

**SARASOTA COUNTY, FLORIDA
SHERIFF**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED SEPTEMBER 30, 2019



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**WEALTH ADVISORY
OUTSOURCING
AUDIT, TAX, AND
CONSULTING**

**SARASOTA COUNTY, FLORIDA
SHERIFF
Year Ended September 30, 2019**

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INDEPENDENT AUDITORS' REPORT

Honorable Thomas M. Knight
Sheriff
Sarasota County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of the Sarasota County, Florida, Sheriff (Sheriff) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Sheriff'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 fraud or error.

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.

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 for the Sheriff as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows and budgetary comparison thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Honorable Thomas M. Knight
Sheriff
Sarasota County, Florida

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 the 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, Florida, that is attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of Sarasota County, Florida, as of September 30, 2019 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 this matter.

Additionally, as discussed in Note 11 to the financial statements, the Sheriff reclassified certain activities of the Cash Bond Fund, Individual Depositors Fund, and the Suspense Fund from Agency funds to special revenue funds, as the activities no longer met the criteria established in GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments and Governmental Accounting, Auditing and Financial Reporting (GAAFR) that defined activities of an agency fund. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Changes in Total OPEB Liability and Related Ratios, as listed in the table of contents, be presented to supplement the financial statements. Such information, although not a required part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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, as listed in the table of contents, 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 to 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 our report dated February 21, 2020, 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 solely 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 effectiveness of the Sheriff's 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Tampa, Florida
February 21, 2020

Financial Statements

SARASOTA COUNTY, FLORIDA
SHERIFF
BALANCE SHEET – GOVERNMENTAL FUNDS
September 30, 2019

	General	Nonmajor	Total Governmental Funds
		Governmental Funds	
ASSETS			
Assets:			
Cash and cash equivalents	\$ 6,479,029	\$ 1,323,564	\$ 7,802,593
Investments	3,384	-	3,384
Due from other governments	<u>156,877</u>	<u>-</u>	<u>156,877</u>
 Total assets	 <u>\$ 6,639,290</u>	 <u>\$ 1,323,564</u>	 <u>\$ 7,962,854</u>
 LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	2,988,062	-	2,988,062
Accrued expenses	3,064,240	-	3,064,240
Due to other governments	835	-	835
Due to Sarasota County, Florida			
Board of County Commissioners	<u>586,153</u>	<u>-</u>	<u>586,153</u>
Total liabilities	<u>6,639,290</u>	<u>-</u>	<u>6,639,290</u>
 Fund balance:			
Restricted	-	414,596	414,596
Committed	<u>-</u>	<u>908,968</u>	<u>908,968</u>
Total fund balance	<u>-</u>	<u>1,323,564</u>	<u>1,323,564</u>
 Total liabilities and fund balance	 <u>\$ 6,639,290</u>	 <u>\$ 1,323,564</u>	 <u>\$ 7,962,854</u>

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

SARASOTA COUNTY, FLORIDA
SHERIFF
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended September 30, 2019

	General	Nonmajor Governmental Funds	Total
Revenues:			
Charges for services	\$ -	\$ 2,249,358	\$ 2,249,358
Intergovernmental revenue	222,863	-	222,863
Judgements, fines, and forfeits	-	2,988	2,988
Interest and other earnings income	56,682	9,618	66,300
Donations and other revenue	1,565	19,287	20,852
Total revenues	281,110	2,281,251	2,562,361
Expenditures:			
Personnel services	96,272,358	612,885	96,885,243
Operating expenditures	17,922,370	1,667,087	19,589,457
Capital outlay	4,987,724	21,289	5,009,013
Grants and aids	55,000	-	55,000
Total expenditures	119,237,452	2,301,261	121,538,713
Deficiency of revenues under expenditures	(118,956,342)	(20,010)	(118,976,352)
Other financing sources (uses):			
Transfers in: Sarasota County, Florida			
Board of County Commissioners appropriations	119,183,167	-	119,183,167
Sale of general capital assets	338,950	-	338,950
Compensation for loss of general capital assets	20,378	-	20,378
Transfers out: Sarasota County, Florida			
Board of County Commissioners appropriations	(586,153)	-	(586,153)
Total other financing sources	118,956,342	-	118,956,342
Net change in fund balance	-	(20,010)	(20,010)
Fund balance, beginning of year, as restated	-	1,343,574	1,343,574
Fund balance, end of year	\$ -	\$ 1,323,564	\$ 1,323,564

