HILLSBOROUGH COUNTY, FLORIDA SHERIFF SPECIAL – PURPOSE FINANCIAL STATEMENTS As of and for the Year Ended September 30, 2012

And

Report of Independent Certified Public Accountants

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Report of Independent Certified Public Accountants

The Honorable David A. Gee, Sheriff of Hillsborough County, Florida

We have audited the accompanying special-purpose financial statements of the major fund and the aggregate remaining fund information of the Hillsborough County, Florida Sheriff (the "Sheriff") as of and for the year ended September 30, 2012, as listed in the table of contents. These special-purpose financial statements are the responsibility of the Sheriff's management. Our responsibility is to express opinions on these special-purpose 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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall special-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the accompanying special-purpose financial statements were prepared for the purpose of complying with Section 218.39(2), *Florida Statutes*, and Chapter 10.550, *Rules of the Auditor General – Local Government Entity Audits*, and are not intended to be a complete presentation of the financial position and changes in financial position of the Sheriff. Additionally, the special-purpose financial statements present only the Sheriff and are not intended to present the financial position and changes in financial position of Hillsborough County, Florida, taken as a whole.

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information of the Sheriff as of September 30, 2012, and the respective changes in financial position, and where applicable, cash flows, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 14, 2012 on our consideration of the Sheriff's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 22 and 23 be presented to supplement the special-purpose financial statements. Such information, although not a part of the special-purpose financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the special-purpose 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 special-purpose financial statements, and other knowledge we obtained during our audit of the special purpose 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.

Our audit was conducted for the purpose of forming opinions on the special-purpose financial statements of the Sheriff taken as a whole. The accompanying Other Financial Information, as listed in the table of contents, is presented for the purposes of additional analysis and is not a required part of the special-purpose financial statements. The accompanying Other Financial Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the special-purpose financial statements. The information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the special-purpose financial statements or to the special-purpose financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the special-purpose financial statements taken as a whole.

This report is intended solely for the information and use of the Sheriff's management, the Hillsborough County Board of County Commissioners, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

Tampa, Florida

December 14, 2012

Cherry, Behaut & Holland, L.L.P.



SPECIAL-PURPOSE BALANCE SHEET – GOVERNMENTAL FUNDS

SEPTEMBER 30, 2012

	General	Non-Major cial Revenue Funds	Go	Total overnmental Funds
Assets				
Cash	\$ 51,245,815	\$ 4,892,342	\$	56,138,157
Investments	82,285	25,938		108,223
Accounts receivable	14,047	888,126		902,173
Due from other governmental agencies	366,206	3,686		369,892
Due from Board of County Commissioners	 794,323	 		794,323
Total assets	\$ 52,502,676	\$ 5,810,092	\$	58,312,768
Liabilities and fund balances Liabilities:				
Accounts payable	\$ 3,324,597	\$ 233,523	\$	3,558,120
Wages and benefits payable	11,493,971	-		11,493,971
Due to other governmental agencies	3,371,162	812,696		4,183,858
Due to Board of County Commissioners	34,312,946	913,121		35,226,067
Total liabilities	52,502,676	1,959,340		54,462,016
Fund balances: Restricted for:				
Communications 911	-	54,194		54,194
Jail Inmate Canteen	-	2,542,593		2,542,593
Child Protection Investigation	-	847,239		847,239
Drug Enforcement Task Force	 -	 406,726		406,726
Total fund balances	-	 3,850,752		3,850,752
Total liabilities and fund balances	\$ 52,502,676	\$ 5,810,092	\$	58,312,768

