

**HERNANDO COUNTY, FLORIDA
SHERIFF**

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

SEPTEMBER 30, 2018

**HERNANDO COUNTY, FLORIDA
SHERIFF**

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

SEPTEMBER 30, 2018

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**HERNANDO COUNTY, FLORIDA
SHERIFF**

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

SEPTEMBER 30, 2018

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INDEPENDENT AUDITORS' REPORT

Honorable Al Nienhuis
Sheriff
Hernando County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Hernando County, Florida, Sheriff (the Sheriff) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Sheriff's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Sheriff as of September 30, 2018, and the respective changes in financial position, budgetary comparisons, and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Certified Public Accountants

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MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

Honorable Al Nienhuis
Sheriff
Hernando County, Florida

INDEPENDENT AUDITORS' REPORT
(Concluded)

Emphasis of Matter – Incomplete Presentation

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida (the Rules). In conformity with the Rules, the accompanying financial statements are intended to present the financial position, changes in financial position, budgetary comparisons, and cash flows of each major fund and the aggregate remaining fund information only for that portion of the major funds and the aggregate remaining fund information of Hernando County, Florida that is attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position as a whole of Hernando County, Florida, as of September 30, 2018, and the changes in its financial position, budgetary comparisons, or cash flows for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2019, on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Sheriff's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

Durvis, Gray and Company, LLP

February 27, 2019
Sarasota, Florida

FINANCIAL STATEMENTS

**HERNANDO COUNTY, FLORIDA
SHERIFF
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018**

	General	Federal Forfeitures	E-911	Inmate Welfare	Federal Inmates	Nonmajor Governmental Funds	Total
Assets							
Cash and Cash Equivalents	\$ 3,430,465	\$ 820,759	\$ 647,617	\$ 686,153	\$ 321,951	\$ 1,079,373	\$ 6,986,318
Accounts Receivable	0	0	0	31,678	0	0	31,678
Due from Other Funds	22,740	0	0	9,755	0	0	32,495
Due from Other Governments	64,441	0	62,159	157	86,700	58,471	271,928
Total Assets	<u>3,517,646</u>	<u>820,759</u>	<u>709,776</u>	<u>727,743</u>	<u>408,651</u>	<u>1,137,844</u>	<u>7,322,419</u>
Liabilities and Fund Balances							
Liabilities							
Accounts Payable	1,159,037	0	1,134	2,651	17,816	16,739	1,197,377
Accrued Wages and Benefits Payable	2,062,358	0	10,894	9,872	36,303	36,416	2,155,843
Due to Hernando County, Florida, Board of County Commissioners	296,251	0	0	0	354,532	0	650,783
Deposits	0	0	0	0	0	100	100
Total Liabilities	<u>3,517,646</u>	<u>0</u>	<u>12,028</u>	<u>12,523</u>	<u>408,651</u>	<u>53,255</u>	<u>4,004,103</u>
Fund Balances							
Restricted for:							
Law Enforcement Activities	0	820,759	0	0	0	166,452	987,211
Communications	0	0	697,748	0	0	161,431	859,179
Education and Training	0	0	0	0	0	548,641	548,641
Inmate Benefits	0	0	0	715,220	0	0	715,220
Other	0	0	0	0	0	208,065	208,065
Total Fund Balances	<u>0</u>	<u>820,759</u>	<u>697,748</u>	<u>715,220</u>	<u>0</u>	<u>1,084,589</u>	<u>3,318,316</u>
Total Liabilities and Fund Balances	<u>\$ 3,517,646</u>	<u>\$ 820,759</u>	<u>\$ 709,776</u>	<u>\$ 727,743</u>	<u>\$ 408,651</u>	<u>\$ 1,137,844</u>	<u>\$ 7,322,419</u>

See accompanying notes.

**HERNANDO COUNTY, FLORIDA
SHERIFF
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	General	Federal Forfeitures	E-911	Inmate Welfare	Federal Inmates	Nonmajor Governmental Funds	Total
Revenues							
Intergovernmental	\$ 0	\$ 0	\$ 0	\$ 259	\$ 0	\$ 224,179	\$ 224,438
Charges for Services	315,984	0	706,604	453,171	1,273,953	412,264	3,161,976
Fines and Forfeitures	0	0	0	0	0	184,648	184,648
Interest Revenue	26,224	213	907	781	82	546	28,753
Miscellaneous	17,334	0	0	3,700	0	203,354	224,388
Total Revenues	359,542	213	707,511	457,911	1,274,035	1,024,991	3,824,203
Expenditures							
Public Safety:							
Personnel Services	38,282,264	0	437,381	215,627	750,135	427,245	40,112,652
Operating Expenditures	6,991,141	0	209,686	95,794	184,260	597,984	8,078,865
Capital Outlay	1,829,545	0	195,904	0	63,350	80,849	2,169,648
Court Services:							
Personnel Services	985,254	0	0	0	0	0	985,254
Operating Expenditures	251,855	0	0	0	0	0	251,855
(Total Expenditures)	(48,340,059)	0	(842,971)	(311,421)	(997,745)	(1,106,078)	(51,598,274)
(Deficiency) Excess of Revenues (Under) Over Expenditures	(47,980,517)	213	(135,460)	146,490	276,290	(81,087)	(47,774,071)
Other Financing Sources (Uses)							
Contract Payable -Vehicles	201,609	0	0	0	0	0	201,609
Sale of Capital Assets	0	0	0	0	0	53,419	53,419
Transfers in:							
Transfer from Other Fund Hernando County, Florida Board of County Commissioners:	0	0	0	0	0	201,609	201,609
Appropriations	48,568,813	0	0	0	1,219,517	0	49,788,330
Transfers (out):							
Transfer to Other Fund Hernando County, Florida Board of County Commissioners:	(201,609)	0	0	0	0	0	(201,609)
Other Revenues	(359,544)	0	0	0	(1,273,953)	0	(1,633,497)
Excess Fees	(228,752)	0	0	0	(221,854)	0	(450,606)
Total Other Financing Sources (Uses)	47,980,517	0	0	0	(276,290)	255,028	47,959,255
Net Change in Fund Balance	0	213	(135,460)	146,490	0	173,941	185,184
Fund Balance, Beginning of Year	0	820,546	833,208	568,730	0	910,648	3,133,132
Fund Balance, End of Year	\$ 0	\$ 820,759	\$ 697,748	\$ 715,220	\$ 0	\$ 1,084,589	\$ 3,318,316

See accompanying notes.