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

SARASOTA COUNTY, FLORIDA
SHERIFF
STATEMENT OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL – GENERAL FUND
Year Ended September 30, 2019

	Budget		Actual	Variance With Budget Positive (Negative)	
	Original	Final			
Revenues:					
Intergovernmental revenue	\$ -	\$ -	\$ 222,863	\$ 222,863	
Interest and other earnings income	- -	- -	56,682	56,682	
Donations and other revenue	- -	- -	1,565	1,565	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	- -	- -	281,110	281,110	
Expenditures:					
Personnel services	92,118,651	93,315,170	96,272,358	(2,957,188)	
Operating expenditures	18,398,815	20,212,807	17,922,370	2,290,437	
Capital outlay	5,083,524	5,930,140	4,987,724	942,416	
Grants and aids	64,000	64,000	55,000	9,000	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	115,664,990	119,522,117	119,237,452	284,665	
Deficiency of revenues under expenditures	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	(115,664,990)	(119,522,117)	(118,956,342)	565,775	
Other financing sources (uses):					
Transfers in: Sarasota County, Florida	115,414,990	119,183,167	119,183,167	-	
Board of County Commissioners appropriations	250,000	338,950	338,950	-	
Sale of general capital assets	- -	- -	20,378	20,378	
Compensation for loss of general capital assets	- -	- -	(586,153)	(586,153)	
Transfers out: Sarasota County, Florida	- -	- -	- -	- -	
Board of County Commissioners appropriations	- -	- -	(586,153)	(586,153)	
Net change in fund balance	- -	- -	- -	- -	
Fund balance, beginning of year	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ -	\$ -	\$ -	\$ -	\$ -

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

SARASOTA COUNTY, FLORIDA
SHERIFF
STATEMENT OF NET POSITION - INTERNAL SERVICE FUND
Year Ended September 30, 2019

ASSETS

Assets:	
Cash and cash equivalents	\$ 4,158,510

LIABILITIES AND NET POSITION

Liabilities:	
Claims Payable	<u>65,825</u>
Net Position:	
Unrestricted	<u>\$ 4,092,685</u>

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

SARASOTA COUNTY, FLORIDA
SHERIFF
STATEMENT OF REVENUES, EXPENSES, AND CHANGED IN NET POSITION-
INTERNAL SERVICE FUND
Year Ended September 30, 2019

Operating revenues:

Charges for services	\$ 18,294,495
Employer contributions	<u>966,012</u>
Total operating revenues	19,260,507

Operating expenses:

Claims and claims expenses	9,795,313
Reinsurance premiums	2,511,864
Administrative and other expenses	<u>2,860,645</u>
Total operating expenses	<u>15,167,822</u>

Change in net position	<u>4,092,685</u>
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Net position - beginning of year	-
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Net position - end of year	<u>\$ 4,092,685</u>
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The accompanying notes to the financial statements are an integral part of this statement.

SARASOTA COUNTY, FLORIDA
SHERIFF
STATEMENT OF CASH FLOWS-
INTERNAL SERVICE FUND
Year Ended September 30, 2019

Cash Flows from Operating activities	
Cash payments for claims and claims related services	\$ (9,729,488)
Cash payments for reinsurance premiums	(2,511,864)
Cash payments for administrative services and supplies	(2,860,645)
Cash received from other funds for services	19,260,507
Net cash provided by operating activities	<u>4,158,510</u>
Net increase in cash and cash equivalents	4,158,510
Cash and cash equivalents – beginning of year	<u>–</u>
Cash and cash equivalents – end of year	<u><u>\$ 4,158,510</u></u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 4,092,685
Adjustments to reconcile operating income to net cash provided by operating activities:	
Increase in self-insurance claims payable	<u>65,825</u>
Net cash provided by operating activities	<u><u>\$ 4,158,510</u></u>

