ 4,310,657	\$ 820,885	\$ 689,897	\$ 149,971	\$ 5,971,410
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	\$ 1,830,290	\$ 73,991	\$ -	\$ 96	\$ 1,904,377
Accrued payroll	1,666,865	-	-	-	1,666,865
Unearned income	40,919	-	-	-	40,919
Due to other funds	-	4,921	-	-	4,921
Due to Board of County Commissioners	772,583	-	-	-	772,583
Total liabilities	4,310,657	78,912	-	96	4,389,665
Fund balances:					
Restricted	-	741,973	689,897	149,875	1,581,745
Total liabilities and fund balances	\$ 4,310,657	\$ 820,885	\$ 689,897	\$ 149,971	\$ 5,971,410

See notes to financial statements.

**SARASOTA COUNTY, FLORIDA
SHERIFF**
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS**
Year Ended September 30, 2014

	Major Funds				Total Governmental Funds
	General	Jail Commissary	Federal Forfeiture	Training	
Revenues:					
Appropriations - Sarasota County, Florida Board of County Commissioners	\$ 92,278,107	\$ -	\$ -	\$ -	\$ 92,278,107
Fines and forfeitures	-	-	-	-	-
Court assessments	-	-	-	155,782	155,782
Interest income	3	-	-	-	3
Miscellaneous income	-	2,625,470	-	-	2,625,470
Total revenues	92,278,110	2,625,470	-	155,782	95,059,362
Expenditures:					
Current - Public safety:					
Personnel services	77,000,533	396,393	-	-	77,396,926
Operating expenditures	12,231,002	2,161,808	1,995	180,151	14,574,956
Capital outlay	2,274,020	-	69,995	-	2,344,015
Total expenditures	91,505,555	2,558,201	71,990	180,151	94,315,897
Excess (deficiency) of revenues over expenditures	772,555	67,269	(71,990)	(24,369)	743,465
Other financing sources (uses):					
Distribution of excess revenues to the Board of County Commissioners	(772,555)	-	-	-	(772,555)
Excess (deficiency) of revenues over expenditures and other financing uses	-	67,269	(71,990)	(24,369)	(29,090)
Fund balances, beginning of year	-	674,704	761,887	174,244	1,610,835
Fund balances, end of year	\$ -	\$ 741,973	\$ 689,897	\$ 149,875	\$ 1,581,745

See notes to financial statements.

**SARASOTA COUNTY, FLORIDA
SHERIFF
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL – GENERAL FUND
Year Ended September 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Appropriations - Sarasota County, Florida Board of County Commissioners	\$ 92,192,345	\$ 92,278,107	\$ 92,278,079	\$ (28)
Interest income	—	—	3	3
Total Revenues	92,192,345	92,278,107	92,278,082	(25)
Expenditures:				
Current - Public Safety:				
Personnel services	77,244,449	77,000,533	77,000,533	—
Operating expenditures	13,577,621	13,003,554	12,230,974	772,580
Capital outlay	1,370,275	2,274,020	2,274,020	—
Total Expenditures	92,192,345	92,278,107	91,505,527	772,580
Excess of revenues over expenditures	—	—	772,555	772,555
Other financing sources (uses):				
Distribution of excess revenues to the Board of County Commissioners	—	—	(772,555)	(772,555)
Excess (deficiency) of revenues over expenditures and other financing uses	\$ —	\$ —	\$ —	\$ —

See notes to financial statements.

**SARASOTA COUNTY, FLORIDA
SHERIFF
STATEMENT OF FIDUCIARY NET POSITION –
ALL AGENCY FUNDS
September 30, 2014**

ASSETS

Cash and cash equivalents	\$ 448,835
Due from individuals and miscellaneous	<u>1,200,136</u>
Total assets	<u>\$ 1,648,971</u>

LIABILITIES

Accounts payable	\$ 163,320
Due to other county governments	1,005
Due to individuals and miscellaneous	<u>1,484,646</u>
Total liabilities	<u>\$ 1,648,971</u>

See notes to financial statements.

**SARASOTA COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
September 30, 2014**

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 for the results of operations of the County taken as a whole.