HERNANDO COUNTY, FLORIDA
SHERIFF
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$ 275,000	\$ 275,000	\$ 315,984	\$ 40,984
Interest Revenue	20,000	20,000	26,224	6,224
Miscellaneous	54,700	54,700	17,334	(37,366)
Total Revenues	<u>349,700</u>	<u>349,700</u>	<u>359,542</u>	<u>9,842</u>
Expenditures				
Public Safety:				
Personnel Services	40,099,713	38,878,670	38,282,264	596,406
Operating Expenditures	5,775,931	6,644,593	6,991,141	(346,548)
Capital Outlay	667,940	1,786,027	1,829,545	(43,518)
Court Services:				
Personnel Services	972,885	982,174	985,254	(3,080)
Operating Expenditures	277,349	277,349	251,855	25,494
(Total Expenditures)	<u>(47,793,818)</u>	<u>(48,568,813)</u>	<u>(48,340,059)</u>	<u>228,754</u>
(Deficiency) of Revenues (Under)				
Expenditures	<u>(47,444,118)</u>	<u>(48,219,113)</u>	<u>(47,980,517)</u>	<u>238,596</u>
Other Financing Sources (Uses)				
Contract Payable -Vehicles	0	0	201,609	201,609
Transfers in:				
Hernando County, Florida, Board of County Commissioners Appropriations	47,793,818	48,568,813	48,568,813	0
Transfers (out):				
Transfer to Other Fund	0	0	(201,609)	(201,609)
Hernando County, Florida, Board of County Commissioners:				
Other Revenues	(349,700)	(349,700)	(359,544)	(9,844)
Excess Fees	0	0	(228,752)	(228,752)
Total Other Financing Sources (Uses)	<u>47,444,118</u>	<u>48,219,113</u>	<u>47,980,517</u>	<u>(238,596)</u>
Net Change in Fund Balance	0	0	0	0
Fund Balance, Beginning of Year	0	0	0	0
Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

See accompanying notes.

HERNANDO COUNTY, FLORIDA
SHERIFF
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - FEDERAL FORFEITURES FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest Revenue	\$ 200	\$ 200	\$ 213	\$ 13
Total Revenues	<u>200</u>	<u>200</u>	<u>213</u>	<u>13</u>
Expenditures				
Public Safety:				
Operating Expenditures	0	0	0	0
Capital Outlay	0	0	0	0
(Total Expenditures)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over Expenditures	200	200	213	13
Other Financing (Uses) Sources				
Reserve for Contingencies	(820,746)	(820,746)	0	820,746
Total Other Financing Sources (Uses)	<u>(820,746)</u>	<u>(820,746)</u>	<u>0</u>	<u>820,746</u>
Net Change in Fund Balance	(820,546)	(820,546)	213	(820,759)
Fund Balance, Beginning of Year	<u>820,546</u>	<u>820,546</u>	<u>820,546</u>	<u>0</u>
Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 820,759</u>	<u>\$ (820,759)</u>

See accompanying notes.

**HERNANDO COUNTY, FLORIDA
SHERIFF
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - E-911 FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$ 710,000	\$ 710,000	\$ 706,604	\$ (3,396)
Interest Revenue	3,500	3,500	907	(2,593)
Total Revenues	<u>713,500</u>	<u>713,500</u>	<u>707,511</u>	<u>(5,989)</u>
Expenditures				
Public Safety:				
Personnel Services	452,436	457,766	437,381	20,385
Operating Expenditures	263,950	343,336	209,686	133,650
Capital Outlay	275,000	296,073	195,904	100,169
(Total Expenditures)	<u>(991,386)</u>	<u>(1,097,175)</u>	<u>(842,971)</u>	<u>254,204</u>
(Deficiency) of Revenues (Under) Over Expenditures	(277,886)	(383,675)	(135,460)	248,215
Other Financing (Uses) Sources				
Reserve for Contingencies	(545,306)	(439,517)	0	439,517
Total Other Financing Sources (Uses)	<u>(545,306)</u>	<u>(439,517)</u>	<u>0</u>	<u>439,517</u>
Net Change in Fund Balance	(823,192)	(823,192)	(135,460)	687,732
Fund Balance, Beginning of Year	823,192	823,192	833,208	10,016
Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 697,748</u>	<u>\$ 697,748</u>

See accompanying notes.

**HERNANDO COUNTY, FLORIDA
SHERIFF
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - INMATE WELFARE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 0	\$ 0	\$ 259	259
Charges for Services	395,000	395,000	453,171	58,171
Interest Revenue	1,000	1,000	781	(219)
Miscellaneous	2,500	2,500	3,700	1,200
Total Revenues	<u>398,500</u>	<u>398,500</u>	<u>457,911</u>	<u>59,411</u>
Expenditures				
Public Safety:				
Personnel Services	218,656	215,979	215,627	352
Operating Expenditures	189,243	191,920	95,794	96,126
Capital Outlay	50,000	50,000	0	50,000
(Total Expenditures)	<u>(457,899)</u>	<u>(457,899)</u>	<u>(311,421)</u>	<u>146,478</u>
(Deficiency) Excess of Revenues (Under) Over Expenditures	(59,399)	(59,399)	146,490	205,889
Other Financing Sources (Uses)				
Hernando County, Florida, Board of County Commissioners:				
Other Revenue	(509,331)	(509,331)	0	509,331
Total Other Financing Sources (Uses)	<u>(509,331)</u>	<u>(509,331)</u>	<u>0</u>	<u>509,331</u>
Net Change in Fund Balance	(568,730)	(568,730)	146,490	715,220
Fund Balance, Beginning of Year	568,730	568,730	568,730	0
Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 715,220</u>	<u>\$ 715,220</u>

See accompanying notes.

**HERNANDO COUNTY, FLORIDA
SHERIFF
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - FEDERAL INMATES FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$ 1,140,000	\$ 1,140,000	\$ 1,273,953	\$ 133,953
Interest Revenue	0	0	82	82
Total Revenues	<u>1,140,000</u>	<u>1,140,000</u>	<u>1,274,035</u>	<u>134,035</u>
Expenditures				
Public Safety:				
Personnel Services	762,817	754,858	750,135	4,723
Operating Expenditures	0	396,997	184,260	212,737
Capital Outlay	0	67,662	63,350	4,312
(Total Expenditures)	<u>(762,817)</u>	<u>(1,219,517)</u>	<u>(97,745)</u>	<u>221,772</u>
(Deficiency) Excess of Revenues (Under) Over Expenditures	377,183	(79,517)	276,290	355,807
Other Financing Sources (Uses)				
Transfers in:				
Hernando County, Florida, Board of County Commissioners Appropriations	762,817	1,219,517	1,219,517	0
Transfers (out):				
Hernando County, Florida, Board of County Commissioners:				
Other Revenue	(1,140,000)	(1,140,000)	(1,273,953)	(133,953)
Excess Fees	0	0	(221,854)	(221,854)
Total Other Financing Sources (Uses)	<u>(377,183)</u>	<u>79,517</u>	<u>(276,290)</u>	<u>(355,807)</u>
Net Change in Fund Balance	0	0	0	0
Fund Balance, Beginning of Year	0	0	0	0
Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

See accompanying notes.

**HERNANDO COUNTY, FLORIDA
SHERIFF
STATEMENT OF NET POSITION
PROPRIETARY FUND TYPE - INTERNAL SERVICE FUND
SEPTEMBER 30, 2018**

	<u>Internal Service</u>
Assets	
Cash and Cash Equivalents (including with Fiscal Agent)	\$ 4,763,157
Accounts Receivable	73,204
Total Assets	<u>4,836,361</u>
 Liabilities	
Accounts Payable	750,034
Liability for Unpaid Claims	308,232
Unearned Revenue	395,119
Total Liabilities	<u>1,453,385</u>
 Net Position	
Unrestricted	<u>3,382,976</u>
Total Net Position	<u>\$ 3,382,976</u>

See accompanying notes.

