

**CONSOLIDATED FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

**FLORIDA SHERIFFS YOUTH RANCHES, INC.  
BOYS RANCH, FLORIDA**

**SEPTEMBER 30, 2009**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

**FLORIDA SHERIFFS YOUTH RANCHES, INC.  
BOYS RANCH, FLORIDA**

**SEPTEMBER 30, 2009**

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INDEPENDENT AUDITORS' REPORT

Board of Directors  
Florida Sheriffs Youth Ranches, Inc.  
Boys Ranch, Florida

We have audited the accompanying consolidated statement of financial position of the Florida Sheriffs Youth Ranches, Inc. and the Sheriffs Ranches Enterprises, Inc. as of and for the year ended September 30, 2009, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Florida Sheriffs Youth Ranches, Inc.'s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. The prior year summarized comparative information has been derived from the Florida Sheriffs Youth Ranches, Inc.'s September 30, 2008 consolidated financial statements, and, in our report dated December 16, 2008, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Florida Sheriffs Youth Ranches, Inc. and the Sheriffs Ranches Enterprises, Inc. as of September 30, 2008, and the consolidated changes in net assets, functional expenses, and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the consolidated financial statements of the Florida Sheriffs Youth Ranches, Inc. and the Sheriffs Ranches Enterprises, Inc. taken as a whole. The accompanying information on pages 20 through 22 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets, and cash flows of the individual organizations. The accompanying information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

*Purvis, Gray and Company, LLP*

February 17, 2010  
Gainesville, Florida

**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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2009,**  
**WITH COMPARATIVE TOTALS FOR 2008**  
**FLORIDA SHERIFFS YOUTH RANCHES, INC. - BOYS RANCH, FLORIDA**

	<u>2009</u>	<u>2008</u>
<b>Assets</b>		
Cash and Cash Equivalents	\$ 2,506,350	\$ 4,065,889
Accounts Receivable	313,357	348,825
Thrift Store Inventories	200,488	207,125
Investments	34,976,937	36,240,661
Mortgages and Notes Receivable	22,502	32,324
Real Estate	2,225,136	2,053,836
Contributions Receivable - Net	6,099,317	6,602,614
Cash Surrender Value of Life Insurance	721,765	716,630
Land, Buildings and Equipment - Net	9,073,931	9,061,448
Funds Held in Trust by Others	5,845,316	6,587,703
Other Assets	247,054	155,051
<b>Total Assets</b>	<u>62,232,153</u>	<u>66,072,106</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts Payable	390,576	600,591
Payroll and Related Accrued Expenses	1,610,719	1,595,992
Annuity Obligations	6,147,117	7,427,773
Discount for Future Interest - Pooled Income Fund	228,200	233,435
Deferred Compensation Payable	398,331	411,544
<b>Total Liabilities</b>	<u>8,774,943</u>	<u>10,269,335</u>
<b>Net Assets</b>		
Unrestricted	18,910,019	20,918,327
Temporarily Restricted	10,901,384	11,801,753
Permanently Restricted	23,645,807	23,082,691
<b>Total Net Assets</b>	<u>53,457,210</u>	<u>55,802,771</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 62,232,153</u>	<u>\$ 66,072,106</u>

See accompanying notes.

**CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2009,  
WITH COMPARATIVE TOTALS FOR 2008  
FLORIDA SHERIFFS YOUTH RANCHES, INC. - BOYS RANCH, FLORIDA**