SPECIAL-PURPOSE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS

Intergovernmental revenue \$361,517,989 \$2,909,852 \$364,427,841 Charges for services 3,189,585 10,421,279 13,610,864 Operating grants 6,946,097 4,648,159 11,594,256 Interest earnings 150,237 14,879 165,116 Miscellaneous income 381,581 111,064 492,645 Fines and forfeitures 372,185,489 18,415,429 390,600,918 Expenditures: General government: Personal services 13,180,718 - 13,180,718 Operating 248,898 - 248,898 Capital outlay 3,777 - 3,777 Total general government 13,433,393 - 13,433,393 Public safety: Personal services 256,208,189 12,864,939 269,073,128 Operating 60,775,428 3,004,186 63,779,614 Capital outlay 10,357,953 341,176 10,699,129 Total public safety 327,341,570 16,210,301 343,551,871 Total expenditures 340,774,963 16,210,301 356,985,264 Excess of revenues over expenditures 31,410,526 2,205,128 33,615,654 Other financing sources (uses): Transfer in from the Board of County Commissioners 2,700,000 - 2,700,000 Transfer out to internal service fund Distribution of excess revenues to the Board of County Commissioners 2,700,000 - 2,700,000 Transfer out to internal service fund Distribution of excess revenues to the Board of County Commissioners 3,41,23,736 (1,346,396) (35,470,132) Proceeds from the sale of capital assets 491,306 30,390 521,696 Total other financing sources (uses) - 889,122 889,122 Fund balance, beginning of year - 2,961,630 2,961,630 Fund balance, end of year - 2,961,630 2,961,630 Fund balance, end of year - 2,961,630 2,961,630			General		Non-Major cial Revenue Funds	G	Total overnmental Funds
Charges for services 3,189,585 10,421,279 13,610,864 Operating grants 6,946,097 4,648,159 11,594,256 Interest earnings 150,237 14,879 165,116 Miscellaneous income 381,581 111,064 492,645 Fines and forfeitures - 310,196 310,196 Total revenues 372,185,489 18,415,429 390,600,918 Expenditures: General government: - 310,196 310,196 Personal services 13,180,718 - 13,180,718 Operating 248,898 - 248,898 Capital outlay 3,777 - 3,777 Total general government 13,433,393 - 13,433,393 Public safety: 256,208,189 12,864,939 269,073,128 Operating 60,775,428 3,004,186 63,779,614 Capital outlay 10,357,953 341,176 10,699,129 Total public safety 327,341,570 16,210,301 343,551,871 Total expenditures	Revenues:	Φ	204 547 000	φ	2 000 050	Φ	204 427 044
Operating grants 6,946,097 4,648,159 11,594,256 Interest earnings 150,237 14,879 165,116 Miscellaneous income 381,581 111,064 492,645 Fines and forfeitures - 310,196 310,196 Total revenues 372,185,489 18,415,429 390,600,918 Expenditures: General government: - - 13,180,718 Personal services 13,180,718 - 13,180,718 Operating 248,898 - 248,898 Capital outlay 3,777 - 3,777 Total general government 13,433,393 - 13,433,393 Public safety: - 256,208,189 12,864,939 269,073,128 Operating 60,775,428 3,004,186 63,779,614 Capital outlay 10,357,953 341,176 10,699,129 Total expenditures 31,410,526 2,205,128 33,615,654 Excess of revenues over expenditures 31,410,526 2,205,128 33,615,654 Othe	_	Ф		Ф		Ф	
Interest earnings 150,237 14,879 165,116 Miscellaneous income 381,581 111,064 492,645 Fines and forfeitures 372,185,489 18,415,429 390,600,918 Expenditures: General government: Personal services 13,180,718 - 13,180,718 Operating 248,898 - 248,898 Capital outlay 3,777 - 3,777 Total general government 13,433,393 - 13,433,393 Public safety: 256,208,189 12,864,939 269,073,128 Operating 60,775,428 3,004,186 63,779,614 Capital outlay 10,357,953 341,176 10,699,129 Total public safety 327,341,570 16,210,301 343,551,871 Total expenditures 31,410,526 2,205,128 33,615,654 Excess of revenues over expenditures 31,410,526 2,205,128 33,615,654 Other financing sources (uses): 2,700,000 - 2,700,000 Transfer out to internal service fund	_						
Miscellaneous income 381,581 111,064 492,645 Fines and forfeitures - 310,196 310,196 Total revenues 372,185,489 18,415,429 390,600,918 Expenditures: Seneral government: Seneral government: Seneral government: 13,180,718 - 13,180,718 Personal services 1248,898 - 248,898 - 248,898 Capital outlay 3,777 - 3,777 - 3,777 Total general government 13,433,393 - 13,433,393 - 13,433,393 Public safety: - - 256,208,189 12,864,939 269,073,128 0,775,428 3,004,186 63,779,614 63,779,614 60,775,428 3,004,186 63,779,614 10,699,129 10,357,953 341,176 10,699,129 10,41,176 10,699,129 10,41,176 10,699,129 10,41,176 10,699,129 10,41,176 10,699,129 10,41,176 10,699,129 10,609,129 10,609,129 10,609,129 10,609,129 10,609,129 10,609,12							
Fines and forfeitures - 310,196 310,196 Total revenues 372,185,489 18,415,429 390,600,918 Expenditures: General government: Personal services 13,180,718 - 13,180,718 Operating 248,898 - 248,898 Capital outlay 3,777 - 3,777 Total general government 13,433,393 - 13,433,393 Public safety: 256,208,189 12,864,939 269,073,128 Operating 60,775,428 3,004,186 63,779,614 Capital outlay 10,357,953 341,176 10,699,129 Total public safety 327,341,570 16,210,301 343,551,871 Total expenditures 340,774,963 16,210,301 343,551,871 Total public safety 327,341,570 16,210,301 336,985,264 Excess of revenues over expenditures 31,410,526 2,205,128 33,615,654 Other financing sources (uses): 2,700,000 - 2,700,000 Transfer in from the Board of County Commiss	<u> </u>		<u>-</u>		•		· ·
Total revenues 372,185,489 18,415,429 390,600,918 Expenditures: General government: Fersonal services 13,180,718 - 13,180,718 Operating 248,898 - 248,898 - 3,777 Total general government 13,433,393 - 13,433,393 Public safety: - 13,433,393 - 13,433,393 Personal services 256,208,189 12,864,939 269,073,128 Operating 60,775,428 3,004,186 63,779,614 Capital outlay 10,357,953 341,176 10,699,129 Total public safety 327,341,570 16,210,301 345,551,871 Total expenditures 340,774,963 16,210,301 336,985,264 Excess of revenues over expenditures 31,410,526 2,205,128 33,615,654 Other financing sources (uses): - 2,700,000 - 2,700,000 Transfer out to internal service fund (478,096) - 2,700,000 Transfer out to contriscioners (34,123,736) (1,346,396) (35,470,132) Proceeds from the sale of capital assets 491,306 30,390			301,301		•		· ·
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General government: Personal services 13,180,718 - 13,180,718 Operating 248,898 - 248,898 Capital outlay 3,777 - 3,777 Total general government 13,433,393 - 13,433,393 Public safety: - - 13,433,393 Public safety: - - - 13,433,393 - 13,433,393 Public safety: - <	i otal revenues		372,100,409		10,415,429		390,000,916
General government: Personal services 13,180,718 - 13,180,718 Operating 248,898 - 248,898 Capital outlay 3,777 - 3,777 Total general government 13,433,393 - 13,433,393 Public safety: - - 13,433,393 Personal services 256,208,189 12,864,939 269,073,128 Operating 60,775,428 3,004,186 63,779,614 Capital outlay 10,357,953 341,176 10,699,129 Total public safety 327,341,570 16,210,301 343,551,871 Total expenditures 31,410,526 2,205,128 33,615,654 Excess of revenues over expenditures 31,410,526 2,205,128 33,615,654 Other financing sources (uses): 2,700,000 - 2,700,000 Transfer in from the Board of (478,096) - (478,096) Distribution of excess revenues to the Board of County Commissioners (34,123,736) (1,346,396) (35,470,132) Proceeds from	Expenditures:						
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Capital outlay 3,777 - 3,777 Total general government 13,433,393 - 13,433,393 Public safety: - 256,208,189 12,864,939 269,073,128 Operating 60,775,428 3,004,186 63,779,614 Capital outlay 10,357,953 341,176 10,699,129 Total public safety 327,341,570 16,210,301 343,551,871 Total expenditures 340,774,963 16,210,301 356,985,264 Excess of revenues over expenditures 31,410,526 2,205,128 33,615,654 Other financing sources (uses): 2,700,000 - 2,700,000 Transfer in from the Board of County Commissioners 2,700,000 - 2,700,000 Transfer out to internal service fund (478,096) - (478,096) Distribution of excess revenues to the Board of County Commissioners (34,123,736) (1,346,396) (35,470,132) Proceeds from the sale of capital assets 491,306 30,390 521,696 Total other financing sources (uses) (31,410,526) (1,316,006) (32,726,5	Personal services		13,180,718		-		13,180,718
Total general government 13,433,393 - 13,433,393 Public safety: 256,208,189 12,864,939 269,073,128 Operating 60,775,428 3,004,186 63,779,614 Capital outlay 10,357,953 341,176 10,699,129 Total public safety 327,341,570 16,210,301 343,551,871 Total expenditures 340,774,963 16,210,301 356,985,264 Excess of revenues over expenditures 31,410,526 2,205,128 33,615,654 Other financing sources (uses): 2,700,000 - 2,700,000 Transfer in from the Board of 2,700,000 - 2,700,000 County Commissioners 2,700,000 - 2,700,000 Transfer out to internal service fund (478,096) - (478,096) Distribution of excess revenues to the 80ard of County Commissioners (34,123,736) (1,346,396) (35,470,132) Proceeds from the sale of capital assets 491,306 30,390 521,696 Total other financing sources (uses) (31,410,526) (1,316,006) (32,726,532)	Operating		248,898		-		248,898
Public safety: 256,208,189 12,864,939 269,073,128 Operating 60,775,428 3,004,186 63,779,614 Capital outlay 10,357,953 341,176 10,699,129 Total public safety 327,341,570 16,210,301 343,551,871 Total expenditures 340,774,963 16,210,301 356,985,264 Excess of revenues over expenditures 31,410,526 2,205,128 33,615,654 Other financing sources (uses): Transfer in from the Board of 2,700,000 - 2,700,000 Transfer out to internal service fund (478,096) - (478,096) Distribution of excess revenues to the Board of County Commissioners (34,123,736) (1,346,396) (35,470,132) Proceeds from the sale of capital assets 491,306 30,390 521,696 Total other financing sources (uses) (31,410,526) (1,316,006) (32,726,532) Excess of revenues over expenditures and other financial sources (uses) - 889,122 889,122 Fund balance, beginning of year - 2,961,630 2,961,630	Capital outlay		3,777		-		3,777
Personal services 256,208,189 12,864,939 269,073,128 Operating 60,775,428 3,004,186 63,779,614 Capital outlay 10,357,953 341,176 10,699,129 Total public safety 327,341,570 16,210,301 343,551,871 Total expenditures 340,774,963 16,210,301 356,985,264 Excess of revenues over expenditures 31,410,526 2,205,128 33,615,654 Other financing sources (uses): 2,700,000 - 2,700,000 Transfer in from the Board of County Commissioners 2,700,000 - 2,700,000 Transfer out to internal service fund (478,096) - (478,096) Distribution of excess revenues to the Board of County Commissioners (34,123,736) (1,346,396) (35,470,132) Proceeds from the sale of capital assets 491,306 30,390 521,696 Total other financing sources (uses) (31,410,526) (1,316,006) (32,726,532) Excess of revenues over expenditures and other financial sources (uses) - 889,122 889,122 Fund balance, beginning of year -<	Total general government		13,433,393		-		13,433,393
Operating 60,775,428 3,004,186 63,779,614 Capital outlay 10,357,953 341,176 10,699,129 Total public safety 327,341,570 16,210,301 343,551,871 Total expenditures 340,774,963 16,210,301 356,985,264 Excess of revenues over expenditures 31,410,526 2,205,128 33,615,654 Other financing sources (uses): 2,700,000 - 2,700,000 Transfer in from the Board of County Commissioners (478,096) - (478,096) Distribution of excess revenues to the Board of County Commissioners (34,123,736) (1,346,396) (35,470,132) Proceeds from the sale of capital assets Total other financing sources (uses) 491,306 30,390 521,696 Total other financing sources (uses) (31,410,526) (1,316,006) (32,726,532) Excess of revenues over expenditures and other financial sources (uses) - 889,122 889,122 Fund balance, beginning of year - 2,961,630 2,961,630 2,961,630	Public safety:						
Capital outlay 10,357,953 341,176 10,699,129 Total public safety 327,341,570 16,210,301 343,551,871 Total expenditures 340,774,963 16,210,301 356,985,264 Excess of revenues over expenditures 31,410,526 2,205,128 33,615,654 Other financing sources (uses): Transfer in from the Board of 2,700,000 - 2,700,000 County Commissioners 2,700,000 - 2,700,000 Transfer out to internal service fund (478,096) - (478,096) Distribution of excess revenues to the Board of County Commissioners (34,123,736) (1,346,396) (35,470,132) Proceeds from the sale of capital assets 491,306 30,390 521,696 Total other financing sources (uses) (31,410,526) (1,316,006) (32,726,532) Excess of revenues over expenditures and other financial sources (uses) - 889,122 889,122 Fund balance, beginning of year - 2,961,630 2,961,630	Personal services		256,208,189		12,864,939		
Total public safety Total expenditures 327,341,570 16,210,301 343,551,871 340,774,963 16,210,301 356,985,264 Excess of revenues over expenditures 31,410,526 2,205,128 33,615,654 Other financing sources (uses): Transfer in from the Board of County Commissioners 2,700,000 Transfer out to internal service fund Distribution of excess revenues to the Board of County Commissioners Proceeds from the sale of capital assets Total other financing sources (uses) Excess of revenues over expenditures and other financial sources (uses) Fund balance, beginning of year - 2,961,630 343,551,871 343,551,871 340,774,963 16,210,301 356,985,264 2,205,128 33,615,654 C,700,000 - 2,700,000 - 2,700,000 - (478,096) - (478,096) - (478,096) (34,123,736) (1,346,396) (35,470,132) (35,470,132) (31,410,526) (1,316,006) (32,726,532) Excess of revenues over expenditures and other financial sources (uses) - 889,122 889,122	Operating		60,775,428		3,004,186		63,779,614
Total expenditures 340,774,963 16,210,301 356,985,264 Excess of revenues over expenditures 31,410,526 2,205,128 33,615,654 Other financing sources (uses):	Capital outlay		10,357,953		341,176		
Excess of revenues over expenditures 31,410,526 2,205,128 33,615,654 Other financing sources (uses): Transfer in from the Board of County Commissioners 2,700,000 - 2,700,000 Transfer out to internal service fund Distribution of excess revenues to the Board of County Commissioners Proceeds from the sale of capital assets 491,306 (1,346,396) (35,470,132) (35,470,132) Proceeds from the sale of capital assets Total other financing sources (uses) (31,410,526) (1,316,006) (32,726,532) (32,726,532) Excess of revenues over expenditures and other financial sources (uses) - 889,122 889,122 Fund balance, beginning of year - 2,961,630 2,961,630	·						
Other financing sources (uses): Transfer in from the Board of County Commissioners 2,700,000 Transfer out to internal service fund Distribution of excess revenues to the Board of County Commissioners Proceeds from the sale of capital assets Total other financing sources (uses) Excess of revenues over expenditures and other financial sources (uses) Fund balance, beginning of year 2,700,000 (478,096) (478,096) (34,123,736) (1,346,396) (1,346,396) (35,470,132) (1,316,006) (32,726,532) 889,122 889,122	Total expenditures		340,774,963		16,210,301		356,985,264
Transfer in from the Board of County Commissioners 2,700,000 - 2,700,000 Transfer out to internal service fund (478,096) - (478,096) Distribution of excess revenues to the Board of County Commissioners (34,123,736) (1,346,396) (35,470,132) Proceeds from the sale of capital assets 491,306 30,390 521,696 Total other financing sources (uses) (31,410,526) (1,316,006) (32,726,532) Excess of revenues over expenditures and other financial sources (uses) - 889,122 889,122 Fund balance, beginning of year - 2,961,630 2,961,630	Excess of revenues over expenditures		31,410,526		2,205,128		33,615,654
Transfer out to internal service fund (478,096) - (478,096) Distribution of excess revenues to the Board of County Commissioners (34,123,736) (1,346,396) (35,470,132) Proceeds from the sale of capital assets 491,306 30,390 521,696 Total other financing sources (uses) (31,410,526) (1,316,006) (32,726,532) Excess of revenues over expenditures and other financial sources (uses) - 889,122 889,122 Fund balance, beginning of year - 2,961,630 2,961,630	·						
Distribution of excess revenues to the Board of County Commissioners (34,123,736) (1,346,396) (35,470,132) Proceeds from the sale of capital assets 491,306 30,390 521,696 Total other financing sources (uses) (31,410,526) (1,316,006) (32,726,532) Excess of revenues over expenditures and other financial sources (uses) - 889,122 889,122 Fund balance, beginning of year - 2,961,630 2,961,630			2,700,000		-		2,700,000
Board of County Commissioners (34,123,736) (1,346,396) (35,470,132) Proceeds from the sale of capital assets 491,306 30,390 521,696 Total other financing sources (uses) (31,410,526) (1,316,006) (32,726,532) Excess of revenues over expenditures and other financial sources (uses) - 889,122 889,122 Fund balance, beginning of year - 2,961,630 2,961,630	Transfer out to internal service fund		(478,096)		-		(478,096)
Proceeds from the sale of capital assets 491,306 30,390 521,696 Total other financing sources (uses) (31,410,526) (1,316,006) (32,726,532) Excess of revenues over expenditures and other financial sources (uses) - 889,122 889,122 Fund balance, beginning of year - 2,961,630 2,961,630	Distribution of excess revenues to the						
Total other financing sources (uses) (31,410,526) (1,316,006) (32,726,532) Excess of revenues over expenditures and other financial sources (uses) - 889,122 889,122 Fund balance, beginning of year - 2,961,630 2,961,630	Board of County Commissioners		(34,123,736)		(1,346,396)		(35,470,132)
Excess of revenues over expenditures and other financial sources (uses) - 889,122 889,122 Fund balance, beginning of year - 2,961,630 2,961,630	Proceeds from the sale of capital assets		491,306		30,390		521,696
other financial sources (uses) - 889,122 889,122 Fund balance, beginning of year - 2,961,630 2,961,630	Total other financing sources (uses)		(31,410,526)		(1,316,006)		(32,726,532)
	•		-		889,122		889,122
	Fund balance, beginning of year		-		2,961,630		2,961,630
		\$	-	\$	•	\$	