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

SARASOTA COUNTY, FLORIDA
SHERIFF
STATEMENT OF FIDUCIARY NET POSITION –
AGENCY FUND
September 30, 2019

Assets	
Cash and cash equivalents	\$ 329,859
Due from individuals and businesses	<u>112,637</u>
Total assets	<u>\$ 442,496</u>
Liabilities	
Due to individuals and businesses	<u>\$ 442,496</u>

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

SARASOTA COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The Sarasota County, Florida Sheriff (Sheriff) is a separate constitutional officer established pursuant to Article VIII, Section 1(d) of the *Constitution of the State of Florida* and the *Home Rule Charter of Sarasota County, Florida* (the County). The Sheriff is the chief law enforcement officer for Sarasota County and is responsible for operating the County's correction facility.

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. In conformity with the Rules, the Sheriff has not presented government-wide financial statements, related disclosures, or management discussion and analysis, which are required to present a complete presentation of the financial position and changes in its financial position. 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.

Fund financial statements display information about major funds individually and nonmajor funds in the aggregate for governmental and proprietary funds. Fiduciary statements include financial information for fiduciary funds.

Governmental Funds: 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 Sheriff has the following 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.
- *Donations and Grant Fund* – is a special revenue fund to account for grants and donations committed or restricted to a specific purpose.
- *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.
- *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.

**SARASOTA COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
September 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Funds (continued):

- *Inmate Welfare 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.

Proprietary Funds: An internal service fund is a proprietary fund and is accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow.

The Sheriff has the following internal service fund:

- *Insurance Fund* – This fund is used to account for the Sheriff's insurance activities including employee welfare, risk liability, and workers compensation. Employee welfare includes, but is not limited to, medical, dental, vision, life, and long-term disability. Retirees are eligible for medical, dental, and life insurance on a cost-reimbursement basis. This fund was created during 2019.

Fiduciary Funds: These 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.

Budgetary Requirement - Pursuant to *Florida Statutes 129.03* and *30.49*, the Sheriff's General fund budget is prepared and submitted to the Sarasota County Florida Board of County Commissioners (the Board) for approval. The budget and amendments, if any, are adopted in the same manner as the budget for the Board. 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 the Sheriff's Special Revenue Funds or Internal Service Fund.

The County is the primary source of funds for the Sheriff's operating budget. 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 transfers in the basic financial statements of the Sheriff.

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, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance –Fund balances are classified either spendable or non-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. Nonspendable Fund Balance are amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact.

These classifications are described as follows:

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 Inmate Welfare, 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.

It is the Sheriff's intent to first spend restricted amounts when both restricted and unrestricted fund balances are available unless there are legal contracts prohibiting this, such as grant agreements

Investments – The Sheriff has no formal investment policy and thereby is required to follow chapter 218.45, *Florida Statutes*, which authorizes the Sheriff to invest surplus funds in the following:

- The Local Government Surplus Funds Trust Fund (SBA), or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in *Florida Statutes* 163.01;
- Securities and Exchange Commission registered money market funds with the highest quality rating from a nationally recognized rating agency;
- Interest-bearing time deposits or savings accounts in qualified public depositories, as defined in *Florida Statutes* 280.02;
- Direct obligations of the U.S. Treasury.

Use of Estimates - The preparation of financial statements requires management of the Sheriff to make a number of estimates and assumptions related to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the period. Actual results could differ from those estimates.

SARASOTA COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 2 – DEPOSITS

At September 30, 2019, the book balance of deposits, including fiduciary funds, was \$11,743,112 and the bank balances were \$12,307,608. 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, 2019, the Sheriff had \$3,384 invested with the Surplus Funds Trust Funds Investments Pool. This is included in investments 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 AAA principal stability fund rating by Standard and Poor's rating agency.