	2009			Total	2008
	Unrestricted	Temporarily Restricted	Permanently Restricted		
<b>Revenues, Gains and Other Support</b>					
Contributions:					
General Gifts	\$ 4,653,144	\$ 147,748	\$ 76,907	\$ 4,877,799	\$ 5,486,478
Wills	0	991,098	0	991,098	817,736
Trusts	277,247	2,815,004	0	3,092,251	5,585,912
Gift Annuity	0	1,672,886	0	1,672,886	1,103,004
Change in Value of Split-interest Agreements	0	(1,087,043)	(580,307)	(1,667,350)	(3,006,209)
Medicaid and Third Party Reimbursements	1,948,722	0	0	1,948,722	2,257,957
Government Contracts and Grants	342,807	0	0	342,807	169,245
Investment Income	507,219	617,984	23,070	1,148,273	1,817,575
Investment Gains/(Losses)	132,170	530,992	172,024	835,186	(6,134,827)
Revenue from Sheriffs Ranches Enterprises, Inc.	2,721,041	0	0	2,721,041	2,879,880
Other Revenues	139,692	0	0	139,692	150,771
Net Assets Released from Restrictions:					
Satisfaction of Program Restrictions	20,007	0	(20,007)	0	0
Satisfaction of Property and Equipment Acquisition Restrictions	564,273	(564,273)	0	0	0
Expiration of Time Restrictions	5,133,336	(6,024,765)	891,429	0	0
<b>Total Revenues, Gains and Other   Support</b>	<b>16,439,658</b>	<b>(900,369)</b>	<b>563,116</b>	<b>16,102,405</b>	<b>11,127,522</b>
<b>Expenses and Losses</b>					
Program Services:					
Home and Supportive	9,917,795	0	0	9,917,795	10,232,698
Medical and Clinical	2,104,882	0	0	2,104,882	2,402,618
<b>Total Program Services</b>	<b>12,022,677</b>	<b>0</b>	<b>0</b>	<b>12,022,677</b>	<b>12,635,316</b>
Supporting Services:					
Public Relations and Fund-raising	1,952,461	0	0	1,952,461	2,304,165
Management and General	2,173,584	0	0	2,173,584	2,402,650
Sheriffs Ranches Enterprises, Inc.	2,299,244	0	0	2,299,244	2,460,433
<b>Total Supporting Services</b>	<b>6,425,289</b>	<b>0</b>	<b>0</b>	<b>6,425,289</b>	<b>7,167,248</b>
<b>(Total Expenses and Losses)</b>	<b>(18,447,966)</b>	<b>0</b>	<b>0</b>	<b>(18,447,966)</b>	<b>(19,802,564)</b>
<b>Change in Net Assets</b>	<b>(2,008,308)</b>	<b>(900,369)</b>	<b>563,116</b>	<b>(2,345,561)</b>	<b>(8,675,042)</b>
<b>Net Assets, Beginning of Year</b>	<b>20,918,327</b>	<b>11,801,753</b>	<b>23,082,691</b>	<b>55,802,771</b>	<b>64,477,813</b>
<b>Net Assets, End of Year</b>	<b>\$ 18,910,019</b>	<b>\$ 10,901,384</b>	<b>\$ 23,645,807</b>	<b>\$ 53,457,210</b>	<b>\$ 55,802,771</b>

See accompanying notes.

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
PROGRAM AND SUPPORTING SERVICES  
FOR THE YEAR ENDED SEPTEMBER 30, 2009,  
WITH COMPARATIVE TOTALS FOR 2008  
FLORIDA SHERIFFS YOUTH RANCHES, INC. - BOYS RANCH, FLORIDA**