SPECIAL-PURPOSE STATEMENT OF NET ASSETS – INTERNAL FUNDS

SEPTEMBER 30, 2012

Assets Cash Accounts receivable Total assets	\$ 13,127,609 189,999 13,317,608
Liabilities Accounts payable Accounts payable - claims Claims payable Due to Board of County Commisioners	5,924 11,869 12,477,733 822,082
Total liabilities	13,317,608
Net assets Total net assets	\$ -

SPECIAL-PURPOSE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS – INTERNAL SERVICE FUNDS

Miscellaneous income 43,389 Total operating revenues 40,258,800 Operating expenses: 35,825,766 General and administrative 3,496,953 Operating 88,345 Personal services 471,728 Total operating expenses 39,882,792 Operating income 376,008 Nonoperating (expenses) revenues: (35,926) Loss on disposal of capital assets (35,926) Interest earnings 3,904 Total nonoperating revenues (32,022) Change in net assets before transfers and contributions 343,986	Operating revenues:	Φ.	10.045.444
Total operating revenues 40,258,800 Operating expenses: 35,825,766 Claims expense 35,825,766 General and administrative 3,496,953 Operating 88,345 Personal services 471,728 Total operating expenses 39,882,792 Operating income 376,008 Nonoperating (expenses) revenues: (35,926) Loss on disposal of capital assets (35,926) Interest earnings 3,904 Total nonoperating revenues (32,022) Change in net assets before transfers and contributions 343,986	Charges for services	\$	40,215,411
Operating expenses: Claims expense 35,825,766 General and administrative 3,496,953 Operating 88,345 Personal services 471,728 Total operating expenses 39,882,792 Operating income 376,008 Nonoperating (expenses) revenues: Loss on disposal of capital assets (35,926) Interest earnings 3,904 Total nonoperating revenues (32,022) Change in net assets before transfers and contributions 343,986			
Claims expense 35,825,766 General and administrative 3,496,953 Operating 88,345 Personal services 471,728 Total operating expenses 39,882,792 Operating income 376,008 Nonoperating (expenses) revenues: (35,926) Loss on disposal of capital assets (35,926) Interest earnings 3,904 Total nonoperating revenues (32,022) Change in net assets before transfers and contributions 343,986	Total operating revenues		40,258,800
General and administrative3,496,953Operating88,345Personal services471,728Total operating expenses39,882,792Operating income376,008Nonoperating (expenses) revenues:(35,926)Loss on disposal of capital assets(35,926)Interest earnings3,904Total nonoperating revenues(32,022)Change in net assets before transfers and contributions343,986	Operating expenses:		
General and administrative3,496,953Operating88,345Personal services471,728Total operating expenses39,882,792Operating income376,008Nonoperating (expenses) revenues:(35,926)Loss on disposal of capital assets(35,926)Interest earnings3,904Total nonoperating revenues(32,022)Change in net assets before transfers and contributions343,986	Claims expense		35,825,766
Operating88,345Personal services471,728Total operating expenses39,882,792Operating income376,008Nonoperating (expenses) revenues: Loss on disposal of capital assets Interest earnings Total nonoperating revenues(35,926) 3,904Total nonoperating revenues(32,022)Change in net assets before transfers and contributions343,986	•		
Total operating expenses 39,882,792 Operating income 376,008 Nonoperating (expenses) revenues: Loss on disposal of capital assets (35,926) Interest earnings 3,904 Total nonoperating revenues (32,022) Change in net assets before transfers and contributions 343,986	Operating		88,345
Operating income 376,008 Nonoperating (expenses) revenues: Loss on disposal of capital assets (35,926) Interest earnings 3,904 Total nonoperating revenues (32,022) Change in net assets before transfers and contributions 343,986	Personal services		471,728
Nonoperating (expenses) revenues: Loss on disposal of capital assets Interest earnings Total nonoperating revenues Change in net assets before transfers and contributions (35,926) 3,904 (32,022) 343,986	Total operating expenses		39,882,792
Loss on disposal of capital assets Interest earnings Total nonoperating revenues Change in net assets before transfers and contributions (35,926) 3,904 (32,022) 343,986	Operating income		376,008
Interest earnings 3,904 Total nonoperating revenues (32,022) Change in net assets before transfers and contributions 343,986	Nonoperating (expenses) revenues:		
Total nonoperating revenues (32,022) Change in net assets before transfers and contributions 343,986	Loss on disposal of capital assets		(35,926)
Change in net assets before transfers and contributions 343,986	Interest earnings		3,904
	Total nonoperating revenues		(32,022)
Transfer out to the Board of County Commissioners (822 082)	Change in net assets before transfers and contributions		343,986
(OLL;OOL)	Transfer out to the Board of County Commissioners		(822,082)
Transfer in from general fund 478,096			•
Changes in net assets -	Changes in net assets		-
Net assets, beginning of year -	Net assets, beginning of year		-
Net assets, end of year \$ -	Net assets, end of year	\$	-

SPECIAL-PURPOSE STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS

Cash flows from operating activities:	
Cash received from other funds for goods and services	\$ 40,230,044
Cash received from others	346,453
Cash payments for claims	(34,304,149)
Cash payments to vendors for goods and services	(3,055,300)
Cash payments to employees	 (471,728)
Net cash provided by operating activities	 2,745,320
Cash flows from investing activities:	
Interest earned	 3,904
Net cash provided by investing activities	 3,904
Cash flows from noncapital financing activities:	
Transfers from general fund	478,096
Transfer out to Board of County Commissioners	 (822,082)
Net cash used in noncapital financing activities	 (343,986)
Net increase in cash	2,405,238
Cash, beginning of year	 10,722,371
Cash, end of year	\$ 13,127,609
Reconciliation of operating income to net cash provided by	
operating activities:	
Operating income	\$ 376,008
Adjustments to reconcile operating income to net cash provided by operating activities:	, , , , , , , , , , , , , , , , , , ,
Depreciation	8,628
Increase (decrease) in cash resulting from changes in:	
Accounts receivable	(55,515)
Due from other funds	9,053
Accounts payable	(28,373)
Accounts payable - claims	(5,558)
Due to other governmental agencies	(1,784)
Due to other funds	(9,053)
Claims payable	1,629,832
Due to Board of County Commissioners	 822,082
Net cash provided by operating activities	\$ 2,745,320
Supplemental disclosures of cash flow information Non cash capital activity:	
Transfer of capital assets to the general fund	\$ (35,926)

SPECIAL-PURPOSE STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES – AGENCY FUNDS SEPTEMBER 30, 2012

Assets Cash Accounts receivable Due from other governmental agencies	\$	3,465,689 61,437 7,477
Total assets	\$	3,534,603
Liabilities Deposits	¢	2 524 602
Deposits		3,534,603
Total liabilities	\$	3,534,603

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

SEPTEMBER 30. 2012

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 special-purpose financial statements.

Reporting Entity - The Hillsborough County, Florida Sheriff (the "Sheriff") is a separate constitutional officer as provided by Article VIII, Section 1(d), of the Florida Constitution, and for financial reporting purposes by Chapter 218, *Florida Statutes*. In addition, for financial reporting purposes, it is deemed to be a part of the primary government of Hillsborough County, Florida (the "County"), and is, therefore, included as such in the Hillsborough County, Florida Comprehensive Annual Financial Report ("CAFR").

Basis of Presentation - These special-purpose financial statements include the general fund, non-major special revenue funds, the agency funds, and the internal service funds of the Sheriff. The accompanying financial statements were prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, Rules of the Auditor General-Local Governmental Entity Audits (the "Rules"), which require the Sheriff to only present fund financial statements. In conformity with the Rules, the Sheriff has not presented the government-wide financial statements, related disclosures or management's discussion and analysis, which are required to present a complete presentation of its financial position and changes in financial position.