NOTE 3 –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. Purchased assets are capitalized at historical cost in the government-wide financial statements of the County. Donated capital assets are valued at their estimated acquisition value on the date received. No depreciation expense has been provided on capital assets in these financial statements. However, depreciation expense on these assets is recorded in the basic financial statements of Sarasota County, Florida. The Sheriff maintains custodial responsibility for the capital assets.

In FY18 the Sheriff reported errors related to accumulated depreciation resulting from assets being depreciated in excess of their cost basis and vehicles and equipment resulting from an asset acquisition being omitted. The Sheriff corrected the errors in the current year and as a result, construction in progress and accumulated depreciation as of October 1, 2018, increased by \$118,403, and decreased by \$3,026,371, respectively. The restatement is reflected in the table below.

Detailed information concerning capital assets is recorded and reported in the government-wide financial statements of the County. The following is a summary of the changes in capital assets for which the Sheriff is custodian during fiscal year 2019:

	October 1, 2018 as restated	Increases	Decreases	September 30, 2019
Construction in progress	\$ 118,043	\$ 236,086	\$ -	\$ 354,129
Vehicles and equipment	42,879,480	4,832,153	(3,260,512)	44,451,121
Accumulated depreciation	<u>(28,507,349)</u>	<u>(5,544,491)</u>	<u>3,208,175</u>	<u>(30,843,665)</u>
Total depreciable capital assets, net	<u>14,372,131</u>	<u>(712,338)</u>	<u>(52,337)</u>	<u>13,607,456</u>
Total capital assets, net	<u>\$ 14,490,174</u>	<u>\$ (476,252)</u>	<u>\$ (52,337)</u>	<u>\$ 13,961,585</u>

**SARASOTA COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
September 30, 2019**

NOTE 3 –CAPITAL ASSETS (CONTINUED)

The Board provides the Sheriff's administration and operations buildings, the fleet facility and the jail to the Sheriff at no cost. The Board does not provide for any purchases of vehicles and equipment. Of the \$5,068,239 of total vehicle and equipment additions in the summary above, the Sheriff maintains complete custodial responsibility.

NOTE 4 – OPERATING LEASE OBLIGATIONS

The Sheriff leases 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, 2019, were \$237,004.

NOTE 5 – COMPENSATED ABSENCES

The amount of vested accumulated compensated absences payable based upon the Sheriff's paid-time-off (PTO) policy is reported as a liability in the government-wide financial statements of the County. That liability is based on length of employment, and includes earned but unused PTO and sick time, as well as FICA taxes related thereto. It consists of the following components:

- 100% of earned, but unused vacation leave
- 25% of earned, but unused sick leave, for employees with greater than 10 years of service
- 50% of earned, but unused sick leave, for employees with greater than 20 years of service
- 100% of earned, but unused compensatory leave

The following is a summary of changes in compensated absences:

October 1, 2018	Increases	Decreases	September 30, 2019
<u>\$ 15,436,746</u>	<u>\$ 12,278,285</u>	<u>\$ 10,025,621</u>	<u>\$ 17,689,410</u>

The current portion of the above liability at September 30, 2019, is \$10,587,474.

NOTE 6 – PENSION PLANS

Background

The Florida Retirement System (FRS) was created by Chapter 121, *Florida Statutes*, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, *Florida Statutes*, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

**SARASOTA COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
September 30, 2019**

NOTE 6 – PENSION PLANS – CONTINUED

Florida Retirement System Pension Plan (continued)

Background (continued)

Essentially all regular employees of the Sheriff are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, *Florida Statutes*; Chapter 112, Part IV, *Florida Statutes*; Chapter 238, *Florida Statutes*; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site (www.dms.myflorida.com).