	2009			2008
	Program Services	Supporting Services	Total	
<b>Functional Expenses</b>				
Salaries and Payroll-related Expenses:				
Salaries	\$ 5,690,122	\$ 2,731,581	\$ 8,421,703	\$ 8,703,430
Payroll-related Expenses	1,553,965	799,017	2,352,982	3,093,833
<b>Total Salaries and Payroll-related Expenses</b>	<b>7,244,087</b>	<b>3,530,598</b>	<b>10,774,685</b>	<b>11,797,263</b>
Agency Membership	53,995	26,970	80,965	60,708
Utilities	599,910	154,578	754,488	675,291
Food	695,754	0	695,754	685,603
Buildings Repair and Maintenance	128,700	15,193	143,893	152,172
Heating and Air Conditioning	30,607	6,409	37,016	40,346
Sewer, Water Repair and Maintenance	59,435	4,759	64,194	75,894
Grounds Repair and Maintenance	132,457	6,314	138,771	121,579
Furniture, Equipment Repair and Maintenance	17,961	2,242	20,203	32,492
Office Equipment Rental and Maintenance	82,975	115,738	198,713	180,959
Printing and Office Expense	61,317	732,053	793,370	817,283
Clothing and Personal Care	61,200	0	61,200	83,019
Insurance	455,043	144,826	599,869	722,596
Communications	206,772	82,010	288,782	276,320
Postage and Freight	13,994	320,062	334,056	447,390
Farm Expense	132,225	0	132,225	163,368
Supplies	58,752	41,142	99,894	125,601
Expense on Investment Property	0	36,791	36,791	37,594
Professional Services	1,929	220,641	222,570	220,284
Work Program	164,276	0	164,276	168,063
Inventory Resale Expenses	1,411	83,381	84,792	88,535
Fixed Asset Disposals	33,544	6,988	40,532	11,218
Bad Debt Expense	84,422	0	84,422	73,219
Rent Expense and Real Estate Tax	27,382	408,363	435,745	423,111
Travel	150,749	31,746	182,495	202,915
Personnel Services	21,827	8,811	30,638	32,180
President's Discretionary Fund	1,080	656	1,736	11,425
Medical and Dental Services	88,650	0	88,650	66,331
Recreation	56,503	0	56,503	64,872
Vehicle Expense	232,964	95,532	328,496	484,826
Alumni Scholarships and Expenses	165,309	0	165,309	126,019
Youth Gifts and Awards	40,448	0	40,448	45,476
Community Affairs	47,646	52,501	100,147	119,862
Education Supplies	26,639	0	26,639	31,370
Staff Recruitment and Training	60,697	12,115	72,812	90,966
<b>Total Functional Expenses Before Depreciation</b>	<b>11,240,660</b>	<b>6,140,419</b>	<b>17,381,079</b>	<b>18,756,150</b>
<b>Depreciation</b>	<b>782,017</b>	<b>284,870</b>	<b>1,066,887</b>	<b>1,046,414</b>
<b>Total Functional Expenses - Program and Supporting Services</b>	<b>\$ 12,022,677</b>	<b>\$ 6,425,289</b>	<b>\$ 18,447,966</b>	<b>\$ 19,802,564</b>

See accompanying notes.

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**PROGRAM SERVICES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**  
**FLORIDA SHERIFFS YOUTH RANCHES, INC. - BOYS RANCH, FLORIDA**

	Home and Supportive Services	Clinical and Medical Services	Total Program Services
<b>Functional Expenses</b>			
Salaries and Payroll-related Expenses:			
Salaries	\$ 4,471,306	\$ 1,218,816	\$ 5,690,122
Payroll-related Expenses	1,241,025	312,940	1,553,965
Total Salaries and Payroll-related Expenses	<u>5,712,331</u>	<u>1,531,756</u>	<u>7,244,087</u>
Agency Membership	44,542	9,453	53,995
Utilities	599,730	180	599,910
Food	695,754	0	695,754
Buildings Repair and Maintenance	106,168	22,532	128,700
Heating and Air Conditioning	25,248	5,359	30,607
Sewer, Water Repair and Maintenance	49,029	10,406	59,435
Grounds Repair and Maintenance	109,267	23,190	132,457
Furniture, Equipment Repair and Maintenance	15,982	1,979	17,961
Office Equipment Rental and Maintenance	68,448	14,527	82,975
Printing and Office Expense	54,689	6,628	61,317
Clothing and Personal Care	61,200	0	61,200
Insurance	375,376	79,667	455,043
Communications	170,636	36,136	206,772
Postage and Freight	11,544	2,450	13,994
Farm Expense	131,417	808	132,225
Supplies	58,036	716	58,752
Professional Services	1,591	338	1,929
Work Program	164,276	0	164,276
Inventory Resale Expense	1,164	247	1,411
Fixed Asset Disposals	27,671	5,873	33,544
Bad Debt Expense	69,642	14,780	84,422
Rent Expense and Real Estate Tax	22,588	4,794	27,382
Travel	144,131	6,618	150,749
Personnel Services	17,878	3,949	21,827
Presidents Discretionary Fund	891	189	1,080
Medical and Dental Services	0	88,650	88,650
Recreation	56,503	0	56,503
Vehicle Expense	184,457	48,507	232,964
Alumni Scholarships and Expenses	136,202	29,107	165,309
Youth Gifts and Awards	40,448	0	40,448
Community Affairs	39,304	8,342	47,646
Education Supplies	26,358	281	26,639
Staff Recruitment and Training	49,875	10,822	60,697
Total Functional Expenses Before Depreciation	<u>9,272,376</u>	<u>1,968,284</u>	<u>11,240,660</u>
Depreciation	645,419	136,598	782,017
Total Functional Expenses - Program Services	<u>\$ 9,917,795</u>	<u>\$ 2,104,882</u>	<u>\$ 12,022,677</u>