The Sheriff utilizes the following fund types:

- General Fund The General Fund is used to account for all revenue and expenditures
 applicable to the general operations of the Sheriff that are not required either legally or by
 accounting principles generally accepted in the United States of America to be accounted for in
 another fund.
- Nonmajor Special Revenue Funds The special revenue funds are used to account for the
 proceeds of specific revenue sources designated for law enforcement, 911 operations, child
 protection investigations, drug enforcement task force, and to account for the purchase and sale
 of items from the jail's commissary. These funds are considered to be nonmajor.
- Internal Service Funds Internal service funds are proprietary funds that are used to provide services to other funds of a government. The Internal Service Fund is used to account for the Sheriff's self-insurance worker's compensation, general legal liability, and self-insured healthcare plan, which are more fully described at Note 10.
- Agency Funds Agency funds are fiduciary funds that are custodial in nature and do not involve
 measurements of results of operations (assets equal liabilities). The agency funds account for
 deposits held by the Sheriff as a trustee or agent.

Basis of Accounting - Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the special-purpose financial statements. Basis of accounting refers to the timing of the measurements made.

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

Note 1—Summary of significant accounting policies (Continued)

Basis of Accounting (Continued) – All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period. The Sheriff considers amounts available if collected on grants within 90 days after year-end and if collected within 30 days after year-end for all other revenue sources. Expenditures are recorded when the liability is incurred except for accumulated sick and vacation pay, which are not recorded until paid.

The Internal Service Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting, applying pronouncements of the Financial Accounting Standards Board only to the extent issued on or before November 30, 1989. Revenues are recorded when earned and expenses are recorded when incurred. In the Internal Service Funds, operating revenues and expenses are distinguished from nonoperating revenues and expenses. Operating revenues and expenses are those transactions related to the Internal Service Funds' principal ongoing operations. Operating revenues consist of charges for services. Operating expenses include such items as contractual services and costs of services provided. Nonoperating revenues and expenses are those transactions that are not directly related to the Internal Service Funds' principal activities. Nonoperating revenues consist of investment earnings.

The agency fund financial statements are presented using the accrual basis of accounting. Since agency funds do not show revenues or expenditures, a measurement focus is not applicable for agency funds.

Substantially all of the Sheriff's funding is appropriated by the Hillsborough County Board of County Commissioners (the "Board"). In applying the "susceptible to accrual" concept to intergovernmental revenues, there are essentially two types of revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Sheriff; therefore, revenues are recognized when the expenditures have been incurred. Grant revenues are recorded in this manner. In the other, monies are generally unrestricted and are revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if measurable and available to finance expenditures of the current period.

Cash and Investments - Cash consists of checking and savings accounts, collectively designated as cash deposits. Cash deposits are carried at cost.

Investments consist of funds invested in the State Board of Administration of Florida's Fund B Surplus Funds Trust Fund ("Fund B"). Investments in Fund B are stated at fair value based on the estimated fair value of the Sheriff's share of Fund B's underlying portfolio.

Pension and Other Postemployment Benefits ("OPEB") Disclosures - The Tax Collector accounts for its postemployment benefits other than pensions in accordance with GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

SEPTEMBER 30. 2012

Note 1—Summary of significant accounting policies (Continued)

Compensated Absences - In accordance with GASB Statement No. 16, Accounting for Compensated Absences, the Sheriff determines the liability for compensated absences, as well as certain other salary-related costs associated with the payment of compensated absences that are recorded and reported by the County in its basic financial statements. Vacation leave is accrued as a liability as the benefits are earned by the employees. Sick leave is accrued as a liability as the benefits are earned by the employees, but only to the extent that it is probable that the Sheriff will compensate the employees for the benefits through cash payments at termination or retirement.

The Sheriff's sick time payable liability consisted of two parts as of September 30, 2012, resulting from Hillsborough County Civil Service Rules that state sick leave termination payments are to be made under two conditions. Compensation for employees in "Plan A" includes a sick leave payment at termination for all hours of sick time accrued up to 480 hours and half of the sick time accrued more than 960 hours. A liability is recorded in the County's basic financial statements for each employee in Plan A based on the employee's hourly pay rate. Compensation for employees in "Plan B" includes a sick leave payment at termination for the employee's unused sick leave hours at February 2, 1997, with payment only for each hour of sick time accrued up to 480 hours and half of the sick time accrued more than 960 hours. A liability is recorded in the County's basic financial statements for each employee who has a termination payment under Plan B. Employees hired after February 2, 1997, will not receive a sick leave payment at termination, so no sick leave liability is recorded for these employees.

The compensated absences liability also included other salary-related costs incrementally associated with the payment of compensated absences such as the Sheriff's share of Social Security and Medicare taxes as well as the Sheriff's required pension contributions to the Florida Retirement System.

Capital Assets - Capital assets, which include vehicles and equipment, are recorded as capital outlay expenditures in the Governmental Funds at the time capital assets are received and a liability is incurred. These assets are then capitalized at cost in the statement of net assets as part of the basic financial statements of the County. Capital assets acquired under capital leases are capitalized at cost in the statement of net assets of the County at the time the assets are received. Donated and confiscated capital assets are recorded in the statement of net assets of the County at fair value at the time received. Capital assets are depreciated using the straight-line method over the estimated useful lives of the related assets. The depreciation expense is recorded in the statement of activities as part of the basic financial statements of the County.

Distribution of Excess Revenues - Florida Statutes provide that the excess of the Sheriff's appropriations over expenditures held by the Sheriff at the end of the fiscal year are to be refunded to the Board. The amount of unrestricted excess at the end of the fiscal year is reported as a liability in the balance sheet and the transfer and distribution of total excess revenues are reported as a transfer out (other financing use) in the special-purpose statement of revenues, expenditures, and changes in fund balances.

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

Note 1—Summary of significant accounting policies (Continued)

Accounting and Financial Reporting for Risk Financing and Related Insurance Issues - requires that liabilities for self-insured claims be reported if it is probable that a loss has been incurred and the amount can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported based on an actuarial valuation at a certain date. As more fully described at Note 10, the Sheriff reserved such liabilities as accrued claims expenses as of September 30, 2012.

Governmental Fund Balances - In accordance with GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions fund balances are classified either as nonspendable or as spendable. Spendable fund balances are further classified in a hierarchy 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 balances include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. The Sheriff had no nonspendable fund balances at September 30, 2012.

Spendable fund balances are classified based on a hierarchy of the Sheriff's ability to control the spending of these fund balances.

Restricted fund balances are fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations or imposed by law through constitutional provisions or enabling legislation.

Committed fund balances are fund balances constrained for specific purposes imposed by the Sheriff's formal action of highest level of decision making authority. As of September 30, 2012, the Sheriff had no committed fund balances.

Assigned fund balances are fund balances intended to be used for specific purposes, but which are neither restricted nor committed. As of September 30, 2012, the Sheriff had no assigned fund balances.

Unassigned fund balances represent the residual positive fund balance within the General Fund, which has not been assigned to other funds and has not been restricted, committed, or assigned. In funds other than the General Fund, unassigned fund balances are limited to negative residual balances. As of September 30, 2012, the Sheriff had no unassigned fund balances because all excess revenues within the General Fund are required to be remitted to the Board and there were no negative residual balances in the special revenue funds.

Use of Estimates - The preparation of financial statements requires management to make use of estimates that affect reported amounts. Actual results could differ from estimates.

Subsequent Events - The Sheriff has evaluated subsequent events through December 14, 2012, in connection with the preparation of these special-purpose financial statements, which is the date the special-purpose financial statements were available to be issued.

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

Note 2—Cash and investments

The Sheriff's policy is to follow the guidelines in Section 219.075, *Florida Statutes*, regarding the deposit of funds received and the investment of surplus funds. Sections 219.075 and 218.415, *Florida Statutes*, authorize the Sheriff to invest in the SBA pool or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act; Securities and Exchange Commission registered money market funds with the highest quality rating from a nationally recognized rating agency; direct obligations of the United States Treasury; federal agencies and instrumentalities, or interest-bearing time deposits and savings accounts held in federal or state-chartered banks and saving and loan associations doing business in Florida, provided that any such deposits are secured by collateral as may be prescribed.

At September 30, 2012, the carrying balances totaled \$13,224 for petty cash and cash held at jails, and \$72,718,231 for deposits. The bank balances consisted of \$76,398,771 for deposits. Bank deposits are insured by the Federal Deposit Insurance Corporation or covered by the State of Florida collateral pool, a multiple financial pool with the ability to assess its members for collateral shortfalls if a member institution fails.

Investment balances consisted of investments held in Fund B. The Sheriff's investment in Fund B represents the remainder of amounts invested on November 29, 2007, when the Florida State Board of Administration implemented a temporary freeze on investment held; Fund B is unrated and is not evidenced by securities that exist in physical or book entry form. Participants are prohibited from withdrawing funds from Fund B, and a formal withdrawal policy has not been developed. The estimated fair value of Fund B underlying investments is 94.90% of original cost and the estimated weighted average life of Fund B investments is 4.08 years as of September 30, 2012. However, because Fund B consists of restructured or defaulted securities, there is considerable uncertainty regarding the weighted average life. At September 30, 2012, the cost basis of Fund B was \$114,042 and the estimated fair value of Fund B was \$108,223. Interest earnings reported in the general fund include changes in value associated with Fund B.

Additional information regarding Fund B may be obtained from the Florida State Board of Administration at http://www.sbafla.com/prime.

Note 3—Accounts receivable

Accounts receivables in the general fund are amounts due from non-governmental entities. The receivables are comprised of administrative charges, employee reimbursements, and charges for services. Most of the receivable recorded in non-major governmental funds is a receivable due to the jail inmate canteen fund for telephone commission earned during September 2012.

Funds due from other governments are amounts due from governmental entities other than the Board and are owed to the Sheriff as reimbursement of expenditures covered under a grant, police services rendered under contractual agreements, reimbursement of task force expenditures, or reimbursement for the cost of housing federal prisoners.

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

Note 4—Capital assets

Capital assets are recorded and capitalized at cost in the statement of net assets as part of the basic financial statements of the County.