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers Class* – Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.
- *Special Risk Class* – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to four years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, *Florida Statutes*, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

**SARASOTA COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
September 30, 2019**

NOTE 6 – PENSION PLANS – CONTINUED

Florida Retirement System Pension Plan (continued)

Benefits Provided

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

As provided in Section 121.101, *Florida Statutes*, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment.

The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Detailed information about the County's proportionate share of FRS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

Retiree Health Insurance Subsidy Program

Plan Description

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, *Florida Statutes*, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided

For the fiscal year ended June 30, 2019, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, *Florida Statutes*. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Detailed information about the County's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

SARASOTA COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 6 – PENSION PLANS – CONTINUED

FRS Investment Plan

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, *Florida Statutes*, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Sheriff employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2019, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Sheriff.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

Contributions

Participating employer contributions are based upon statewide rates established by the state of Florida. The Sheriff's contributions made to the plans applicable to the years ended September 30, 2019, 2018, and 2017, were \$12,778,464, \$12,416,488, and \$11,142,679, respectively, equal to the actuarially determined contribution requirements for each year. Additional information about pension plans can be found in the County's comprehensive annual financial report.

SARASOTA COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 7 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The Sheriff provides postemployment health care benefits in accordance with Section 112.0801, *Florida Statutes*, to all employees who retire from the Sheriff. The Sheriff is required to provide health care coverage at cost to all retirees but does not have to pay any portion of the premium for the retiree to participate in the Sheriff's group health care plan. The liability, expense, deferred outflows of resources and deferred inflows of resources for other postemployment benefits, calculated in accordance with Governmental Accounting Standards Board Statement No. 75 *Accounting and Financial Reporting for Postretirement Benefits Other Than Pensions*, are reported in the financial statements of the County.

Effective January 1, 2019, the Sheriff's Office established a group health plan intended to provide medical and prescription benefits to the Sheriff's current and retire employees. Prior to January 1, 2019, employees and retirees were covered under a health plan managed by the Sarasota County Board of County Commissioners. Additionally, in accordance with Florida Statute 112.0801, Sheriff's employees who retire and immediately begin receiving benefits from the FRS have the option of paying premiums to continue in the Sheriff's health insurance plan at the same group rate as for active employees.

Participant Data

At December 31, 2018, the date of the latest actuarial valuation, the Sheriff's plan participation consisted of:

Active employees	955
Inactive employees or beneficiaries currently receiving benefit payments	149

Funding Policy

The Sheriff has the authority to establish and amend funding policy. The OPEB Plan is currently being funded on a pay-as-you go basis. No trust or agency fund has been established for the plan.

Total OPEB Liability

The Sheriff's OPEB liability of \$9,205,549 was measured as of September 30, 2019, and was determined by an actuarial valuation as of December 31, 2018. The following table shows the changes in the Sheriff's total OPEB liability for the year ended September 30, 2019.

Balance, as of October 1, 2018	\$ -
Changes:	
Service cost	330,269
Interest	238,079
Changes of benefit terms	8,131,607
Changes in assumptions or other inputs	852,948
Benefit payments	(347,354)
Net changes	<u>9,205,549</u>
Balance, as of September 30, 2019	<u>\$ 9,205,549</u>

SARASOTA COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 7 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

The following presents the total OPEB liability of the Sheriff, as well as what the Sheriff's total OPEB liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

	Discount rate sensitivity		
	1% Decrease (1.75%)	Discount Rate (2.75%)	1% Increase (3.75%)
	\$ 10,013,971	\$ 9,205,549	\$ 8,485,624
Total OPEB Liability			

The following presents the total OPEB liability of the Sheriff, as well as what the Sheriff's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% point lower (6.06% decreasing to 5.25%) or 1% point higher (8.06% decreasing to 7.25%) than the current healthcare cost trend rates:

	Healthcare rate sensitivity		
	1% Decrease (6.06% decreasing to 5.25%)	Discount Rate (7.06% decreasing to 6.25%)	1% Increase (8.06% decreasing to 7.25%)
	\$ 8,097,044	\$ 9,205,549	\$ 10,587,577
Total OPEB Liability			

Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended September 30, 2019, the Sheriff's OPEB expense was \$8,779,670. In addition the Sheriff reported deferred outflow of resources from the following sources:

Description	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 773,233

Amounts reported as deferred outflows of resources are being amortized over 10.7 years and will be recognized as follows:

Year ending September 30	Amount
2020	\$ 79,715
2021	79,715
2022	79,715
2023	79,715
2024	79,715
Thereafter	374,658
	<hr/> <hr/>
	\$ 773,233

**SARASOTA COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
September 30, 2019**

NOTE 7 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Calculations for financial reporting purposes are based on the benefits provided under terms of the plan as understood by the employer and the plan members in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The actuarial methods are:

Actuarial cost method	Entry Age Normal
-----------------------	------------------

The actual assumptions are:

Discount rate	2.75% (Based on 20-Year AA municipal bond rate)
Inflation rate	2.50%
Healthcare cost trend rate	7.06% decreasing to 6.25% in 2021 and thereafter
Salary increase	Salary increase rates used in the July 1, 2018 actuarial valuation of the Florida Retirement System; 3.7%-7.8%, including inflation.

Mortality rates were based on the tables used in the July 1, 2018 actuarial valuation of the Florida Retirement System. They are based on the results of a statewide experience study covering the period 2008- through 2013.

The following changes have been made since the prior year valuation:

- The discount rate was changed from 7.43% as of the beginning of the measurement period to 2.75% as of September 30, 2019.
- Sheriff's OPEB plan was spun off of the pre-funded County plan without any assets allocated to the Sheriff's retirees. As such, it is considered a new plan.

NOTE 8 – 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.

SARASOTA COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 9 – RISK MANAGEMENT

Prior to January 1, 2019, the Sheriff participated in various self-insurance funds of Sarasota County that included risk management of general and automotive liability, employee group health insurance activities, and workers' compensation.

Effective January 1, 2019, the Sheriff's Office established their own plans that include risk management of general and automotive liability, employee group health insurance activities, and workers' compensation. As a result, the Sheriff established its own internal service fund to record all activity related to insurance and risk management.

The Sheriff is insured under sovereign immunity up to a maximum of \$200,000 per person/\$300,000 per occurrence for claims against the Sheriff 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 Sheriff carries a fully insured workers' compensation plan. Employee medical benefit claims exceeding \$250,000 per covered participant are covered with unlimited excess insurance. The Sheriff has also established a self-funded employee dental plan for active employees and retirees.

There have been no significant reductions in insurance coverage in the last year. Settled claims have not exceeded the insurance provided by third party carriers in any of the last three years.

Changes in the balance of estimate insurance claims payable for the fiscal year ended September 30, 2019 are as follows:

Fiscal year ending 2019	New Claims and Changes in Estimates			Balance September 30	
	Balance October 1	-	\$ 720,998	\$ (655,173)	\$ 65,825
	\$				

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Litigation – The Sheriff is involved in various claims and legal actions arising in the ordinary course of operations. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Sheriff.

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.

NOTE 11 – CHANGE IN REPORTING ENTITY

During 2019, the Sheriff reclassified certain activities of the Cash Bond Fund, Individual Depositors Fund, and the Suspense Fund from Agency funds to special revenue funds, as the activities no longer met the criteria established in GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments and Governmental Accounting, Auditing and Financial Reporting (GAAFR) that defined activities of an agency fund. As such the non-major governmental funds beginning fund balance was restated by \$263,789.

Required Supplementary Information

SARASOTA COUNTY, FLORIDA
SHERIFF
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
September 30, 2019

	<u>Amount</u>
Total OPEB Liability	
Service cost	\$ 330,269
Interest	238,079
Changes of benefit terms	8,131,607
Changes in assumptions or other inputs	852,948
Benefit payments	<u>(347,354)</u>
Net change in total OPEB Liability	<u>9,205,549</u>
Total OPEB Liability, beginning of year	-
Total OPEB Liability, end of year	<u>\$ 9,205,549</u>
Covered-employee payroll	<u>\$ 56,692,000</u>
Total OPEB Liability as a percentage of covered-employee payroll	<u>16.24%</u>

Notes to Schedule

There are no assets held in trust for payment of OPEB benefits.