See accompanying notes.

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
SUPPORTING SERVICES  
FOR THE YEAR ENDED SEPTEMBER 30, 2009  
FLORIDA SHERIFFS YOUTH RANCHES, INC. - BOYS RANCH, FLORIDA**

	Sheriffs Ranches Enterprises, Inc.	Public Relations and Fund-Raising	Management and General	Total Supporting Services
<b>Functional Expenses</b>				
Salaries and Payroll-related Expenses:				
Salaries	\$ 983,129	\$ 563,413	\$ 1,185,039	\$ 2,731,581
Payroll-related Expenses	357,065	142,299	299,653	799,017
Total Salaries and Payroll-related Expenses	1,340,194	705,712	1,484,692	3,530,598
Agency Membership	1,755	24,910	305	26,970
Utilities	117,331	0	37,247	154,578
Buildings Repair and Maintenance	13,038	0	2,155	15,193
Heating and Air Conditioning	6,301	0	108	6,409
Sewer, Water Repair and Maintenance	4,759	0	0	4,759
Grounds Repair and Maintenance	2,147	0	4,167	6,314
Furniture, Equipment Repair and Maintenance	2,179	0	63	2,242
Office Equipment Rental and Maintenance	4,582	62,163	48,993	115,738
Printing and Office Expense	9,313	707,769	14,971	732,053
Insurance	67,928	0	76,898	144,826
Communications	19,751	4,173	58,086	82,010
Postage and Freight	2,380	315,768	1,914	320,062
Supplies	13,817	26,647	678	41,142
Expense on Investment Property	0	0	36,791	36,791
Professional Services	23,372	13,756	183,513	220,641
Inventory Resale Expense	78,605	4,776	0	83,381
Fixed Asset Disposals	1,864	46	5,078	6,988
Rent Expense and Real Estate Tax	406,720	0	1,643	408,363
Travel	7,528	16,291	7,927	31,746
Personnel Services	3,317	392	5,102	8,811
President's Discretionary Fund	0	0	656	656
Vehicle Expense	65,501	19,415	10,616	95,532
Community Affairs	38,193	12,766	1,542	52,501
Staff Recruitment and Training	4,583	2,508	5,024	12,115
<b>Total Functional Expenses Before Depreciation</b>	<b>2,235,158</b>	<b>1,917,092</b>	<b>1,988,169</b>	<b>6,140,419</b>
Depreciation	64,086	35,369	185,415	284,870
<b>Total Functional Expenses - Supporting Services</b>	<b>\$ 2,299,244</b>	<b>\$ 1,952,461</b>	<b>\$ 2,173,584</b>	<b>\$ 6,425,289</b>

See accompanying notes.

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009,**  
**WITH COMPARATIVE TOTALS FOR 2008**  
**FLORIDA SHERIFFS YOUTH RANCHES, INC. - BOYS RANCH, FLORIDA**