A summary of changes in capital assets follows:

	Balance			Balance
	October 1,			September 30,
	2011	Increases	Decreases	2012
Vehicles and equipment	\$ 133,257,885	\$ 12,641,259	\$ (7,559,997)	\$ 138,339,147
Software	2,282,472	282,236	-	2,564,708
Accumulated depreciation	(98,686,784)	(18,120,464)	7,269,679	(109,537,569)
Capital assets, net	\$ 36,853,573	\$ (5,196,969)	\$ (290,318)	\$ 31,366,286

The land and buildings used by the Sheriff such as the main office building, garage, jails, and radio maintenance facility are provided by the Board. Except for an inter-local lease agreement for land used at the training facility, the Board provides the land and buildings at no cost to the Sheriff.

Note 5—Accounts payable

Accounts payable in the governmental funds are amounts owed due to transactions with various vendors. Funds due to the Board of County Commissioners are amounts due to the Board. Funds due to other governments are amounts due to governmental entities other than the Board. Deposits are funds held in trust that are due to individuals.

Note 6—Lease obligations

The Sheriff occupies branch offices at various locations and pays rent under operating leases of more than one year. Additionally, the Sheriff operates a training facility in southeastern Hillsborough County on land owned by the Board and leases the land under an inter-local lease agreement. Rent expenditures for the fiscal year ended September 30, 2012 were \$1,151,395.

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

Note 6—Lease obligations (Continued)

Minimum future lease payments on non-cancelable operating leases with more than one year remaining at September 30, 2012 are as follows:

2013	\$ 1,068,218
2014	996,353
2015	997,989
2016	980,137
2017	975,204
2018-2022	3,304,623
2023-2027	2,824,980
2028-2032	2,824,980
2033-2036	2,118,735
Total minimum lease payments	\$ 16,091,219

These leases are cancelable if funds are not appropriated for their purpose and are not enforceable against a new administration with the exception of one lease agreement.

In July of 2006, the Sheriff entered into an inter-local lease agreement with the County for office space, adjacent land, and parking lots. The terms of the inter-local lease agreement require the Sheriff to pay the County \$16,949,880 by making monthly lease payments for 30 years. The agreement requires that the payments be made from non-ad valorem funds such as grant or special revenues. For a portion of this lease utilized by Child Protection Investigations, the Sheriff expended \$318,264 to the County for the period July 2012 through June 2013. The agreement recognizes that the ability to make payments is subject to the availability of funds and allows that should such funds not be available, the payment may be deferred until funds are available. This lease is included in the schedule of future minimum lease payments above.

Note 7—Accumulated compensated absences

The amount of vested accumulated compensated absences payable based upon the Sheriff's annual leave and sick policy is reported as a liability in the statement of net assets in the County's basic financial statements. The following is a summary of changes in the accumulated compensated absences liability during fiscal year 2012:

Accumulated compensated absences, October 1, 2011	\$ 30,463,813
Additions	30,525,404
Deletions	(31,112,373)
Accumulated compensated absences, September 30, 2012	\$ 29,876,844

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

Note 8—Retirement plan

Substantially, all full-time and part-time employees are participants in the Florida Retirement System (the "System" or "FRS"), a multiple-employer cost-sharing public retirement system administered by the state of Florida. The System offers members both a defined benefit plan (Pension Plan) and/or a defined contribution plan (Investment Plan) to provide retirement, disability, and death benefits for active members, retirees, surviving beneficiaries, and Deferred Retirement Option Program ("DROP") participants.

DROP is a program that provides for payment of retirement benefits for System members for a maximum of five years. Under this program, an 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. When the DROP period ends, employment terminates, the employee receives payment of the accumulated DROP benefits, and monthly Pension Plan and/or Investment Plan retirement benefits begin.

Benefits are established by Chapter 121, Florida Statutes, and Chapter 22B, Florida Administrative Code. Effective July 1, 2011, the Florida Legislature passed Senate Bill 2100 making changes to the System. Benefits are computed on the basis of age, average final compensation, and service credit.

Plan members hired prior to July 1, 2011 with 30 years of service regardless of age or at age 62 with 6 years of credited service are entitled to an annual retirement benefit payable monthly for life, equal to 1.6% of their final average compensation for each year of credited service. Average final compensation is the average of the employee's five highest fiscal years of salary earned during credited service. Vested employees with less than 30 years of service may retire before age 62 and receive reduced retirement benefits.

Plan members hired on or after July 1, 2011 with 33 years of service regardless of age or at age 65 with 8 years of credited service are entitled to annual retirement benefits payable monthly for life, equal to 1.6% of their final average compensation for each year of credited service. Average final compensation will be the average of the employee's eight highest fiscal years earned during credited service. Vested employees with less than 33 years of service may retire before age 65 and receive reduced retirement benefits.

There is no Pension Plan Cost of Living Adjustment ("COLA") on service earned on or after July 1, 2011. A reduced COLA will be calculated if a member's retirement of DROP participation date is effective on or after August 1, 2011. The reduced COLA will be calculated by taking the total years of service earned prior to July 1, 2011 and dividing it by the total years of service at retirement, then multiplying it by 3%.

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

Note 8—Retirement plan (Continued)

The Sheriff has no responsibility to the System other than to make the 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. That report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or by accessing the following website: http://dms.myflorida.com/human_resource_support/retirement/publications.

The System Annual Report July 1, 2010 - June 30, 2011 available as mentioned above, stated that the System pension plan was 86.93% funded at July 1, 2011 since the actuarial value of assets was \$126.08 billion compared to the actuarial accrued liability of \$145.03 billion.

Effective July 1, 2011, System members are required to contribute 3% of pretax salaries. Participating employer contributions are based upon statewide rates established by the state of Florida. These rates are applied to employee salaries as follows:

Official, 11.14% and 10.23% from October 1, 2011 through June 30, 2012, and July 1, 2012 through September 30, 2012, respectively;

Special risk (e.g. law enforcement personnel), 14.10% and 14.90% from October 1, 2011 through June 30, 2012, and July 1, 2012 through September 30, 2012, respectively:

Special risk administrative support, 6.04% and 6.30% from October 1, 2011 through June 30, 2012, and July 1, 2012 through September 30, 2012, respectively;

Regular, 4.91% and 5.18% from October 1, 2011 through June 30, 2012, and July 1, 2012 through September 30, 2012, respectively;

DROP, 4.42% and 5.44% from October 1, 2011 through June 30, 2012, and July 1, 2012 through September 30, 2012, respectively

During the fiscal year ended September 30, 2012, the Sheriff contributed to the System an amount equal to 11.26% of covered payroll. Contribution rates are established statewide for all participating governmental units. The Sheriff's contributions to the FRS for the fiscal years ended September 30, 2012, 2011, and 2010 were \$22,875,460, \$34,229,537, and \$36,218,826, respectively, and were equal to the required contributions for each fiscal year.

Note 9—Deferred compensation

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Section 457. The plan, available to all full-time County employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

Note 10—Risk management

Occupational Health Clinic - Effective October 1, 2011, the Sheriff established an Internal Service Fund to account for the revenues, expenditures, and net assets related to the operation of Occupational Health Clinic (the "Clinic"). The Clinic was established in an effort to reduce claims expense by handling certain medical processes in-house. Some of these medical processes include providing fitness-for-duty examinations, pre-employment physical examinations, random drug testing or routine screening, specialty teams' physical examinations, and intake services for workers' compensation incidents.

Effective August 31, 2012, the fund used to account for the Clinic was dissolved, and all remaining net assets were transferred to the general fund, which now accounts for the operations of the Clinic. This fund is funded by the Workers' Compensation Fund to the extent costs are associated with workers compensation incidents; the remaining funding comes from the General Fund.

Workers' Compensation - The Sheriff is exposed to the risk of loss related to workers' compensation claims. Effective October 1, 2006, the Sheriff established an Internal Service Fund where assets are set aside to pay workers' compensation claims. The Sheriff retains self-insurance up to \$500,000 for workers' compensation claims; those exceeding \$500,000 are covered by excess workers' compensation liability insurance. The Sheriff is insured by the Florida Sheriff's Association for workers' compensation claims incurred prior to October 1, 2006. Settlements for claims in excess of this coverage are funded through appropriations from the Board. There was one claim with an incurred amount which exceeded insurance coverage in the past three years.

General Legal Liability - The Sheriff is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omissions and natural disasters. During 2008, the Sheriff established a self-insurance program for general liability claims. General liabilities claims are administered internally. The liabilities currently provided are based upon the Sheriff's estimate after considering the available facts. The claims estimation process involves substantial uncertainties, including the ultimate outcome of certain legal actions that may affect the adequacy of amounts provided; however, management believes the amounts provided are appropriate.

The Sheriff's exposure for general liability, including vehicle, property, and bodily injury, is subject to the State of Florida sovereign immunity laws, which provide loss limits of \$200,000 per person and \$300,000 per occurrence. Negligence claims in excess of the statutory limits can only be recovered through an act of the State of Florida Legislature.

Self-Insured Healthcare Plan (the "Plan") - Effective October 1, 2011, the Sheriff established an Internal Service Fund to account for the revenues, expenditures, and net assets related to general health insurance benefits provided to their employees. The Plan was established to provide certain medical benefits to eligible employees.

The responsibilities of the Sheriff include the determination of benefit rights, development of rules and regulations as it deems necessary to carry out the provisions of the Plan, and reimbursement of all claim payments to the third-party administrator of the Plan.