Basis of Presentation, Basis of Accounting, and Measurement Focus - The Sheriff's financial statements have been prepared in accordance with Section 218.39(2), Florida Statutes and Chapter 10.550, *Rules of the Auditor General - Local Governmental Entity Audits*, which allows the Sheriff to only present fund financial statements. These financial statements present only the portion of the funds of Sarasota County, Florida that are attributable to the Sheriff. They are not intended to present fairly the financial position and results of operations of Sarasota County, Florida in conformity with accounting principles generally accepted in the United States of America.

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.

**SARASOTA COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
September 30, 2014**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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 violation of federal laws. Expenditures are made in accordance with guidelines established by the Department of Justice and the Department of Treasury.
- *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.

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, capital outlay, and debt service in governmental fund types in the financial statements of the County, and as appropriations revenues in the basic financial statements of the Sheriff.

Budgetary Requirement - The preparation, adoption, and administration of the Sheriff's annual budget is governed by Florida Statutes. The budget and amendments, if any, are adopted in the same manner as the budget for the Board. A budget is only required to be prepared for the General Fund and it is prepared on a basis consistent with accounting principles generally accepted in the United States. Budgetary control is exercised at the fund level. Budgetary changes within the fund are made at the discretion of the Sheriff.

Budgets are not required to be legally adopted for Special Revenue Funds.

Distribution of "Excess Fees" - 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, capital outlay, and debt service 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.

**SARASOTA COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
September 30, 2014**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fund Balance – Governmental funds report fund balances are classified either as nonspendable, or as spendable. Spendable fund balances are further classified based on the extent to which there are external and internal constraints on the spending of these fund balances. These classifications are described as follows:

Nonspendable Fund Balance – Amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact.

Restricted Fund Balance – Amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations or imposed by laws through constitutional provisions or enabling legislation. The Sheriff is reporting restricted fund balances in the Jail Commissary, Federal Forfeiture and Training funds.

Committed Fund Balance – Amounts that are constrained for specific purposes imposed by the Sheriff's formal action of highest level of decision making authority.

Assigned Fund Balance – Includes spendable fund balances intended to be used for specific purposes, but which are neither restricted nor committed.

Unassigned Fund Balance – Represents the residual positive fund balance within the General Fund, which has not been assigned to other funds and has not been restricted, committed, assigned. In funds other than the General Fund, unassigned fund balances are limited to negative residual balances.

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

At September 30, 2014, the book balance of deposits was \$6,376,488 and the bank balances were \$9,553,860. 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.

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, 2014, the Sheriff had \$2,013 invested with the Surplus Funds Trust Funds Investments Pool. This is included in cash and cash equivalents on the balance sheet.

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 Prime pool was rated AAAm principal stability fund rating by Standard and Poor's rating agency.

**SARASOTA COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
September 30, 2014**

NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES

Summary of interfund receivables and payables:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 4,921	\$ -
Jail Commissary Fund	- \$ 4,921	4,921
	<u>\$ 4,921</u>	<u>\$ 4,921</u>

NOTE 4 – CAPITAL ASSETS

Tangible personal property used in the Sheriff's operations is recorded as 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, 2013	Increases	Decreases	Balance September 30, 2014
Vehicles and equipment	\$ 34,583,090	\$ 2,481,513	\$ (3,064,201)	\$ 34,000,402
Accumulated depreciation	<u>(26,564,144)</u>	<u>(3,301,842)</u>	<u>3,019,772</u>	<u>(26,846,214)</u>
Total capital assets, net	<u>\$ 8,018,946</u>	<u>\$ (820,329)</u>	<u>\$ (44,429)</u>	<u>\$ 7,154,188</u>

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

NOTE 5 – UNEARNED REVENUE

Unearned revenue represents unspent funds related to grants. It is expected that expenditures will be incurred during fiscal year 2015 in an amount that will result in the full recognition of the unearned revenue.

NOTE 6 – OPERATING LEASE OBLIGATIONS

The Sheriff leases transportation equipment, office space and office equipment under operating leases. These leases expire or are cancelable within the next fiscal year. In most cases the Sheriff expects that in the normal course of operations, these leases will be renewed or replaced by other leases.