**HERNANDO COUNTY, FLORIDA
SHERIFF
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND TYPE - INTERNAL SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Internal Service
Operating Revenues	
Interfund Charges	\$ 4,369,699
Premiums - Employees	823,431
Premiums - Retirees	490,575
Miscellaneous	158,591
Total Operating Revenues	5,842,296
Operating Expenses	
Claims	4,985,283
Other Services and Charges	1,236,403
Insurance	365,768
(Total Operating Expenses)	(6,587,454)
Operating (Loss)	(745,158)
Nonoperating Revenues	
Interest	36,720
Change in Net Position	(708,438)
Net Position, Beginning of Year	4,091,414
Net Position, End of Year	\$ 3,382,976

See accompanying notes.

**HERNANDO COUNTY, FLORIDA
SHERIFF
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE - INTERNAL SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Internal Service
Cash Flows From Operating Activities	
Cash Received from Interfund Charges	\$ 4,388,557
Cash Received from Employees	823,432
Cash Received from Retirees	490,575
Other Cash Receipts	158,591
Payments to Suppliers	(1,562,744)
Claims Paid	(4,624,910)
Net Cash Provided by Operating Activities	(326,499)
Cash Flows From Investing Activities	
Interest Received	36,720
Net Decrease in Cash and Cash Equivalents	(289,779)
Cash and Cash Equivalents, Beginning of Year	5,052,936
Cash and Cash Equivalents, End of Year	\$ 4,763,157
 <u>Reconciliation of Operating Income to Cash and Cash Equivalents Provided by Operating Activities</u>	
Operating Loss	\$ (745,158)
Adjustment to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
Decrease in Accounts Receivable	(5,408)
(Decrease) in Accounts Payable	404,539
(Decrease) in Liability for Unpaid Claims	669
(Decrease) in Unearned Revenue	18,859
Total Adjustments	418,659
Net Cash Provided by Operating Activities	\$ (326,499)

See accompanying notes.

HERNANDO COUNTY, FLORIDA
SHERIFF
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
SEPTEMBER 30, 2018

Assets	
Cash and Cash Equivalents	\$ 123,158
Total Assets	<u>123,158</u>
Liabilities	
Accounts Payable	53,372
Due to Other Funds	32,495
Due to Other Governments (HCBOCC)	8,020
Deposits	29,271
Total Liabilities	<u>\$ 123,158</u>

See accompanying notes.

**HERNANDO COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

Hernando County, Florida (the County) is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the Board) and managed by an appointed County Administrator. The Hernando County, Florida, Sheriff (the Sheriff) is an elected constitutional officer as provided for by the Constitution of the State of Florida. Pursuant to Chapter 129, Florida Statutes, the Sheriff's budget is submitted to the Board for approval.

The Sheriff is the chief law enforcement officer of the County. Funding for the Sheriff's operations comes primarily from annual appropriations from the Board and all unexpended proceeds must be returned to the Board at year-end.

For financial reporting purposes, the Sheriff is deemed to be part of the primary government of the County and, as such, is included in the County's Comprehensive Annual Financial Report.

Basis of Presentation

The accompanying financial statements include all the funds and accounts of the Sheriff's office, but are not intended to be a complete presentation of the County as a whole. Except for this matter, they are otherwise in conformity with accounting principles generally accepted in the United States of America (GAAP). The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(4), *Rules of the Auditor General—Local Governmental Entity Audits*.

The financial transactions of the Sheriff are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balance accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. These funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. GAAP sets forth minimum criteria (percentage of total assets, liabilities, revenues, or expenditures) for the determination of major funds. Each major fund is reported in a separate column.

The Sheriff reports the following major governmental funds:

- **General Fund**—The General Fund is used to account for the general operations of the Sheriff and includes all transactions which are not accounted for in another fund.
- **Federal Forfeitures Fund**—This fund is used to account for forfeiture awards made under the U.S. Department of Justice and the Department of Treasury Equitable Sharing Program. Equitably shared funds must be used to supplement and enhance enforcement resources.

HERNANDO COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018
(Continued)

Note 1 - Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Concluded)

- **E-911 Fund**—This fund is used to account for the proceeds of telephone charges collected for the installation and operation of an Emergency 911 System.
- **Inmate Welfare Fund**—This fund is used to account for revenue from commissions from the commissary and pay phone. The funds are used for expenditures in the commissary operation, including overall inmate welfare.
- **Federal Inmates Fund**—This fund is used to account for the proceeds of housing federal inmates at the detention facility.

The Sheriff also reports the following nonmajor special revenue funds:

- 800 MHz Fund
- Law Enforcement Educational Fund
- Child Saver Program Fund
- Grants and Contributions Fund
- City of Brooksville Contract Fund

The Sheriff reports the following other fund types:

- **Proprietary Fund Type—Internal Service Funds**
These funds are used to account for health, dental, and clinic insurance benefits provided to the employees by the Sheriff. Their funding is based upon an annual actuarial study of expected benefit payouts.
- **Fiduciary Fund Type—Agency Funds**
These funds are used to account for assets held by the Sheriff in a trustee capacity or as an agent for individuals, private organizations, and other governments.

Measurement Focus and Basis of Accounting

Governmental funds are accounted for using the flow of current financial resources measurement focus. Only current assets and current liabilities, generally, are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Agency funds are custodial in nature (assets equal liabilities), and do not involve measurement of results of operations or have a measurement focus.

The modified accrual basis of accounting is used by both governmental and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available to finance liabilities of the current fiscal year). For this purpose, the Sheriff considers revenues to be available if they are collected within 60 days after year-end. Grants must also meet eligibility requirements to be accrued.

HERNANDO COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018
(Continued)

Note 1 - Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Concluded)

For governmental funds, expenditures are recorded when the related fund liability is incurred, except for certain compensated absences, which are recognized as expenditures when paid. Substantially all of the Sheriff's operating budget funding is appropriated by the Board. These resources are reflected as other financing sources at the time of receipt. Interest and other revenue are recognized as they are earned and become measurable and available to pay liabilities of the current period.

The proprietary fund type - internal service fund accounts for medical and dental insurance coverage for the Sheriff's employees. Proprietary fund types use the accrual basis of accounting, where revenues are recognized when they are earned and expenses are recognized when they are incurred, regardless of the timing of related cash flows. In addition, proprietary funds distinguish operating revenues and expenses from nonoperating items.

The focus on fiduciary type fund financial statements is by fund-type, not major fund. The Sheriff only has one fiduciary fund-type, the agency fund-type. Accordingly, there is only one column in the fiduciary fund financial statement.