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

Note 10—Risk management (Continued)

Changes in the liability for claims during the year for the workers' compensation, general legal liability, and healthcare plan were as follows:

			General				
	,	Workers'	Legal	S	elf-Insured		
	Co	mpensation	Liability		Healthcare		Total
Balance at October 1, 2010	\$	6,376,415	\$ 1,520,435	\$	-	\$	7,896,850
Claims and changes in estimates		5,868,526	1,582,266		-		7,450,792
Claims payments		(3,446,718)	 (1,035,016)				(4,481,734)
Balance at October 1, 2011		8,798,223	2,067,685		-		10,865,908
Claims and changes in estimates		1,096,499	199,902		34,847,101		36,143,502
Claims payments		(2,902,650)	(613,057)		(31,004,101)	(34,519,808)
Balance at September 30, 2012	\$	6,992,072	\$ 1,654,530	\$	3,843,000	\$	12,489,602

Note 11—Postemployment Benefits (OPEB)

Plan Description - The Sheriff offers a single-employer postretirement healthcare defined benefit plan administered by the Sheriff. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees and eligible dependents who retire from the Sheriff may continue to participate in the Sheriff's fully insured health and hospitalization plans for medical and prescription drug coverage. The Sheriff subsidizes the premium rates paid by retirees by allowing them to participate in the plans at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. In addition to the implicit subsidy, the Sheriff provides a premium stipend of \$5 for each year of service. The stipend is payable to retirees ages 62 to 65 for Regular employees and to retiree's ages 55 to 65 for Special Risk employees. Participants do not have to take medical coverage to receive the stipend, but they must have been eligible for medical coverage at retirement. Also, retirees are required to enroll in the Federal Medicare program for the primary coverage as soon as they are eligible.

Funding Policy - For the Postemployment Healthcare Benefits Plan, contribution requirements of the Sheriff are established and may be amended through recommendations of the Sheriff. The Sheriff has not advanced-funded or established a funding methodology for the annual OPEB costs or the net OPEB obligation. For the 2011-12 fiscal year, the Sheriff provided contributions of \$2,222,941 toward annual OPEB costs, comprised of benefit payments made on behalf of retirees for claims expenses (net of reinsurance), retention costs, and HIS payments (net of retiree contributions) totaling \$3,030,088. Contributions are based on a projected pay-as-you-go financing.

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

Note 11—Postemployment Benefits (OPEB) (Continued)

Annual OPEB Cost and Net OPEB Obligation - The Sheriff engaged an actuarial firm to determine the estimated obligation associated with the postemployment health insurance benefits as of September 30, 2012, as well as the actuarially required contribution (ARC) for funding this obligation. The net OPEB obligation (NOO) is the net amount for which the Sheriff would be obligated and is equivalent to the ARC less retiree claims and stipends to be paid by the Sheriff. The ARC is the portion of the total actuarial accrued liability allocated to the current fiscal year needed to pay both normal costs (current and future benefits earned) and to amortize the unfunded actuarial accrued liability (past benefits earned, but not previously funded). The following table shows the Sheriff's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Sheriff's NOO:

		cal Year End otember 30, 2012
(1) Normal cost	\$	1,302,386
(2) Amortization of unfunded accrued liability		1,311,903
(3) Interest		117,643
(4) Annual required contribution	<u> </u>	2,731,932
(5) Interest on net OPEB obligation (asset) (NOO)		95,648
(6) Amortization of NOO		(81,169)
(7) Total expense or annual OPEB cost (AOC)		2,746,411
(8) Actual credit (contribution) toward OPEB cost		(2,222,941)
(9) Change in NOO	<u> </u>	523,470
(10) NOO beginning of year		2,125,501
(11) NOO end of year	\$	2,648,971

The Sheriff's annual OPEB cost, OPEB contributions net of amounts received from retirees, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of September 30, 2012 and the two preceding years were as follows:

				Percent of	
			Net	AOC	
Fiscal Year	 AOC	Co	ontribution	Contributed	 NOO
September 30, 2012	\$ 2,746,411	\$	2,222,941	80.9%	\$ 2,648,971
September 30, 2011	\$ 2,620,760	\$	2,405,983	91.8%	\$ 2,125,501
September 30, 2010	\$ 2,603,986	\$	2,492,052	95.7%	\$ 1,910,724

The Sheriff recognizes OPEB expenditures as amounts are funded. The amount of ARC in excess of contributions funded is a long term obligation and, accordingly, is presented on the government-wide statement of net assets in the County's basic financial statements.

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

Note 11—Postemployment Benefits (OPEB) (Continued)

Funded Status and Funding Progress - The following table shows the funding progress as of September 30, 2012 and the two preceding years:

		Act	tuar	ial Valuation Da	ate	
	Se	ptember 30,	Se	ptember 30,	Se	ptember 30,
		2012		2011		2010
Actuarial Value of Assets	\$	-	\$	-	\$	-
Actuarial Accrued Liability	\$	30,052,448	\$	29,661,199	\$	32,061,719
Unfunded Actuarial Accrued Liability (UAAL)	\$	30,052,448	\$	29,661,199	\$	32,061,719
Funded Ratio		0.0%		0.0%		0.0%
Covered Payroll	\$	204,302,092	\$	197,577,835	\$	191,149,425
UAAL as a Percentage of Covered Payroll		14.7%		15.0%		16.8%

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 and termination, mortality, and the healthcare cost trends. 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. Projections for benefits for financial reporting purposes are based on the substantive plan provisions, as understood by the employer and participating members, and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and participating members. The 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, consistent with the long-term perspective of the calculations.

The Sheriff's initial OPEB actuarial valuation for the 2011-12 fiscal year used the entry age normal cost actuarial method to estimate the unfunded actuarial liability and to determine the annual required contribution. The actuary used the fair value method to determine the value of assets. Because the OPEB liability is currently unfunded, the actuarial assumptions included a 4.50% rate of return on invested assets, which is the Sheriff's long-term expectation of investment returns under its investment policy. The actuarial assumptions also included a payroll growth rate of 4.50% per year, and an annual healthcare cost trend rate of 9.50% pre Medicare and 7.00% post Medicare for the 2012-12 fiscal year, reduced to an ultimate rate of 5.50% for the fiscal year ending September 30, 2018. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The unfunded actuarial accrued liability was amortized over 30 years in calculating the Sheriff's 2011-12 fiscal year annual required contribution.



SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND (BUDGETARY BASIS)

	Budgeted Original	Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental revenue	\$ 363,027,841	\$364,427,841	\$361,517,989	\$ (2,909,852)
Charges for services	-	-	1,085,195	1,085,195
Interest income	-	-	150,237	150,237
Miscellaneous income	-	-	872,397	872,397
Total revenues	363,027,841	364,427,841	363,625,818	(802,023)
Expenditures:				
Current:				
General government:				
Personal services	13,649,041	13,849,041	13,180,718	668,323
Operating	300,963	350,963	248,898	102,065
Capital outlay	16,186	16,186	3,777	12,409
Total general government	13,966,190	14,216,190	13,433,393	782,797
Public safety:				
Personal services	272,090,511	272,090,511	250,817,945	21,272,566
Operating	67,207,412	68,449,412	58,483,005	9,966,407
Capital outlay	9,763,728	9,671,728	6,298,532	3,373,196
Total public safety	349,061,651	350,211,651	315,599,482	34,612,169
Total expenditures	363,027,841	364,427,841	329,032,875	35,394,966
Excess of revenues over expenditures			34,592,943	34,592,943
Other financing uses: Transfer to internal service fund Distribution of excess revenues	-	-	(478,096)	(478,096)
to the Board of County Commissioners	_	_	(34,114,847)	(34,114,847)
Total other financing uses			(34,592,943)	(34,592,943)
Net change in fund balances	-	-	-	-
Fund balance, beginning of year			<u> </u>	<u>-</u>
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND (BUDGETARY BASIS)

SEPTEMBER 30, 2012

Note 1—Budgetary process and requirement

The Sheriff follows the procedures noted below in establishing the budgetary data reflected in the special-purpose financial statements:

- Prior to May 1, the Sheriff submits to the Board a tentative budget for the ensuing year.
- A public hearing is conducted to obtain taxpayer comments.
- At the public hearing, the Board may amend, modify, increase, or reduce the tentative budget.
- The Sheriff has 30 days to appeal budget changes.
- Prior to October 1, the budget is legally enacted through the passage of a resolution by the Board.
- Formal budgetary control is maintained during the year for all governmental fund types.

Actual expenditures may not exceed budget appropriations at the fund level. Appropriations lapse at the end of the fiscal year for governmental funds to the extent they have not been expended.

Note 2—Budgetary information

An annual budget is adopted for the General Fund. The budget is prepared on a basis of accounting that differs from financial statement presentation because revenues and related expenditures are not budgeted for operating grants, police services and telephone commissions, transfers in from the Board are not budgeted, and proceeds from the sale of capital assets are budgeted as miscellaneous income. Adjustments necessary to convert the results of operations at the end of the year from the budgetary basis of accounting to accounting principles generally accepted in the United States of America ("GAAP") basis of accounting are as follows:

	Budgetary				GAAP
	Basis	Recla	ssifications		Basis
General fund					
Revenues:					
Charges for services	\$ 1,085,195	\$	2,104,390	\$	3,189,585
Operating grants	-		6,946,097		6,946,097
Miscellaneous income	872,397		(490,816)		381,581
Expenditures:					
Public Safety:					
Personal services	250,817,945		5,390,244	2	256,208,189
Operating	58,483,005		2,292,423		60,775,428
Capital outlay	6,298,532		4,059,421		10,357,953
Other financing sources (uses):					
Transfer in from the Board of					
County Commissioners	-		2,700,000		2,700,000
Distribution of excess revenues to the					
Board of County Commissioners	34,114,847		8,889		34,123,736
Proceeds from the sale of capital assets	-		491,306		491,306

An annual budget in accordance with GAAP is adopted for the Special Use Fund; annual budgets are not prepared for other special revenue funds or for internal service funds maintained by the Sheriff.

FUND DESCRIPTIONS

Non-Major Special Revenue Funds

Communications 911 Fund - The Communications 911 Fund is a non-major special revenue fund used to account for revenues and expenditures for the Sheriff's 911 operations.

Jail Inmate Canteen Fund - The Jail Inmate Canteen Fund is a non-major special revenue fund used to account for revenue and expenditures related to the sale of sundry items, such as snacks and toiletry articles, from the jail's commissary to inmates and revenue from inmate phone calls used to fund inmate programs.

Child Protection Investigation Fund - The Child Protection Investigation Fund is a non-major special revenue fund used to account for revenues and expenditures for child protection investigations.

Special Use Fund - The Special Use Fund is a non-major special revenue fund used to account for specific revenue sources designated for law enforcement within the County.