	<u>2009</u>	<u>2008</u>
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	\$ (2,345,561)	\$ (8,675,042)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation and Amortization	1,066,887	1,046,414
Bad Debt Expense	84,422	73,219
Losses (Gains) on Investments, Fixed Assets, Real Estate and Other Assets	(702,334)	6,343,371
(Noncash Gifts of Fixed Assets, Real Estate and Investments)	(421,864)	(118,034)
Amortization of Discount on Split-interest Agreement	361,393	2,528,328
Contributions Restricted for Long-term Purposes	(145,709)	(548,452)
Gift Annuity Revenue	(204,848)	(625,124)
Decrease (Increase) in Operating Assets:		
Contributions Receivable	321,622	689,377
Accounts and Interest Receivable	(52,080)	30,274
Thrift Store Inventories	6,637	(15,732)
Cash Surrender Value of Life Insurance	(5,135)	(9,723)
Deposits	(93,103)	(23,052)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable and Accrued Expenses	(195,290)	512,282
Deferred Compensation Payable	(13,212)	(13,213)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>(2,338,175)</u>	<u>1,194,893</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from Sales and Maturities of Investments	16,547,466	18,801,385
Purchases of Investments	(14,287,187)	(18,911,470)
Proceeds from Sales of Real Estate and Other Assets	(39,000)	58,863
Purchases of Equipment and Other Assets	(1,080,900)	(1,154,348)
Principal Payments Received on Mortgages	10,922	4,210
<b>Net Cash Provided by (Used in) Investing Activities</b>	<u>1,151,301</u>	<u>(1,201,360)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from Contributions Restricted for:		
Investment in Permanent Endowment	76,907	445,990
Investment in Property and Equipment	68,802	102,462
Contributions for Annuity Obligations	392,229	1,230,868
Payments on Annuity Contracts	(910,603)	(999,807)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<u>(372,665)</u>	<u>779,513</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(1,559,539)	773,046
<b>Cash and Cash Equivalents, Beginning of Year</b>	4,065,889	3,292,843
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 2,506,350</u>	<u>\$ 4,065,889</u>

See accompanying notes.

**NOTES TO CONSOLIDATED  
FINANCIAL STATEMENTS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FLORIDA SHERIFFS YOUTH RANCHES, INC. - BOYS RANCH, FLORIDA**

**Note 1 - Organization**

The Florida Sheriffs Youth Ranches, Inc. is a nonprofit corporation in the State of Florida. The purpose of the Florida Sheriffs Youth Ranches, Inc. is to prevent juvenile delinquency by providing a broad range of family-centered services to children and youth who may be abandoned, homeless, destitute, neglected, dependent or in need of supervision regardless of race, creed, color or sex; to care for said children and youth by providing as needed and feasible, residential group care, camping, natural homes, adoption, foster care, education, and related services; and to provide counseling for the families of said children and youth.

Sheriffs Ranches Enterprises, Inc. began operations on July 1, 2006. This organization is recognized as a nonprofit supporting organization of the Florida Sheriffs Youth Ranches, Inc. under Section 509(a)(3) of the Internal Revenue Code. Its primary purpose is to operate the productive enterprises of the Florida Sheriffs Youth Ranches, Inc. The two organizations are considered to be financially interrelated, as defined in the financial accounting standards and, accordingly, are included in the accompanying consolidated financial statements.

The primary sources of revenues used for operations and long-term investments include contributions, Medicaid, government contributions and grants, sales of donative goods, and investment income.

**Note 2 - Summary of Significant Accounting Policies**

**Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions, as provided in Statement of Financial Accounting Standards (SFAS), Statement Nos. 116 and 117 of the Financial Accounting Standards Board. Accordingly, net assets of the Florida Sheriffs Youth Ranches, Inc. and changes therein are classified and reported as follows:

- **Unrestricted Net Assets**  
Net assets that are not subject to donor-imposed stipulations.
- **Temporarily Restricted Assets**  
Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Florida Sheriffs Youth Ranches, Inc. and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted or permanently restricted net assets and reported in the statement of activities as net assets released from restrictions.
- **Permanently Restricted Net Assets**  
Net assets subject to donor-imposed stipulations that they be maintained permanently by the Florida Sheriffs Youth Ranches, Inc. Generally, the donors of these assets permit the Florida Sheriffs Youth Ranches, Inc. to use all or part of the income earned on any related investments for general or specific purposes.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FLORIDA SHERIFFS YOUTH RANCHES, INC. - BOYS RANCH, FLORIDA**  
*(Continued)*