Excess Fees and Other Revenues

Florida Statutes provide that the amount by which revenues and transfers exceed annual expenditures be remitted to the Board within one month following the fiscal year for which the funding was provided or following the fiscal year during which other revenue was recognized. This requirement is reflected in the Sheriff's General Fund where the amount of this distribution is recorded as a liability and as another financing use. Other revenues due to the Board consist of those third-party revenues received directly by the Sheriff for certain expenditures that are owed to the Board.

Cash Equivalents

Cash equivalents are defined as highly-liquid investments with original maturities of three months or less.

Prepaid Items

Certain prepayments to vendors reflect costs applicable to future accounting periods. These prepayments are recorded as expenditures in the year paid.

Deferred Inflows/Unearned Revenue

Deferred inflows in governmental funds represent revenues that have been earned, but are not available (because they were received more than 60 days after year-end). Unearned revenue in proprietary fund types represents revenues attributable to future periods.

HERNANDO COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018
(Continued)

Note 1 - Summary of Significant Accounting Policies (Continued)

Compensated Absences

Eligible full-time employees are entitled to accrue compensatory time, annual vacation, and sick leave up to predetermined thresholds, and received pay for those hours at termination or retirement. For terminations in good standing, the employee is paid for 25% of accumulated sick leave up to a total of 500 hours. Upon retirement, (separation from the agency), current employees with 10 or more consecutive years of service as of October 1, 2009, will receive a payout of sick leave as follows: 20+ years of service equals 100%; 15-19 years of service equals 75%; 10-14 years of service equals 50%. Employees with less than 10 consecutive years of service as of October 1, 2009, and all new employees hired on or after that date will receive 50% payout of sick leave up to 500 hours, upon retirement. For all payments of sick leave, the employee is paid at their pay rate effective at termination or retirement.

Vacation and sick leave payments are included in personnel services when the payments are made to the employees. The Sheriff does not, nor is he legally required to, accumulate financial resources for these obligations. Accordingly, the liability for compensated absences is not reported in the governmental funds but rather is reported in the basic financial statements of the County.

Fund Balances

The Sheriff implemented the provisions of GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB Statement No. 54) in 2011, as required. The purpose of GASB Statement No. 54 was to improve the consistency and usefulness of fund balance information to the financial statement user. The statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which the organization is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components—nonspendable, restricted, committed, assigned, and unassigned:

- **Nonspendable**—This component of fund balance consists of amounts that cannot be spent because: (a) they are not expected to be converted to cash; or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund.
- **Restricted**—This component of fund balances consists of amounts that are constrained either: (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments); or (b) by law through constitutional provisions or enabling legislation.
- **Committed**—This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., policy) of the organization's governing authority. By statute, the Sheriff himself is the governing authority. These committed amounts cannot be used for any other purpose unless the Sheriff removes or changes the specified use by taking the same type of action (e.g., policy) he employed to constrain those amounts.

HERNANDO COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018
(Continued)

Note 1 - Summary of Significant Accounting Policies (Concluded)

Fund Balances (Concluded)

- **Assigned**—This component of fund balance consists of amounts that are constrained by a less-than-formal action of the organization’s governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. The Sheriff has not delegated the responsibility to assign fund balances to any individual or body.

- **Unassigned**—This classification is used for: (a) negative unrestricted fund balances in any governmental fund; or (b) fund balances within the General Fund that are not restricted, committed, or assigned.

When both restricted and unrestricted resources are available for use, it is generally the Sheriff’s policy to use unrestricted resources first (committed, assigned, and unassigned) then restricted resources as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use, it is generally the Sheriff’s policy to use unassigned resources first, then assigned, and then committed as needed.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles, requires management to make estimates and assumptions that affect the amounts reported and disclosed in the financial statements and accompanying notes. Actual results could differ from those estimates.

Governmental Accounting Standards Board (GASB) Statement No. 68

The Sheriff participates in the Florida Retirement System (FRS) defined benefit pension plan and the Health Insurance Subsidy (HIS) defined benefit plan administered by Florida Division of Retirement. As a participating employer, the Sheriff implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which requires employers participating in cost-sharing multiple-employer defined benefit pension plans to report the employers’ proportionate share of the net pension liabilities and related pension amounts of the defined benefit pension plans. However, these liabilities would be recorded in government-wide financial statements, which are not required in this special-purpose presentation. As such, only the applicable disclosures required by GASB Statement No. 68 have been presented herein. In addition, the cost-sharing multiple-employer plans mentioned above operate on a fiscal year ended June 30. Information for the County as a whole, including the Hernando County Sheriff, can be found in the Hernando County Florida Comprehensive Annual Financial Report.

Note 2 - Budgetary Process

Florida Statutes, Sections 30.49, 129.021, and 129.03 govern the preparation, adoption, and administration of the Sheriff’s annual budget. The Sheriff prepares individual budgets for the General Fund, E-911, 800 MHz, and the Federal Inmate Special Revenue Funds, and submits them to the Board for approval. Any budgets that are not subject to the approval of the Board shall follow the same procedures as those approved by the Board with the exception that the Sheriff is the approver rather than the Board.

**HERNANDO COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018
(Continued)**

Note 2 - Budgetary Process (Concluded)

The budgets are prepared on a basis consistent with GAAP and serve as the legal authorization for expenditures. Amendments increasing total fund expenditures must be approved by the Sheriff and/or Board. Budgetary changes between or among expenditures within a fund may be made at the discretion of the Comptroller.

The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes applicable to the fiscal year and approved by the Board or Sheriff within 60 days after year-end.

Note 3 - Cash and Cash Equivalents

At September 30, 2018, the carrying value of the Sheriff's cash and cash equivalents was as follows:

	Carrying Value
Cash on Hand	\$ 11,720
Demand Deposits	7,724,823
Total Cash and Cash Equivalents	\$ 7,936,543

Such amounts are reported as \$6,986,318, \$827,067, and \$123,158 in the governmental, internal service, and agency funds, respectively. In addition, there is cash and investments of \$3,936,090 held by the claims administrator reported in the internal service funds at year-end.

The Sheriff's bank deposits are held in qualified public depositories (QPDs) pursuant to Chapter 280, Florida Statutes. Under this Chapter, each QPD is required to pledge collateral to the State Treasurer against the public deposits. In the event of default by a QPD, all claims for public deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the QPD in default and, if necessary, assessments against other QPDs of the same type as the depositor in default.

Authorized Investments

The Sheriff's Investment Policy follows the state's guidance set forth in Section 219.075, Florida Statutes, regarding the deposit of funds received and the investment of surplus funds. That section requires local governments without written investment policies, including County officers, to follow the state policy in Section 218.415(17), Florida Statutes. That Section authorizes the following investments:

- a. The Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the *Florida Interlocal Cooperation Act*, as provided in Florida Statute 163.01.

HERNANDO COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018
(Continued)

Note 3 - Cash and Investments (Concluded)

Authorized Investments

- b. Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- c. Interest-bearing time deposits or savings accounts in qualified public depositories.
- d. Direct obligations of the United States Treasury.