Drug Enforcement Task Force Fund - The Drug Enforcement Task Force Fund is a non-major special revenue fund used to account for the receipt and disbursement of funds from the Florida Department of Law Enforcement to other organizations.

Internal Service Funds

Workers' Compensation Fund - The Workers' Compensation Fund is used to account for the Sheriff's self-insurance program for workers' compensation.

General Legal Liability Fund - The General Legal Liability Fund is used to account for the Sheriff's self-insurance program for legal liability.

Self-Insured Healthcare Fund - The Self-Insured Healthcare Fund is used to account for the Sheriff's self-insurance medical, dental, and other healthcare benefits.

Occupational Health Clinic Fund - The Occupational Health Clinic Fund is used to account for the Sheriff's internal health clinic. Use of this fund was discontinued in the current year and all assets were transferred to the general fund.

Agency Funds

Inmate Commissary Account Fund - The Inmate Commissary Fund accounts for funds that may be accessed by inmates for the purpose of bail or purchase of goods through commissary.

Trust Fund - The Trust Fund is used to account for evidence money, abandoned property and other miscellaneous deposits.

Fee Fund - The Fee Fund is used primarily to account for fee funds held on behalf of the Board.

Cash Bond Fund - The Cash Bond Fund is used to account for bail bond deposit activity.

Flexible Spending Account Fund - The Flexible Spending Account Fund is used to account for Flexible Spending plan funds held on behalf of participating employees.

SPECIAL-PURPOSE COMBINING BALANCE SHEET – NON-MAJOR SPECIAL REVENUE FUNDS SEPTEMBER 30, 2012

		nunications 11 Fund	_	ail Inmate nteen Fund	Child Protection Investigation Fund		
Assets	\$	75.040	ው	4 700 200	c	1 600 476	
Cash Investments	Ф	75,949	\$	1,799,390	\$	1,698,476	
Accounts receivable		-		25,938 877,301		10,825	
Due from other governmental agencies		-		-		10,623	
Total assets	\$	75,949	\$	2,702,629	\$	1,709,301	
Liabilities and fund balances							
Liabilities:							
Accounts payable	\$	20,655	\$	160,036	\$	50,466	
Due to other governmental agencies		1,100		-		811,596	
Due to Board of County Commissioners							
Total liabilities		21,755		160,036		862,062	
Fund balances:							
Restricted for:							
Communications 911		54,194		-		-	
Jail Inmate Canteen		-		2,542,593		-	
Child Protection Investigation		-		-		847,239	
Drug Enforcement Task Force				<u>-</u>	· 	<u> </u>	
Total fund balances	-	54,194		2,542,593		847,239	
Total liabilities and fund balances	\$	75,949	\$	2,702,629	\$	1,709,301	

(Continued)

SPECIAL-PURPOSE COMBINING BALANCE SHEET – NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)

SEPTEMBER 30, 2012

	Special Use Fund			Drug forcement Force Fund		Total	
Assets			•		•		
Cash	\$	911,801	\$	406,726	\$	4,892,342	
Investments		-		-		25,938	
Accounts receivable Due from other governmental agencies		- 3,686		-		888,126 3,686	
Total assets	\$	915,487	\$	406,726	\$	5,810,092	
i Olai assels	Ψ	313,401	Ψ	400,720	Ψ	3,010,032	
Liabilities and fund balances Liabilities:							
Accounts payable	\$	2,366	\$	-	\$	233,523	
Due to other governmental agencies		-		-		812,696	
Due to the Board of County Commissioners		913,121				913,121	
Total liabilities		915,487				1,959,340	
Fund balances:							
Restricted for: Communications 911						E4 104	
Jail Inmate Canteen		-		-		54,194	
		-		-		2,542,593	
Child Protection Investigation		-		400 700		847,239	
Drug Enforcement Task Force Total fund balances		<u> </u>		406,726 406,726		406,726 3,850,752	
Total liabilities and fund balances	<u> </u>	915,487	<u>\$</u>	406,726	\$	5,810,092	

SPECIAL-PURPOSE COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NON-MAJOR SPECIAL REVENUE FUNDS

YEAR ENDED SEPTEMBER 30, 2012

	nunications 11 Fund	ail Inmate nteen Fund	_	ld Protection vestigation Fund
Revenues:				
Intergovernmental	\$ -	\$ -	\$	-
Charges for services	-	3,033,107		7,340,948
Operating grants	516,600	-		4,131,559
Interest income	-	10,264		4,606
Miscellaneous income	-	20,843		41,070
Fines and forfeitures	 			
Total revenues	 516,600	 3,064,214		11,518,183
Expenditures:				
Public safety:				
Personal services	436,374	1,541,207		9,885,145
Operating	91,458	202,691		1,859,819
Capital outlay	21,528	1,314		103,432
Total expenditures	549,360	1,745,212		11,848,396
Excess (deficiency) of revenues over				
(under) expenditures	 (32,760)	 1,319,002		(330,213)
Other financing sources (uses):				
Distribution of excess revenues to the				
Board of County Commissioners	-	-		-
Proceeds from the sale of capital assets	 <u> </u>	 		-
Total other financing sources (uses)	 	 		
Net change in fund balances	(32,760)	1,319,002		(330,213)
Fund balance, beginning of year	 86,954	1,223,591		1,177,452
Fund balance, end of year	\$ 54,194	\$ 2,542,593	\$	847,239

(Continued)

SPECIAL-PURPOSE COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)

	s	pecial Use	Enf	Drug orcement		
		Fund	Task	Force Fund		Total
Revenues:						
Intergovernmental	\$	2,909,852	\$	-	\$	2,909,852
Charges for services		47,224		-		10,421,279
Operating grants		-		-		4,648,159
Interest income		9		-		14,879
Miscellaneous income		49,151		-		111,064
Fines and forfeitures		310,196			-	310,196
Total revenues		3,316,432				18,415,429
Expenditures:						
Public safety:						
Personal services		1,002,213		-		12,864,939
Operating		783,311		66,907		3,004,186
Capital outlay		214,902		<u>-</u>		341,176
Total expenditures	-	2,000,426		66,907		16,210,301
Excess (deficiency) of revenues over						
(under) expenditures		1,316,006		(66,907)		2,205,128
Other financing sources (uses):						
Distribution of excess revenues to the						
Board of County Commissioners		(1,346,396)		-		(1,346,396)
Proceeds from the sale of capital assets		30,390		-		30,390
Total other financing sources (uses)		(1,316,006)		-		(1,316,006)
Net change in fund balances		-		(66,907)		889,122
Fund balance, beginning of year		-		473,633		2,961,630
Fund balance, end of year	\$	-	\$	406,726	\$	3,850,752

SPECIAL-PURPOSE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – SPECIAL USE REVENUE FUND

	Budgeted	Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				(reguire)
Intergovernmental	\$ 1,509,852	\$ 2,909,852	\$ 2,909,852	\$ -
Charges for services	-	-	47,224	47,224
Interest income	-	-	9	9
Miscellaneous income	-	-	49,151	49,151
Fines and forfeitures	-	-	310,196	310,196
Total revenues	1,509,852	2,909,852	3,316,432	406,580
Expenditures: Public safety:				
Personal services	1,133,205	1,383,205	1,002,213	380,992
Operating	188,230	1,180,230	783,311	396,919
Capital outlay	188,417	346,417	214,902	131,515
Total public safety expenditures	1,509,852	2,909,852	2,000,426	909,426
Excess of revenues over expenditures			1,316,006	1,316,006
Other financing sources (uses): Distribution of excess revenues to the				
Board of County Commissioners	-	-	(1,346,396)	(1,346,396)
Proceeds from the sale of capital assets			30,390	30,390
Total other financing sources (uses)			(1,316,006)	(1,316,006)
Net change in fund balances Fund balance, beginning of year	-	-	-	- 1 - 1
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

SPECIAL-PURPOSE COMBINING STATEMENT OF NET ASSETS – INTERNAL SERVICE FUNDS SEPTEMBER 30, 2012

		Workers' mpensation Fund		General Legal Liability Fund	Self-Insured Healthcare Fund	He	pational ealth c Fund	Total Internal Service Funds
Assets Cash	\$	6,954,726	\$	1,548,300	\$ 4,624,583	\$	_	\$ 13,127,609
Accounts receivables	φ	37,346	φ	106,230	46,423	φ	-	189,999
Total assets		6,992,072		1,654,530	4,671,006			13,317,608
Liabilities								
Accounts payable		-		-	5,924		-	5,924
Accounts payable - claims		-		11,869	-		-	11,869
Claims payable		6,992,072		1,642,661	3,843,000		-	12,477,733
Due to Board of County Commissioners		-		-	822,082		-	822,082
Total liabilities		6,992,072		1,654,530	4,671,006			13,317,608
Net assets								
Total net assets	\$	-	\$		\$ -	\$		\$ -

SPECIAL-PURPOSE COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS – INTERNAL SERVICE FUNDS

	Workers' mpensation Fund	General Legal Liability Fund	Self-Insured Healthcare Fund	Occupational Health Clinic Fund			Total Internal Service Funds
Operating revenues:							_
Charges for services	\$ 1,791,099	\$152,803	\$38,153,800	\$	117,709	\$ 4	0,215,411
Miscellaneous income	 	43,195			194		43,389
Total operating revenues	 1,791,099	195,998	38,153,800		117,903	4	0,258,800
Operating expenses:							
Claims expense	778,763	199,902	34,847,101		-	3	5,825,766
General and administrative	1,012,336	-	2,484,617		-		3,496,953
Operating	-	-	-		88,345		88,345
Personal services	 				471,728		471,728
Total operating expenses	 1,791,099	199,902	37,331,718		560,073	3	9,882,792
Operating income (loss)		(3,904)	822,082		(442,170)		376,008
Nonoperating (expense) revenue:							
Loss on disposal of capital assets	-	-	-		(35,926)		(35,926)
Interest earnings	-	3,904	_		-		3,904
Total nonoperating revenues		3,904			(35,926)		(32,022)
Changes in net assets before transfers and contributions			022.002		(470,006)		242.006
transfers and contributions	-	-	822,082		(478,096)		343,986
Transfer out to the Board of County Commissioners	_	_	(822,082)		_		(822,082)
Transfer in from general fund	 _				478,096		478,096
Changes in net assets Net assets, beginning of year	<u>-</u>				<u>-</u>		- -
Net assets, end of year	\$ _	\$ -	\$ -	\$		\$	-