Changes in Assumptions:

- The discount rate was changed from 7.43% as of the beginning of the measurement period to 2.75% as of September 30, 2019 (based on the Long-Term Municipal Bond rate).
- Demographic assumptions were changed to those employed in the July 1, 2018 actuarial valuation of the Florida Retirement System (FRS) Defined Benefit Pension Plan. Assumptions change include rates of termination, retirement, disability, mortality and salary scale.
- Health coverage assumption changes include:
- Changing age rating factors to those used in the study published (June 2013) in Health Care Costs – From Birth to Death sponsored by the Society of Actuaries and authored by Mr. Dale H. Yamamoto.
- Changing the assumed healthcare cost trend to the Getzen model.

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is completed, the Sheriff will present information for only those years for which information is available.

Supplementary Financial Information

SARASOTA COUNTY, FLORIDA
SHERIFF
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2019

	Special Revenue				Total Nonmajor Governmental Funds	
	Donations and Grants	Inmate Welfare	Federal Forfeiture	Training		
ASSETS						
Assets:						
Cash and cash equivalents	\$ 277,052	\$ 498,156	\$ 414,596	\$ 133,760	\$ 1,323,564	
Total assets	<u>\$ 277,052</u>	<u>\$ 498,156</u>	<u>\$ 414,596</u>	<u>\$ 133,760</u>	<u>\$ 1,323,564</u>	
FUND BALANCE						
Fund balance:						
Restricted	\$ -	\$ -	\$ 414,596	\$ -	\$ 414,596	
Committed	<u>\$ 277,052</u>	<u>\$ 498,156</u>	<u>\$ -</u>	<u>\$ 133,760</u>	<u>\$ 908,968</u>	
Total fund balance	<u>\$ 277,052</u>	<u>\$ 498,156</u>	<u>\$ 414,596</u>	<u>\$ 133,760</u>	<u>\$ 1,323,564</u>	
Total fund balance	<u>\$ 277,052</u>	<u>\$ 498,156</u>	<u>\$ 414,596</u>	<u>\$ 133,760</u>	<u>\$ 1,323,564</u>	

SARASOTA COUNTY, FLORIDA
SHERIFF
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year Ended September 30, 2019

	Special Revenue				Total Nonmajor Governmental Funds
	Donations and Grants	Inmate Welfare	Federal Forfeiture	Training	
Revenues:					
Charges for services	\$ -	\$ 2,146,208	\$ -	\$ 103,150	\$ 2,249,358
Judgements, fines, and forfeits	-	-	2,988	-	2,988
Interest and other earnings income	1,045	4,816	3,220	537	9,618
Donations and other revenue	15,155	-	-	4,132	19,287
Total revenues	16,200	2,151,024	6,208	107,819	2,281,251
Expenditures:					
Personnel services	-	612,885	-	-	612,885
Operating expenditures	402	1,576,052	23,036	67,597	1,667,087
Capital outlay	-	2,915	18,374	-	21,289
Total expenditures	402	2,191,852	41,410	67,597	2,301,261
Excess (deficiency) of revenues over (under) expenditures	15,798	(40,828)	(35,202)	40,222	(20,010)
Net change in fund balance	15,798	(40,828)	(35,202)	40,222	(20,010)
Fund balances, beginning of year, as restated	261,254	538,984	449,798	93,538	1,343,574
Fund balances, end of year	\$ 277,052	\$ 498,156	\$ 414,596	\$ 133,760	\$ 1,323,564

SARASOTA COUNTY, FLORIDA
SHERIFF
COMBINING STATEMENT OF CHANGES IN FIDUCIARY
NET POSITION - ALL AGENCY FUNDS
Year Ended September 30, 2019