Note 4 - Interfund Balances

Interfund balances at September 30, 2018, consisted of the following:

	Interfund Receivable	Interfund Payable
General Fund	\$ 22,740	\$ 0
Inmate Welfare Fund	9,755	0
Agency Fund	0	32,494
Total Due to/Due from Other Funds	\$ 32,494	\$ 32,494

The receivables represent primarily fees collected in an agency fund for other funds. These fees are from jail inmates for subsistence fees, booking fees, medical fees, and commissions on commissary sales.

Note 5 - Capital Assets

Pursuant to Florida Statutes, the Sheriff can own tangible capital assets, and the Sheriff maintains custody and recordkeeping responsibility for these assets. However, office space and facilities used in the Sheriff's operations are provided at no cost by the Board.

Capital assets paid for by the Sheriff are recorded as expenditures in the governmental funds of the Sheriff but are capitalized in the basic financial statements of the County. The capitalization threshold is \$1,000. Donated capital assets are recorded at their estimated fair value on the date received. Effective October 1, 2010, the Sheriff is responsible for recording all grant-related assets regardless of whether the grant origin was Hernando County or the Sheriff. Depreciation is recorded at the County level. Most of the capital assets listed below are being depreciated over five years.

**HERNANDO COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018
(Continued)**

Note 5 - Capital Assets (Concluded)

Capital asset activity for the tangible property over which the Sheriff has custodial and recordkeeping responsibility, for the year ended September 30, 2018, was as follows:

	Balance October 1, 2017	Additions	Deletions	Balance September 30, 2018
Automobiles and Other Vehicles	\$ 9,226,630	\$ 1,895,555	\$ (603,928)	\$ 10,518,257
Furniture and Equipment	10,353,907	782,457	(794,724)	10,341,640
Construction in Process	96,448	286,890	(96,448)	286,890
Total at Cost	19,676,985	2,964,902	(1,495,100)	21,146,787
(Less Accumulated Depreciation)	(15,057,149)	(1,652,199)	1,358,773	(15,350,575)
Book Value	\$ 4,619,836	\$ 1,312,703	\$ (136,327)	\$ 5,796,212

Proceeds from the sale or disposal of vehicles are netted against capital outlay in the accompanying statement of revenues, expenditures, and changes in fund balance. Following is a reconciliation of 2018 capital asset additions above to capital outlay on the accompanying statement of revenues, expenditures, and changes in fund balance:

	2018
Capital Outlay	\$ 1,982,073
Construction in Process	286,890
Proceeds from Vehicle Sales/Disposals	121,067
Purchased by Other Entities	574,872
Total Additions	\$ 2,964,902

Note 6 - Long-term Liabilities

The following is a summary of changes in general long-term liabilities, which are reported in the basic financial statements of the County:

	Balance October 1, 2017	Additions	Retirements	Balance September 30, 2018	Current Portion
Contract Payable	\$ 0	\$ 201,609	\$ 0	\$ 201,609	\$ 67,203
Accrued Compensated Absences	3,607,917	3,139,103	(2,564,122)	4,182,898	3,170,270
Total Long-term Liabilities	\$ 3,607,917	\$ 3,340,712	\$ (2,564,122)	\$ 4,384,507	\$ 3,237,473

The terms of the contract payable include the purchase of 17 vehicles from the City of Brooksville, payable over a three-years, as stated in the inter local agreement between the Sheriff.

HERNANDO COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018
(Continued)

Note 7 - Detention Operations

For twenty-two years, the Hernando County jail was operated by a private corporation. Effective August 27, 2010, the Sheriff took over the detention operations based on an Interlocal Agreement between the Sheriff and the Board. The initial term of the agreement was through September 30, 2013, with an automatic renewal period of an additional three years, expiring on September 30, 2016. An updated agreement was entered into and shall continue until September 30, 2021.

Note 8 - General Fund Revenues and Expenditures

General Fund Revenues and Expenditures for the year ended September 30, 2018, were as follows:

	<u>Total</u>	<u>Law Enforcement</u>	<u>Detention</u>	<u>Courthouse</u>
Revenues				
Inmate Booking	\$ 64,360	\$ 0	\$ 64,360	\$ 0
Inmate Medical	44,061	0	44,061	0
Inmate Subsistence	180,163	0	180,163	0
Inmate Social Security	<u>27,400</u>	<u>0</u>	<u>27,400</u>	<u>0</u>
Charges for Services	<u>315,984</u>	<u>0</u>	<u>315,984</u>	<u>0</u>
Interest Income	26,224	26,224	0	0
Miscellaneous	<u>17,334</u>	<u>17,334</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 359,542</u>	<u>\$ 43,558</u>	<u>\$ 315,984</u>	<u>\$ 0</u>
Expenditures				
Personnel Services	\$ 39,267,518	\$ 28,260,868	\$ 10,021,396	\$ 985,254
Operating Expenditures	7,242,996	4,629,337	2,361,804	251,855
Capital Outlay	<u>1,829,545</u>	<u>1,759,765</u>	<u>69,780</u>	<u>0</u>
Total Expenditures	<u>\$ 48,340,059</u>	<u>\$ 34,649,970</u>	<u>\$ 12,542,980</u>	<u>\$ 1,237,109</u>

Note 9 - Employee Retirement Plan

The Sheriff participates in the Florida Retirement System for Pension Benefits. A detailed plan description and any liability for employees of the Sheriff are included in the financial statements of the County.

Note 10 - Other Postemployment Benefits

The Sheriff participates in the plan established by the Board to provide other postemployment benefits to retirees of the Board and Constitutional Officers. A detailed plan description and any liability for employees of the Sheriff are included in the financial statements of the County.

HERNANDO COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018
(Continued)

Note 11 - Risk Management

The Sheriff participates in the Florida Sheriff's Risk Management Fund to insure against automobile, workers' compensation, and general liabilities claims. Except as disclosed in the next paragraph, there have been no significant reductions in insurance coverage from the prior year. Settlement amounts have not exceeded insurance coverage for any of the last three years.

Effective October 1, 2011, the Sheriff became self-insured for employee and retiree health coverage. Effective October 1, 2014, the Sheriff became self-insured for employee and retiree dental coverage. Prior to those dates, the Sheriff carried commercial insurance for its health and dental coverage.

Note 12 - Self-Insurance Internal Service Fund

The self-insurance program was established under Florida Statute 112.08 to reduce employee medical costs for the Sheriff's Office. The program is administered by an outside third party, and uses a combination of self-insurance and specific and aggregate stop-loss coverage to minimize risk exposure. It is accounted for in an internal service fund. Fund revenues are primarily contributions from other funds, retirees, and employees for amounts needed to pay insurance premiums, anticipated self-insured losses, administrative expenses, and clinic expenses.