Total rental expenditures for all operating leases for the year ended September 30, 2014, were \$357,489.

**SARASOTA COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
September 30, 2014**

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

The following is a summary of changes in the compensated absences liability during fiscal year 2014.

Balance October 1, 2013	Increases	Decreases	Balance September 30, 2014
\$ 10,501,129	\$ 8,053,483	\$ 7,583,388	\$ 10,971,224

The current portion of the above liability at September 30, 2013, is \$6,335,246.

NOTE 8 – RETIREMENT PLAN

Plan Description

All full-time employees of the Sheriff are eligible to participate in the State of Florida Retirement System (System), a cost-sharing multiple-employer public employee retirement system. The primary System is a defined benefit plan for all state, county, district school board, community college and university employees.

Most employees enrolled prior to July 1, 2011, are vested with 6 years of service and upon reaching age 62, or with completion of 30 years of service (age 55 or 25 years of service for special risk members). Most new members enrolling on or after July 1, 2011, are vested after 8 years of service and upon reaching age 65, or with completion of 33 years of service (age 60 with 8 years of special risk class service or age 57 with 30 years of combined special risk class service and military service). Employees who meet these requirements are entitled to a retirement benefit payable monthly for life equal to 1.6%-3.00%, depending on their service class, of their average final compensation for each year of credited service. Final average compensation for employees enrolled prior to July 1, 2011, is the employee's average of the five highest fiscal years of salary earned during credited service. Final average compensation for new members enrolling on or after July 1, 2011, is the employee's average of the eight highest fiscal years of salary earned during credited service. Vested employees may retire early and receive benefits that are reduced 5% for each year prior to normal retirement age or date. The System also provides death and disability benefits. Benefits are established by Chapter 121, Florida Statutes and Chapter 60S, Florida Administrative Code.

**SARASOTA COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
September 30, 2014**

NOTE 8 – RETIREMENT PLAN – CONTINUED

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 System, effective July 1, 1998. Under this program, the employee may retire and have their benefits accumulate in the Florida Retirement System Trust Fund, earning interest, while continuing to work for a System employer. The participation in the program does not change conditions of employment. When the DROP period ends, maximum of 60 months, employment must be terminated. At the time of termination of employment, the employee will receive payment of the accumulated DROP benefits, and begin receiving their monthly retirement benefit.

The Sheriff has no responsibility to the System other than to make periodic contributions required by state statutes. The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to Florida Division of Retirement, 2639 Monroe Street, Building C, Tallahassee, FL 32399-1560, by calling (850) 488-5706, or online at www.dms.myflorida.com.

Funding Policy

Effective July 1, 2011, all FRS Investment Plan and Pension Plan members (except those in DROP) are required to make 3% employee contributions on a pretax basis. Sarasota County is required to contribute an actuarially determined rate. The contribution requirements of Sarasota County are established and may be amended by the State of Florida. These rates, effective July 1, 2014, and July 1, 2013, respectively, were applied to employee salaries as follows: regular employees 7.37% and 6.95%, special risk 19.82% and 19.06%, senior management 21.14% and 18.31%, and DROP participants 12.28% and 12.84%. The Sheriff's contributions made during the years ended September 30, 2014, 2013, and 2012, were \$8,404,871, \$6,570,279, and \$7,262,399, respectively, equal to the actuarially determined contribution requirements for each fiscal year. Amounts withheld from employees for the years ended September 30, 2014, 2013, and 2012, were \$1,492,673, \$1,457,229, and \$1,449,240, respectively.

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, 2014**

NOTE 10 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS – CONTINUED

In the County's latest actuarial plan for the fiscal year ending September 30, 2014, the portion of the Actuarial Accrued Liability (AAL) for the County-wide plan applicable to the Sheriff was \$3,380,000, the Unfunded Actuarial Accrued Liability (UAAL) is \$91,000, and the Annual Required Contribution (ARC) is \$119,000. 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

The County has established various self-insurance funds, in which the Sheriff participates. These funds include risk management of general and automotive liability, employee group health insurance activities, and workers' compensation. The County is self-insured under sovereign immunity up to a maximum of \$200,000 per person/\$300,000 per occurrence for claims against the County involving negligence, including automobile and general liability. Negligence claims in excess of the statutory limits set in Section 768.28, Florida Statutes, can only be recovered through an act of the State of Florida Legislature. The County carries specific workers' compensation excess insurance for claims exceeding \$500,000. Employee medical benefit claims exceeding \$400,000 per covered participant are covered with unlimited excess insurance.