	October 1, 2018	Additions	Deductions	September 30, 2019
Prisoner Fund				
Assets:				
Cash and cash equivalents	\$ 149,488	\$ 180,371	\$ -	\$ 329,859
Due from individuals and businesses	<u>1,445,017</u>	<u>7,125</u>	<u>1,339,505</u>	<u>112,637</u>
Total assets	<u><u>\$ 1,594,505</u></u>	<u><u>\$ 187,496</u></u>	<u><u>\$ 1,339,505</u></u>	<u><u>\$ 442,496</u></u>
Liabilities:				
Due to individuals and businesses	<u><u>\$ 1,594,505</u></u>	<u><u>\$ 187,496</u></u>	<u><u>\$ 1,339,505</u></u>	<u><u>\$ 442,496</u></u>

Supplemental Reports



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**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, 2019, and the related notes to the financial statements, which collectively comprise the Sheriff's financial statements, and have issued our report thereon dated February 21, 2020.

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2019-001 that we consider to be material weaknesses.

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*.

Honorable Thomas M. Knight
Sheriff
Sarasota County, Florida

The Sheriff's Response to Findings

The Sheriff's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Sheriff's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 Sheriff'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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Tampa, Florida
February 21, 2020

**SARASOTA SHERIFF, FLORIDA SHERIFF
SCHEDULE OF FINDING AND RESPONSE
YEAR ENDED SEPTEMBER 30, 2019**

2019-001 Audit Adjustments

Type of Finding: Material weakness in internal control over financial reporting

Criteria: The Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control Framework states that control activities are a component of internal control. Control activities are policies and procedures established to ensure that management directives are carried out, and consist of two elements, a policy that establishes what should be done and the procedure that implements the policy. COSO Framework states that control activities must be in place for there to be adequate internal control procedures over financial reporting. Internal control procedures affect the Sheriff's ability to ensure financial transactions are authorized and accurate. The Sheriff's management is responsible for establishing and maintaining internal controls for the proper recording and reconciliation of all the Sheriff's transactions, including bank reconciliations and year-end accruals.

Condition: As part of the audit, we proposed an audit adjustment related to accounts payable in the amount of approximately \$841,000 to correct the Sheriff's financial statements at year-end.

Cause: The Sheriff's internal controls over financial reporting and bank reconciliations did not detect or prevent the errors.

Effect: The proposed audit adjustment was recorded by management to correct the financial statements.

Recommendation: We recommend management evaluate internal control processes and procedures to ensure that management reconciles bank accounts to the general ledger at month end. Additionally, we recommend management review and reconcile the accounts payable ledger to the bank and payment activity monthly. We further recommend the Sheriff strengthen its year-end closing process to include additional reviews of all accounts that would have a material impact on the financial statements throughout the year.

Views of Responsible Officials: Management is in agreement with the audit finding.



MANAGEMENT LETTER

Honorable Thomas M. Knight
Sheriff
Sarasota County, Florida

Report on the Financial Statements

We have audited the financial statements of the major fund and the aggregate remaining fund information of the Sarasota County, Florida, Sheriff (Sheriff), as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated February 21, 2020.

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 Reporting Requirements

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*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 21, 2020, 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. In connection with our audit, we did not have any such findings.

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. See Note 1 in notes to financial statements.

Financial Management

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

Honorable Thomas M. Knight
Sheriff
Sarasota County, Florida

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate 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 note 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.

CliftonLarsonAllen LLP

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Tampa, Florida
February 21, 2020



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INDEPENDENT ACCOUNTANTS' REPORT

Honorable Thomas M. Knight
Sheriff
Sarasota County, Florida

We have examined Sarasota County, Florida, Sheriff's (the Sheriff) compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds, during the year ended September 30, 2019. Management of the Sheriff is responsible for the Sheriff's compliance with the specified requirements. Our responsibility is to express an opinion on the Sheriff's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Sheriff complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Sheriff complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide 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 Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2019.

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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Tampa, Florida
February 21, 2020