**Note 2 - Summary of Significant Accounting Policies *(Continued)***

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Contributions Receivable**

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

**Life Income and Annuity Gifts**

Assets received under charitable gift annuity agreements are recognized at their fair value at the date of donation, and annuity payment liabilities are recognized at the present value of the future cash flows expected to be paid to the annuitants. Unrestricted, temporarily, or permanently restricted contribution revenue is recognized as the difference between these two amounts depending on certain factors. Similarly, assets received under pooled income agreements are recognized at fair value at the date of donation, and temporarily restricted contribution revenue is recognized at the fair value of the assets to be received, discounted for the estimated time period until the donor's death. The difference between these amounts is recorded as deferred revenue, representing the amount of discount for future interest.

**Contributed Property and Equipment**

Contributed property and equipment is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support.

**Thrift Store Inventories**

Thrift store inventories consist of donated and purchased items held for resale in the thrift stores of the Sheriffs Ranches Enterprises, Inc. Items are valued based on average monthly sales which approximate their fair value at the date of donation on the first-in, first-out (FIFO) method.

**Fund-raising Expenses**

Fund-raising expenses reflected in the accompanying financial statements include expenses attributed to an aggressive donor acquisition program which cultivates and solicits planned gifts whose full value will not be realized until sometime in the foreseeable future.

**Cash and Cash Equivalents**

Cash and cash equivalents consist of amounts on deposit in operating checking and money market accounts.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FLORIDA SHERIFFS YOUTH RANCHES, INC. - BOYS RANCH, FLORIDA**  
*(Continued)*

**Note 2 - Summary of Significant Accounting Policies (Continued)**

**Accounts Receivable**

Accounts receivable consist of Medicaid, family support, and other miscellaneous receivables due to the Florida Sheriffs Youth Ranches, Inc. An allowance for doubtful accounts has been recorded for the estimate of uncollectibles as of the end of the fiscal year.

**Investments**

Contributed marketable securities are recorded at their fair value at the date of donation and purchased marketable securities are recorded at fair market value at the date of purchase. All marketable securities are carried at fair value with increases and decreases being charged or credited to the statement of activities.

**Property, Plant and Equipment**

Property, plant, and equipment (land, buildings, equipment, etc.) are stated at cost, except that noncash contributions of real estate, equipment, etc., utilized in the program services are recorded at estimated fair value at the date of donation.

Depreciation is computed using the straight-line method over the following estimated useful lives:

	<u>Useful Lives</u>
Buildings and Improvements	10-30 Years
Furniture and Equipment	5-10 Years
Vehicles	3-5 Years

Purchases and receipt of assets in excess of \$500 and having estimated useful lives beyond one year are capitalized. In addition, the costs of major repair and maintenance projects which extend the useful life of an existing fixed asset are similarly capitalized.

**Income Taxes**

The Florida Sheriffs Youth Ranches, Inc. and the Sheriff Ranches Enterprises, Inc. are generally exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

As permitted under Accounting Standards Codification Section 740, *Income Taxes*, management has elected to defer the application of the uncertain tax position provisions of ASC 740. It is the policy of management to evaluate its tax positions on an ongoing basis and to disclose any such positions it believes would have a material impact on the financial statements and related notes. Management also believes that no such disclosures currently exist.

**Comparative Financial Information**

The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Florida Sheriffs Youth Ranches, Inc.'s financial statements for the year ended September 30, 2008, from which the summarized information was derived.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FLORIDA SHERIFFS YOUTH RANCHES, INC. - BOYS RANCH, FLORIDA**  
*(Continued)*

**Note 2 - Summary of Significant Accounting Policies (Concluded)**

**Subsequent Events**

The Florida Sheriffs Youth Ranches, Inc. has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through February 17, 2010, the date the financial statements were available to be issued.