During the year ended September 30, 2014, the Sheriff paid \$9,617,308 to the Board for insurance coverage.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Litigation – From time to time, 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.

Grants – The Sheriff is the recipient of grants that are subject to special compliance requirements and audits by the grantor agencies that may result in disallowed expense amounts. These amounts constitute a contingent liability of the Sheriff. The Sheriff does not believe any contingent liabilities, if any, to be material to the financial statements.

Supplementary Financial Information

SARASOTA COUNTY, FLORIDA
SHERIFF
COMBINING STATEMENT OF FIDUCIARY NET POSITION
ALL AGENCY FUNDS
September 30, 2014

	Cash Bond	Individual Depositors	Suspense	Prisoner	Total All Agency Funds
Assets					
Cash and cash equivalents	\$ -	\$ 20,957	\$ 337,760	\$ 90,118	\$ 448,835
Due from individuals and miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,200,136</u>	<u>1,200,136</u>
 Total assets	 <u>\$ -</u>	 <u>\$ 20,957</u>	 <u>\$ 337,760</u>	 <u>\$ 1,290,254</u>	 <u>\$ 1,648,971</u>
Liabilities					
Accounts payable	\$ -	\$ 20,957	\$ 142,363	\$ -	\$ 163,320
Due to other county governments	<u>-</u>	<u>-</u>	<u>1,005</u>	<u>-</u>	<u>1,005</u>
Due to individuals and miscellaneous	<u>-</u>	<u>-</u>	<u>194,392</u>	<u>1,290,254</u>	<u>1,484,646</u>
 Total liabilities	 <u>\$ -</u>	 <u>\$ 20,957</u>	 <u>\$ 337,760</u>	 <u>\$ 1,290,254</u>	 <u>\$ 1,648,971</u>

**SARASOTA COUNTY, FLORIDA
SHERIFF**
COMBINING STATEMENT OF CHANGES IN FIDUCIARY
NET POSITION - ALL AGENCY FUNDS
Year Ended September 30, 2014

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014
Cash Bond Fund				
Assets:				
Cash and cash equivalents	\$ -	\$ 1,844,244	\$ 1,844,244	\$ -
Liabilities:				
Due to other funds	\$ -	\$ 1,658,290	\$ 1,658,290	\$ -
Due to Board of County Commissioners	\$ -	\$ 1,654,617	\$ 1,654,617	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ 3,312,907</u>	<u>\$ 3,312,907</u>	<u>\$ -</u>
Individual Depositors Fund				
Assets:				
Cash and cash equivalents	<u>\$ 19,807</u>	<u>\$ 238,919</u>	<u>\$ 237,769</u>	<u>\$ 20,957</u>
Liabilities:				
Accounts payable	\$ 19,807	\$ 258,697	\$ 257,547	\$ 20,957
Due to Board of County Commissioners	-	258,867	258,867	-
Due to other funds	-	99	99	-
Due to individuals and miscellaneous	-	105	105	-
Total liabilities	<u>\$ 19,807</u>	<u>\$ 517,768</u>	<u>\$ 516,618</u>	<u>\$ 20,957</u>
Suspense Fund				
Assets:				
Cash and cash equivalents	\$ 354,546	\$ 1,824,214	\$ 1,841,000	\$ 337,760
Due from other funds	30,000	-	30,000	-
Total assets	<u>\$ 384,546</u>	<u>\$ 1,824,214</u>	<u>\$ 1,871,000</u>	<u>\$ 337,760</u>
Liabilities:				
Accounts payable	\$ 117,828	\$ 1,884,334	\$ 1,859,799	\$ 142,363
Due to other government agencies	4,160	1,065,610	1,068,765	1,005
Due to other funds	-	591,765	591,765	-
Due to individuals and miscellaneous	262,558	2,545,306	2,613,472	194,392
Total liabilities	<u>\$ 384,546</u>	<u>\$ 6,087,015</u>	<u>\$ 6,133,801</u>	<u>\$ 337,760</u>