Changes in claims liability amounts for the years ended September 30, 2018 and 2017, were as follows:

	<u>2018</u>	<u>2017</u>
Unpaid Claims, Beginning of Year	\$ 307,563	\$ 297,063
Incurred Claims	5,032,855	4,319,525
Claim Payments	<u>(5,032,186)</u>	<u>(4,309,025)</u>
Unpaid Claims, End of Year	<u>\$ 308,232</u>	<u>\$ 307,563</u>

Note 13 - Leases

Revenue of the 800 MHz Fund includes lease payments received for space leased on the County's primary tower site. The lease began December 16, 1997, between the Board and Cingular (Tenant). There have been several amendments since then, extending the lease term and changing the monthly lease payment. The sixth amendment, effective July 1, 2016, amended the lease term to include a new initial term of sixty months, plus up to five additional sixty-month terms, built-in rate increases at the beginning of each renewal term. AT&T Mobility Corporation, who owns New Cingular Wireless, has a reduced monthly lease payment from \$5,407 to \$4,210. The Board has informally assigned the rights to the lease revenue to the Sheriff to operate the system. The amount of the lease revenue for the year ended September 30, 2018, was \$50,520. The future lease revenues are as follows:

**HERNANDO COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018
(Concluded)**

Note 13 - Leases (Concluded)

Year	Amount
2019	\$ 50,520
2020	50,520
2021	52,415
2022	58,098
2023	58,098
2024-2028	310,098
2029-2033	356,613
2034-2038	410,105
2039-2043	471,620
2044-2048	542,364
Total	\$ 2,360,451

Note 14 - Claims and Contingencies

Litigation

The Sheriff is involved as defendant or plaintiff in certain litigation and claims arising from the ordinary course of operations. Any judgments against the Sheriff in excess of insurance limits would be settled by the Board. In the opinion of the Sheriff and legal counsel, the range of potential recoveries or liabilities will not materially affect the financial position of the Sheriff.

Federal and State Grants

Grant funds received by the Sheriff are subject to audit by grantor agencies. Audits of these grants may result in disallowed costs, which may constitute a liability of the Sheriff. In the opinion of management disallowed costs, if any, would be insignificant to the financial position and operations of the Sheriff.

SUPPLEMENTAL INFORMATION

**Combining and Individual Fund
Financial Statements and Schedules**

**HERNANDO COUNTY, FLORIDA
SHERIFF
SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2018**

Special revenue funds are used to account for the proceeds of special revenue sources that are legally restricted to specified purposes. The Hernando County, Florida, Sheriff has the following nonmajor special revenue funds:

- **800MHz Fund**—This fund derives its resources from lease payments for space leased on the Hernando County's (the County) primary tower site, fees assessed to each radio user department for maintenance contract costs, and a \$12.50 fee included in each fine paid for a traffic citation. The 800MHz system is maintained to ensure continuous and optimum radio communications for all public safety and the County radio users.
- **Law Enforcement Education Fund**—This fund derives its resources from court cost assessments pursuant to Sections 938.15 and 318.18 of the Florida Statutes. The assessments are collected by the Clerk of the Circuit Court and remitted to the Sheriff monthly. Use of the funds received is restricted to criminal justice education and training in programs approved.
- **Child Saver Program Fund**—This fund derives its resources from funds received for the rental of infant and toddler car seats. The nonrefundable service fees charged are to be used for the maintenance and repair of returned car seats and to assist in the purchase of additional seats to expand the program as the population of the County grows and there is additional demand for car seats.
- **Grants and Contributions Fund**—This fund derives its resources from grants and donations. Each grant and donation is separately accounted for within the fund, to assure proper accounting in accordance with the grant agreements.
- **City of Brooksville Contract Fund**—This fund derives its resources from the City of Brooksville based on an interlocal agreement agreed upon by the Sheriff and the Mayor to provide enhanced law enforcement services within the city limits.

HERNANDO COUNTY, FLORIDA
SHERIFF
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018

	Special Revenue Funds				City of Brooksville Contract Fund	Total Nonmajor Governmental Funds
	800MHz	Law Enforcement Education	Child Saver Program	Grants and Contributions		
Assets						
Cash and Cash Equivalents	\$ 155,255	\$ 544,241	\$ 6,556	\$ 133,472	\$ 239,849	\$ 1,079,373
Due from Other Governments	13,520	4,400	0	40,373	178	58,471
Total Assets	<u>168,775</u>	<u>548,641</u>	<u>6,556</u>	<u>173,845</u>	<u>240,027</u>	<u>1,137,844</u>
Liabilities						
Accounts Payable	7,344	0	0	101	9,294	16,739
Accrued Wages and Benefits Payable	0	0	0	7,292	29,124	36,416
Deposits	0	0	100	0	0	100
Total Liabilities	<u>7,344</u>	<u>0</u>	<u>100</u>	<u>7,393</u>	<u>38,418</u>	<u>53,255</u>
Fund Balances						
Restricted for:						
Law Enforcement Activities	0	0	0	166,452	0	166,452
Communications	161,431	0	0	0	0	161,431
Education and Training	0	548,641	0	0	0	548,641
Other	0	0	6,456	0	201,609	208,065
Total Fund Balances	<u>161,431</u>	<u>548,641</u>	<u>6,456</u>	<u>166,452</u>	<u>201,609</u>	<u>1,084,589</u>
Total Liabilities and Fund Balances	<u>\$ 168,775</u>	<u>\$ 548,641</u>	<u>\$ 6,556</u>	<u>\$ 173,845</u>	<u>\$ 240,027</u>	<u>\$ 1,137,844</u>

**HERNANDO COUNTY, FLORIDA
SHERIFF
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Special Revenue Funds					Total Nonmajor Governmental Funds
	800MHz	Law Enforcement Education	Child Saver Program	Grants and Contributions	City of Brooksville Contract Fund	
Revenues						
Intergovernmental	\$ 0	\$ 0	\$ 0	\$ 224,179	\$ 0	\$ 224,179
Charges for Services	166,783	0	592	0	244,889	412,264
Fines and Forfeitures	124,362	60,286	0	0	0	184,648
Interest Revenue	213	140	0	183	10	546
Miscellaneous	50,520	0	0	128,600	24,234	203,354
Total Revenues	<u>341,878</u>	<u>60,426</u>	<u>592</u>	<u>352,962</u>	<u>269,133</u>	<u>1,024,991</u>
Expenditures						
Public Safety:						
Personnel Services	0	0	0	207,187	220,057	427,244
Operating Expenditures	408,263	34,318	0	114,822	40,581	597,984
Capital Outlay	0	0	0	18,936	61,914	80,850
(Total Expenditures)	<u>(408,263)</u>	<u>(34,318)</u>	<u>0</u>	<u>(340,945)</u>	<u>(322,552)</u>	<u>(1,106,078)</u>
(Deficiency) Excess of Revenues (Under) Over Expenditures	<u>(66,385)</u>	<u>26,108</u>	<u>592</u>	<u>12,017</u>	<u>(53,419)</u>	<u>(81,087)</u>
Other Financing Sources (Uses)						
Transfers in:						
Transfer from Other Fund	0	0	0	0	201,609	201,609
Sale of Capital Assets	0	0	0	0	53,419	53,419
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>255,028</u>	<u>255,028</u>
Net Change in Fund Balance	<u>(66,385)</u>	<u>26,108</u>	<u>592</u>	<u>12,017</u>	<u>201,609</u>	<u>173,941</u>
Fund Balances, Beginning of Year	<u>227,816</u>	<u>522,533</u>	<u>5,864</u>	<u>154,435</u>	<u>0</u>	<u>910,648</u>
Fund Balances, End of Year	<u>\$ 161,431</u>	<u>\$ 548,641</u>	<u>\$ 6,456</u>	<u>\$ 166,452</u>	<u>\$ 201,609</u>	<u>\$ 1,084,589</u>