**Note 3 - Concentrations of Credit Risk**

**Temporary Cash Investments and Promises to Give Receivable**

Financial instruments that potentially subject the Florida Sheriffs Youth Ranches, Inc. to concentrations of credit risk consist principally of temporary cash investments and promises to give receivable. The Florida Sheriffs Youth Ranches, Inc. places its temporary cash investments with financial institutions and limits the amount of credit exposure to any one financial institution. Concentrations of credit risk with respect to promises receivable are limited due to the large number of contributors comprising the Florida Sheriffs Youth Ranches, Inc.'s contributor base and their dispersion across different geographic areas. As of September 30, 2009, the Florida Sheriffs Youth Ranches, Inc. had no significant concentrations of credit risk.

**Cash Deposits in Excess of Insured Limits**

The Florida Sheriffs Youth Ranches, Inc. maintains cash balances at several financial institutions located in the state of Florida. Interest bearing accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Noninterest bearing accounts are fully insured by the FDIC. At September 30, 2009, all significant Florida Sheriffs Youth Ranches, Inc. cash deposits were held in noninterest bearing accounts.

**Note 4 - Investments**

Investments consist of the following at September 30, 2009:

	<u>Cost</u>	<u>Unrealized Appreciation (Depreciation)</u>	<u>Fair Value</u>
Money Markets	\$ 805,678	\$ 0	\$ 805,678
Mutual Funds	8,794,069	(1,530,474)	7,263,595
Certificates of Deposit	19,000	230	19,230
Government Bonds and Notes	9,622,308	330,273	9,952,581
Corporate Bonds and Notes	5,153,314	212,154	5,365,468
Corporate Stocks	<u>11,793,464</u>	<u>(223,079)</u>	<u>11,570,385</u>
<b>Total</b>	<b><u>\$ 36,187,833</u></b>	<b><u>\$ (1,210,896)</u></b>	<b><u>\$ 34,976,937</u></b>

The balances of investments by net asset classification at September 30, 2009, are as follows:

<b>Unrestricted</b>	<b>\$ 6,111,333</b>
<b>Temporary Restricted</b>	
Restricted for Miscellaneous Purposes	2,083,660
Gift Annuity Fund	7,677,060
Pooled Income Fund	357,774
<b>Permanently Restricted</b>	
Long-term Endowments	<u>18,747,110</u>
<b>Total Investments</b>	<b><u>\$ 34,976,937</u></b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FLORIDA SHERIFFS YOUTH RANCHES, INC. - BOYS RANCH, FLORIDA**  
*(Continued)*

**Note 4 - Investments (Concluded)**

The components of investment income and the net gain (loss) on investments consisted of the following for the year ended September 30, 2009:

Interest and Dividends	\$ 1,304,761
Investment Fees	(156,488)
<b>Net Investment Income</b>	<u>\$ 1,148,273</u>
Realized Gains (Losses)	\$(1,134,007)
Unrealized Gains (Losses)	1,969,193
<b>Net Investment Gains (Losses)</b>	<u>\$ 835,186</u>

**Note 5 - Contributions Receivable**

Contributions receivable are included in the consolidated financial statements at their net present value, and consist of beneficial interests in trust and estates. Contributions receivable are comprised of the following as of September 30, 2009:

Unconditional Promises to Give	
Estate Distributions Receivable in One Year or Less	\$ 442,750
<b>Split-interest Agreements</b>	
Beneficial Interest in Charitable Remainder Trusts	<u>6,610,783</u>
<b>Contributions Receivable, Gross</b>	7,053,533
(Unamortized Discount)	<u>(954,216)</u>
<b>Contributions Receivable - Net</b>	<u>\$ 6,099,317</u>

**Note 6 - Land, Buildings and Equipment**

Land, buildings and equipment costs are as follows at September 30, 2009:

Buildings and Improvements	\$ 21,061,096
Furniture and Equipment	2,964,584
Vehicles	2,426,596
Livestock	257,100
Leasehold Improvements	<u>40,055</u>
	26,749,431
(Accumulated Depreciation)	<u>(19,806,056)</u>
	6,943,375
Land	<u>2,130,556</u>
<b>Net</b>	<u>\$ 9,073,931</u>

The Youth Villa land is under lease from Polk County, Florida. The lease is at an annual rental of \$1 expiring July 2063.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FLORIDA SHERIFFS YOUTH RANCHES, INC. - BOYS RANCH, FLORIDA**  
*(Continued)*

**Note 6 - Land, Buildings and Equipment (Concluded)**

The Youth Ranch - Bradenton/Sarasota land is under license from Manatee County, Florida. The license costs \$1 annually expiring December 31, 2087.