**SARASOTA COUNTY, FLORIDA
SHERIFF**
COMBINING STATEMENT OF CHANGES IN FIDUCIARY
NET POSITION - ALL AGENCY FUNDS – CONTINUED
Year Ended September 30, 2014

	<u>Balance October 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2014</u>
Prisoner Fund				
Assets:				
Cash and cash equivalents	\$ 103,039	\$ 4,719	\$ 17,639	\$ 90,119
Due from individuals and miscellaneous	<u>1,031,627</u>	<u>168,508</u>	<u>-</u>	<u>1,200,135</u>
Total assets	<u>\$ 1,134,666</u>	<u>\$ 173,227</u>	<u>\$ 17,639</u>	<u>\$ 1,290,254</u>
Liabilities:				
Due to individuals and miscellaneous	\$ 1,134,666	\$ 155,588	\$ -	\$ 1,290,254
Total All Agency Funds				
Assets:				
Cash and cash equivalents	\$ 477,392	\$ 3,912,095	\$ 3,940,652	\$ 448,835
Due from other funds	30,000	-	30,000	-
Due from individual and miscellaneous	<u>1,031,627</u>	<u>168,509</u>	<u>-</u>	<u>1,200,136</u>
Total assets	<u>\$ 1,539,019</u>	<u>\$ 4,080,604</u>	<u>\$ 3,970,652</u>	<u>\$ 1,648,971</u>
Liabilities:				
Accounts payable	\$ 137,635	\$ 2,143,031	\$ 2,117,346	\$ 163,320
Due to Board of County Commissioners	-	1,913,484	1,913,484	-
Due to other county governments	4,160	1,065,610	1,068,765	1,005
Due to other funds	-	2,250,154	2,250,154	-
Due to individuals and miscellaneous	<u>1,397,224</u>	<u>2,700,999</u>	<u>2,613,577</u>	<u>1,484,646</u>
Total liabilities	<u>\$ 1,539,019</u>	<u>\$ 10,073,278</u>	<u>\$ 9,963,326</u>	<u>\$ 1,648,971</u>

Supplemental 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**

Honorable Thomas M. Knight
Sheriff
Sarasota County, Florida

We have audited, in accordance with the 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, the 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, 2014, and the related notes to the financial statements, which collectively comprise the Sheriff's financial statements, and have issued our report thereon dated December 19, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Sheriff's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the Sheriff's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Honorable Thomas M. Knight
Sheriff
Sarasota County, Florida

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sheriff's financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Shinn & Company LLC

Shinn & Company LLC
Bradenton, Florida

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP
Tampa, Florida

December 19, 2014



MANAGEMENT LETTER

Honorable Thomas M. Knight
Sheriff
Sarasota County, Florida

Report on the Financial Statements

We have audited the financial statements of the Sarasota County, Florida, Sheriff (the "Sheriff"), as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated December 19, 2014.

Auditors' Responsibility

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 Chapter 10.550, Rules of the Auditor General.

Other Reports

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated December 19, 2014, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, 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 the management letter, unless disclosed in the notes to the financial statements. This information is disclosed in the notes to the financial statements.

Honorable Thomas M. Knight
Sheriff
Sarasota County, Florida

Other Matters

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Sheriff and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Shinn & Company LLC

Shinn & Company LLC
Bradenton, Florida

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP
Tampa, Florida

December 19, 2014

INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Thomas M. Knight
Sheriff
Sarasota County, Florida

We have examined the Sarasota County, Florida, Sheriff (the "Sheriff") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2014. Management is responsible for the Sheriff's compliance with those requirements. Our responsibility is to express an opinion on Sheriff's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Sheriff's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Sheriff's compliance with specified requirements.

In our opinion, the Sheriff complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2014.

This report is intended solely for the information and use of the Sheriff and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

Shinn & Company LLC

Shinn & Company LLC
Bradenton, Florida

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP
Tampa, Florida

December 19, 2014