**HERNANDO COUNTY, FLORIDA
SHERIFF
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 800 MHz FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$ 173,000	\$ 173,000	\$ 166,783	\$ (6,217)
Fines and Forfeitures	138,000	138,000	124,362	(13,638)
Interest Revenue	0	0	213	213
Miscellaneous	50,520	50,520	50,520	0
Total Revenues	<u>361,520</u>	<u>361,520</u>	<u>341,878</u>	<u>(19,642)</u>
Expenditures				
Public Safety:				
Operating Expenditures	382,890	409,765	408,263	1,502
(Total Expenditures)	<u>382,890</u>	<u>409,765</u>	<u>408,263</u>	<u>1,502</u>
(Deficiency) of Revenues (Under)				
Expenditures	(21,370)	(48,245)	(66,385)	(18,140)
Other Financing (Uses) Sources				
Reserve for Contingencies	(220,371)	(193,496)	0	193,496
Net Change in Fund Balance	<u>(241,741)</u>	<u>(241,741)</u>	<u>(66,385)</u>	<u>175,356</u>
Fund Balance, Beginning of Year	<u>241,741</u>	<u>241,741</u>	<u>227,816</u>	<u>(13,925)</u>
Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 161,431</u>	<u>\$ 161,431</u>

**HERNANDO COUNTY, FLORIDA
SHERIFF
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - LAW ENFORCEMENT EDUCATION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$ 71,000	\$ 71,000	\$ 60,286	\$ (10,714)
Interest Revenue	250	250	140	(110)
Total Revenues	<u>71,250</u>	<u>71,250</u>	<u>60,426</u>	<u>(10,824)</u>
Expenditures				
Public Safety:				
Operating Expenditures	108,248	108,248	34,318	73,930
(Total Expenditures)	<u>(108,248)</u>	<u>(108,248)</u>	<u>(34,318)</u>	<u>73,930</u>
(Deficiency) Excess of Revenues (Under) Over Expenditures	(36,998)	(36,998)	26,108	63,106
Other Financing (Uses) Sources				
Reserve for Contingencies	(485,535)	(485,535)	0	485,535
Net Change in Fund Balance	(522,533)	(522,533)	26,108	548,641
Fund Balance, Beginning of Year	522,533	522,533	522,533	0
Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 548,641</u>	<u>\$ 548,641</u>

**HERNANDO COUNTY, FLORIDA
SHERIFF
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GRANTS AND CONTRIBUTIONS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 177,587	\$ 284,573	\$ 224,179	\$ (60,394)
Interest Revenue	50	50	183	133
Miscellaneous	51,000	126,000	128,600	2,600
Total Revenues	<u>228,637</u>	<u>410,623</u>	<u>352,962</u>	<u>(57,661)</u>
Expenditures				
Public Safety:				
Personnel Services	161,915	225,982	207,187	18,795
Operating Expenditures	50,261	135,577	114,822	20,755
Capital Outlay	40,599	73,202	18,936	54,266
(Total Expenditures)	<u>(252,775)</u>	<u>(434,761)</u>	<u>(340,945)</u>	<u>93,816</u>
(Deficiency) Excess of Revenues (Under) Over Expenditures	(24,138)	(24,138)	12,017	36,155
Other Financing (Uses) Sources				
Reserve for Contingencies	<u>(131,177)</u>	<u>(131,177)</u>	0	131,177
Net Change in Fund Balance	(155,315)	(155,315)	12,017	167,332
Fund Balance, Beginning of Year	<u>155,315</u>	<u>155,315</u>	<u>154,435</u>	<u>(880)</u>
Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 166,452</u>	<u>\$ 166,452</u>

**HERNANDO COUNTY, FLORIDA
SHERIFF
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CITY OF BROOKSVILLE CONTRACT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$ 0	\$ 244,889	\$ 244,889	\$ 0
Interest Revenue	0	0	10	10
Miscellaneous	0	24,234	24,234	0
Total Revenues	<u>0</u>	<u>269,123</u>	<u>269,133</u>	<u>10</u>
Expenditures				
Public Safety:				
Personnel Services	0	217,980	220,057	(2,077)
Operating Expenditures	0	42,646	40,581	2,065
Capital Outlay	0	61,916	61,914	2
(Total Expenditures)	<u>0</u>	<u>(322,542)</u>	<u>(322,552)</u>	<u>(10)</u>
(Deficiency) of Revenues (Under) Expenditures	0	(53,419)	(53,419)	0
Other Financing (Uses) Sources				
Transfers in:				
Transfer from Other Fund	0	0	201,609	201,609
Sale of Capital Assets	0	53,419	53,419	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>53,419</u>	<u>255,028</u>	<u>201,609</u>
Net Change in Fund Balance	0	0	201,609	201,609
Fund Balance, Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 201,609</u>	<u>\$ 201,609</u>

**HERNANDO COUNTY, FLORIDA
SHERIFF
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2018**

Internal service funds are used when a fund primarily provides benefits for other funds, departments, or agencies of the primary government. The Hernando County, Florida, Sheriff (the Sheriff) has internal service funds that account for:

- **Health**—This is used to account for the Sheriff’s self-insurance program for employee health benefits.
- **Dental**—This is used to account for the Sheriff’s self-insurance program for employee dental benefits.
- **Clinic**—This is used to account for the Sheriff’s self-insurance program for the operation of the health clinic.

**HERNANDO COUNTY, FLORIDA
SHERIFF
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2018**

	<u>Health</u>	<u>Dental</u>	<u>Clinic</u>	<u>Total Internal Service</u>
Assets				
Cash and Cash Equivalents	\$ 4,523,656	\$ 200,074	\$ 39,427	\$ 4,763,157
Accounts Receivable	73,204	0	0	73,204
Total Assets	<u>4,596,860</u>	<u>200,074</u>	<u>39,427</u>	<u>4,836,361</u>
Liabilities				
Accounts Payable	691,697	18,910	39,427	750,034
Liability for Unpaid Claims	291,457	16,775	0	308,232
Unearned Revenue	373,815	21,304	0	395,119
Total Liabilities	<u>1,356,969</u>	<u>56,989</u>	<u>39,427</u>	<u>1,453,385</u>
Net Position				
Unrestricted	3,239,891	143,085	0	3,382,976
Total Net Position	<u>\$ 3,239,891</u>	<u>\$ 143,085</u>	<u>\$ 0</u>	<u>\$ 3,382,976</u>