SPECIAL-PURPOSE COMBINING STATEMENT CASH FLOWS – INTERNAL SERVICE FUNDS YEAR ENDED SEPTEMBER 30, 2012

			General		Occupational	Total
	Workers'		Legal	Self-Insured	Health	Internal
	Compensation Fund		Liability Fund	Healthcare Fund	Clinic Fund	Service Funds
Cash flows from operating activities:	runu		ruiiu	Fullu	Fullu	Fullus
Cash received from other funds						
for goods and services	\$ 1,800,151	\$	158,384	\$38,153,800	\$ 117,709	\$ 40,230,044
Cash received from others	303,064		43,195	-	194	346,453
Cash payments for claims	(2,902,650)		(613,057)	(30,788,442)	-	(34,304,149
Cash payments to vendors for goods and services	(1,012,336)		-	(1,918,693)	(124,271)	(3,055,300
Cash payments to employees	-		-		(471,728)	(471,728
Net cash provided by (used in) operating activities	(1,811,771)		(411,478)	5,446,665	(478,096)	2,745,320
Cash flows from investing activities:						
Interest earned			3,904		-	3,904
Net cash provided by investing activities			3,904		-	3,904
Cash flows from noncapital financing activities:						
Transfers from general fund	-		-	-	478,096	478,096
Transfer out to Board of County Commissioners				(822,082)		(822,082
Net cash provided by (used in) noncapital financing activities				(822,082)	478,096	(343,986
Net increase (decrease) in cash	(1,811,771)		(407,574)	4,624,583	_	2,405,238
Cash, beginning of year	8,766,497		1,955,874	-	-	10,722,37
Cash, end of year	\$ 6,954,726	\$	1,548,300	\$ 4,624,583	\$ -	\$ 13,127,609
Reconciliation of operating income (loss) to net cash						
provided by (used in) operating activities:						
Operating income (loss)	\$ -	\$	(3,904)	\$ 822,082	\$ (442,170)	\$ 376,008
Adjustments to reconcile operating income (loss) to						
net cash provided by (used in) operating activities:						
Depreciation	-		-	-	8,628	8,628
Increase (decrease) in cash resulting from						
changes in:						
Accounts receivable	(14,673)		5,581	(46,423)	-	(55,51
Due from other funds	9,053		-		-	9,053
Accounts payable	-		(= ==0)	5,924	(34,297)	(28,373
Accounts payable - claims	-		(5,558)	-	- (4.004)	(5,558
Due to other governmental agencies	-		(580)	-	(1,204)	(1,784
Due to other funds	- (4.000.454)		- (407.047)	-	(9,053)	(9,053
Claims payable	(1,806,151)		(407,017)	3,843,000	-	1,629,832
Due to Board of County Commissioners	¢ (4 044 774)	Ф.	(411,478)	822,082	<u> </u>	\$22,082
Net cash provided by (used in) operating activities	\$ (1,811,771)	\$	(411,478)	\$ 5,446,665	\$ (478,096)	\$ 2,745,320
Supplemental disclosures of cash flow information:						
Non cash capital activity: Transfer of equipment to the general fund	¢	\$		\$ -	\$ (35,926)	\$ (35,926
rransier of equipment to the general fund	\$ -	φ		ψ -	ψ (35,826)	ψ (30,920

SPECIAL-PURPOSE COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES – AGENCY FUNDS

YEAR ENDED SEPTEMBER 30, 2012

	Balance October 1, 2011		Additions		Deductions		Balance September 30, 2012	
Inmate Commissary Account Fund								
Assets								
Cash	\$	132,951	\$	8,243,079	\$	(8,367,728)	\$	8,302
Accounts receivable		2,591		3,665,126		(3,607,382)		60,335
Due from other governmental agencies		1,138		121		(274)		985
Total assets	\$	136,680	\$	11,908,326	\$	(11,975,384)	\$	69,622
Liabilities								
Accounts payable	\$	-	\$	11,310	\$	(11,310)	\$	-
Deposits		136,680		4,502,510		(4,569,568)		69,622
Total liabilities	\$	136,680	\$	4,513,820	\$	(4,580,878)	\$	69,622
Trust Fund								
Assets								
Cash	\$	722,738	\$	18,591,604	\$	(17,966,587)	\$	1,347,755
Total assets	\$	722,738	\$	18,591,604		(17,966,587)	\$	1,347,755
Liabilities								
Accounts payable	\$	_	\$	691,395	\$	(691,395)	\$	_
Due to other funds	Ť	-	•	14,108,129	•	(14,108,129)	•	_
Due to Board of County Commissioners		_		445,097		(445,097)		-
Due to other governmental agencies		_		52,358		(52,358)		-
Deposits		722,738		4,398,260		(3,773,243)		1,347,755
Total liabilities	\$	722,738	\$	19,695,239	\$	(19,070,222)	\$	1,347,755
Fee Fund								
Assets								
Cash	\$	(11,569)	\$	2,350,080	\$	(2,345,475)	\$	(6,964)
Accounts receivable	·	11,569		138,440		(149,537)		472
Due from other governmental agencies		· <u>-</u>		6,492		-		6,492
Total assets	\$	_	\$	2,495,012	\$	(2,495,012)	\$	-
Liabilities								
Accounts payable	\$	_	\$	747	\$	(747)	\$	_
Due to Board of County Commissioners	Ψ	_	Ψ	4,322,187	Ψ	(4,322,187)	Ψ	_
Deposits		_		78,263		(78,263)		_
Total liabilities	\$		\$	4,401,197	\$	(4,401,197)	\$	

(Continued)

SPECIAL-PURPOSE COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES – AGENCY FUNDS (CONTINUED)

		Balance				Balance		
	October 1,						September 30,	
		2011	Additions		<u>Deductions</u>			2012
Cash Bond Fund								
Assets	_				_		_	
Cash	\$	2,019,680	\$	3,121,588	\$	(3,163,836)	\$	1,977,432
Total assets	\$	2,019,680	\$	3,121,588	\$	(3,163,836)	\$	1,977,432
Liabilities								
Deposits	\$	2,019,680	\$	3,178,916	\$	(3,221,164)	\$	1,977,432
Total liabilities	\$	2,019,680	\$	3,178,916	\$	(3,221,164)	\$	1,977,432
Flexible Spending Account Fund								
Assets								
Cash	\$	86,926	\$	3,031,483	\$	(2,979,245)	\$	139,164
Accounts receivable	•	703	Ť	630	,	(703)	•	630
Total assets	\$	87,629	\$	3,032,113	\$	(2,979,948)	\$	139,794
						_		
Liabilities	Φ.		•	004.400	•	(004 400)	•	
Accounts payable	\$	-	\$	961,198	\$	(961,198)	\$	-
Deposits	_	87,629		1,001,471	_	(949,306)		139,794
Total liabilities	\$	87,629	\$	1,962,669	\$	(1,910,504)	\$	139,794
Total Agency Funds								
Assets								
Cash	\$	2,950,726	\$	35,337,834	\$	(34,822,871)	\$	3,465,689
Accounts receivable		14,863		3,804,196		(3,757,622)		61,437
Due from other governmental agencies		1,138		6,613		(274)		7,477
Total assets	\$	2,966,727	\$	39,148,643	\$	(38,580,767)	\$	3,534,603
Liabilities								
Accounts payable	\$	_	\$	703,452	\$	(703,452)	\$	_
Due to other funds	Ψ	_	Ψ	14,108,129	Ψ	(14,108,129)	Ψ	_
Due to Board of County Commissioners		_		4,767,284		(4,767,284)		_
Due to other governmental agencies		-		52,358		(52,358)		-
Due to other governmental agencies Deposits		2,966,727				, ,		2 524 602
Total liabilities	Φ		\$	13,159,420	Φ	(12,591,544)	\$	3,534,603
i otai liabilities	\$	2,966,727	Ф	32,790,643	Φ	(32,222,767)	Φ	3,534,603

SUPPLEMENTARY INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS' REPORTS



Report of Independent Certified Public Accountants on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Special-Purpose Financial Statements Performed in Accordance with Government Auditing Standards

The Honorable David A. Gee, Sheriff of Hillsborough County, Florida:

We have audited the special-purpose financial statements of the major fund and the aggregate remaining fund information of the Hillsborough County, Florida Sheriff (the "Sheriff") as of and for the year ended September 30, 2012, and have issued our report thereon dated December 14, 2012 for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, Rules of the Auditor General – Local Governmental Entity Audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Sheriff is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Sheriff's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the special-purpose financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Sheriff's internal control over financial reporting.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Sheriff's special-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of special-purpose financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Sheriff's management, the Hillsborough County Board of County Commissioners, and the Florida Auditor General and is not intended to be, and should not be, used by anyone other than these specified parties.

Tampa, Florida

December 14, 2012

Cherry, Behaut & Hollord, L.L.P.



Independent Certified Public Accountants Management Letter

The Honorable David A. Gee, Sheriff of Hillsborough County, Florida:

We have audited the special-purpose financial statements of the Hillsborough County, Florida Sheriff (the "Sheriff"), as of and for the fiscal year ended September 30, 2012, and have issued our report thereon dated December 14, 2012.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Report of Independent Certified Public Accountants on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in this report, which is dated December 14, 2012 should be considered in conjunction with this management letter.

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

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 findings or recommendations made in the preceding annual financial audit report.

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

Section 10.554(1)(i)3., 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)4., *Rules of the Auditor General*, requires that we address violations of provisions of contracts or grant agreements, fraud, illegal acts or abuse, that have occurred, or are likely to have occurred, that have an effect on the special-purpose financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)6., *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 special-purpose financial statements. The Sheriff is a separately elected county official established pursuant to the Constitution of the State of Florida. There are no component units related to the Sheriff.

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

Tampa, Florida

December 14, 2012

Cherry, Behaut & Hollord, L.L.P.