**HERNANDO COUNTY, FLORIDA
SHERIFF
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Health</u>	<u>Dental</u>	<u>Clinic</u>	<u>Total Internal Service</u>
Operating Revenues				
Interfund Charges	\$ 3,568,613	\$ 170,577	\$ 630,509	\$ 4,369,699
Premiums - Employees	746,872	76,559	0	823,431
Premiums - Retirees	454,800	35,775	0	490,575
Miscellaneous	158,591	0	0	158,591
Total Operating Revenues	<u>4,928,876</u>	<u>282,911</u>	<u>630,509</u>	<u>5,842,296</u>
Operating Expenses				
Claims	4,791,414	193,869	0	4,985,283
Professional Services	547,240	39,114	510,673	1,097,027
Repairs and Maintenance	0	0	15,144	15,144
Materials and Supplies	0	0	83,184	83,184
Other Expenses	0	0	41,048	41,048
Insurance	365,768	0	0	365,768
(Total Operating Expenses)	<u>(5,704,422)</u>	<u>(232,983)</u>	<u>(650,049)</u>	<u>(6,587,454)</u>
Operating (Loss)	(775,546)	49,928	(19,540)	(745,158)
Nonoperating Revenues				
Interest	36,720	0	0	36,720
Change in Net Position	(738,826)	49,928	(19,540)	(708,438)
Net Position, Beginning of Year	<u>3,978,717</u>	<u>93,157</u>	<u>19,540</u>	<u>4,091,414</u>
Net Position, End of Year	<u>\$ 3,239,891</u>	<u>\$ 143,085</u>	<u>\$ 0</u>	<u>\$ 3,382,976</u>

**HERNANDO COUNTY, FLORIDA
SHERIFF
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Health	Dental	Clinic	Total Internal Service
Cash Flows from Operating Activities				
Cash Received from Interfund Charges	\$ 3,586,835	\$ 171,214	\$ 630,509	\$ 4,388,558
Cash Received from Employees	746,872	76,559	0	823,431
Cash Received from Retirees	454,800	35,775	0	490,575
Other Cash Receipts	158,591	0	0	158,591
Payments to Suppliers	(913,008)	(39,114)	(610,622)	(1,562,744)
Claims Paid	(4,432,248)	(192,662)	0	(4,624,910)
Net Cash Provided by Operating Activities	<u>(398,158)</u>	<u>51,772</u>	<u>19,887</u>	<u>(326,499)</u>
Cash Flows From Investing Activities				
Interest Received	36,720	0	0	36,720
Net Increase (Decrease) in Cash	<u>(361,438)</u>	<u>51,772</u>	<u>19,887</u>	<u>(289,779)</u>
Cash and Cash Equivalents, Beginning of Year	<u>4,885,094</u>	<u>148,302</u>	<u>19,540</u>	<u>5,052,936</u>
Cash and Cash Equivalents, End of Year	<u>\$ 4,523,656</u>	<u>\$ 200,074</u>	<u>\$ 39,427</u>	<u>\$ 4,763,157</u>
<u>Reconciliation of Operating Income (Loss)</u>				
<u>to Net Cash and Cash Equivalents</u>				
<u>Provided by Operating Activities</u>				
Operating Income (Loss)	\$ (775,546)	\$ 49,928	\$ (19,540)	\$ (745,158)
Adjustment to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Changes in Assets and Liabilities:				
Decrease in Accounts Receivable	(5,408)	0	0	(5,408)
(Decrease) in Accounts Payable	356,471	8,641	39,427	404,539
(Decrease) Increase in Liability for Unpaid Claims	8,103	(7,434)	0	669
(Decrease) in Unearned Revenue	18,222	637	0	18,859
Total Adjustments	<u>377,388</u>	<u>1,844</u>	<u>39,427</u>	<u>418,659</u>
Net Cash and Cash Provided by Operating Activities	<u>\$ (398,158)</u>	<u>\$ 51,772</u>	<u>\$ 19,887</u>	<u>\$ (326,499)</u>

**HERNANDO COUNTY, FLORIDA
SHERIFF
AGENCY FUNDS
SEPTEMBER 30, 2018**

Agency funds are used to account for assets held by the Hernando County, Florida, Sheriff (the Sheriff) in a Trustee capacity or as an agent for individuals, private organizations, and other governments. The Sheriff has the following agency funds:

- **Civil Trust Fund**—This fund is used to account for fees received by the Sheriff for serving documents (civil process) pursuant to Florida Statute 30.231(5). The funds received are returned to the Board of County Commissioners on a monthly basis. This fund is also used for cost deposits provided by plaintiffs or their attorneys in advance, to pay for the Sheriff's statutory fees and costs in executing Sheriff's Levies and Writs of Attachment.

- **Inmate Trust Fund**—This fund accounts for inmate personal accounts and the proceeds from certain inmate programs.

HERNANDO COUNTY, FLORIDA
SHERIFF
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS
SEPTEMBER 30, 2018

	Civil Trust Fund	Inmate Trust Fund	Total Agency Funds
Assets			
Cash and Cash Equivalents	\$ 12,571	\$ 110,587	\$ 123,158
Total Assets	<u>12,571</u>	<u>110,587</u>	<u>123,158</u>
Liabilities			
Accounts Payable	0	53,372	53,372
Due to Other Funds	0	32,495	32,495
Due to Other Governments (HCBOCC)	8,020	0	8,020
Deposits	4,551	24,720	29,271
Total Liabilities	<u>\$ 12,571</u>	<u>\$ 110,587</u>	<u>\$ 123,158</u>

OTHER REPORTS

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Al Nienhuis
Sheriff
Hernando County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Hernando County, Florida, Sheriff (the Sheriff) as of and for the year ended September 30, 2018, and the related notes to the financial statements, and have issued our report thereon dated February 27, 2019.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Certified Public Accountants

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Honorable Al Nienhuis
Sheriff
Hernando County, Florida

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Concluded)**

Compliance and Other Matters

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

Purpose of this Report

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

Parvis, Gray and Company, LLP

February 27, 2019
Sarasota, Florida

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE
WITH SECTION 218.415, FLORIDA STATUTES**

Honorable Al Nienhuis
Sheriff
Hernando County, Florida

We have examined Hernando County, Florida, Sheriff's (the Sheriff) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2018, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Sheriff's compliance with those requirements. Our responsibility is to express an opinion on the Sheriff's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Sheriff complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Sheriff complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Sheriff's compliance with specified requirements.

In our opinion, the Sheriff complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2018.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Sheriff, its management, and the Board of County Commissioners of Hernando County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis, Gray and Company, LLP

February 27, 2019
Sarasota, Florida

Certified Public Accountants

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MANAGEMENT LETTER

Honorable Al Nienhuis
Sheriff
Hernando County, Florida

Report on the Financial Statements

We have audited the financial statements of each major fund and the aggregate remaining fund information of the Hernando County, Florida, Sheriff (the Sheriff) as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated February 27, 2019.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes. Disclosures in those reports, which are dated February 27, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. In that regard, the Sheriff was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Sheriff.

Financial Management

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

Certified Public Accountants

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Honorable Al Nienhuis
Sheriff
Hernando County, Florida

MANAGEMENT LETTER
(Concluded)

Additional Matters

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

Purpose of the Letter

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

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

Purvis, Gray and Company, LLP

February 27, 2019
Sarasota, Florida