Depreciation expense for the year ended September 30, 2009, was \$1,066,887.

**Note 7 - Funds Held in Trust by Others**

The Florida Sheriffs Youth Ranches, Inc. is the beneficiary of various trusts created by donors, the assets of which are not in the possession of the Florida Sheriffs Youth Ranches, Inc. The Florida Sheriffs Youth Ranches, Inc. has legally enforceable rights or claims to such assets, including the perpetual right to income there from. Net realized and unrealized gains in trusts held by others are reported as permanently restricted because appreciation in such funds is not available for use by the Florida Sheriffs Youth Ranches, Inc. unless appropriated by the respective trustees. Fair values of these funds at September 30, 2009, totaled \$5,845,316.

**Note 8 - Net Assets**

Net assets consist of the following as of September 30, 2009:

<b>Unrestricted Net Assets</b>	
Expended for Land, Building and Equipment	\$ 9,073,931
Unexpended, Unrestricted Net Asset	<u>9,836,088</u>
<b>Total Unrestricted Net Assets</b>	<u>18,910,019</u>
<b>Temporarily Restricted Net Assets</b>	
Unexpended Operating Funds Restricted by Donative Agreement	3,117,623
Amounts Restricted by the Passage of Time:	
Contributions Receivable	6,064,432
Gift Annuity Agreements	1,671,821
Pooled Income Agreements	<u>47,508</u>
<b>Total Temporarily Restricted Net Assets</b>	<u>10,901,384</u>
<b>Permanently Restricted Net Assets</b>	
Endowments	17,800,491
Funds Held by Other Trustees	<u>5,845,316</u>
<b>Total Permanently Restricted Net Assets</b>	<u>23,645,807</u>
<b>Total Net Assets</b>	<u>\$ 53,457,210</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FLORIDA SHERIFFS YOUTH RANCHES, INC. - BOYS RANCH, FLORIDA**  
*(Continued)*

**Note 9 - Fair Value Measurement**

Fair values of assets measured on a recurring basis at September 30, 2009 are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money Markets	\$ 805,678	\$ 0	\$ 805,678	\$ 0
Mutual Funds	7,263,595	7,263,595	0	0
Certificates of Deposit	19,230	0	0	19,230
Government Bonds and Notes	9,952,581	9,952,581	0	0
Corporate Bonds and Notes	5,365,468	5,365,468	0	0
Corporate Stocks	11,570,385	10,964,848	0	605,537
Contributions Receivable - Net	6,099,317	0	0	6,099,317
Funds Held in Trust by Others	5,845,316	5,845,316	0	0
<b>Total</b>	<b>\$ 46,921,570</b>	<b>\$ 39,391,808</b>	<b>\$ 805,678</b>	<b>\$ 6,724,084</b>

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	Certificates of Deposit	Corporate Stocks	Contributions Receivable - Net	Total
October 1, 2008	\$ 818,525	\$ 455,694	\$ 6,602,614	\$ 7,876,833
Total Gains (Losses)	230	0	(181,675)	(181,445)
Purchases, Issuance and Settlements	19,000	150,000	0	169,000
Transfers in and/or (out) of Level 3	(818,525)	(157)	(321,622)	(1,140,304)
September 30, 2009	<u>\$ 19,230</u>	<u>\$ 605,537</u>	<u>\$ 6,099,317</u>	<u>\$ 6,724,084</u>

Fair values of liabilities measured on a recurring basis at September 30, 2009 are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Annuity Obligations	\$ 6,147,117	\$ 0	\$ 0	\$ 6,147,117
Discount for Further Interest - Pooled Income Fund	228,200	0	0	228,200
Deferred Compensation Payable	398,331	0	0	398,331
<b>Total</b>	<b>\$ 6,773,648</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 6,773,648</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FLORIDA SHERIFFS YOUTH RANCHES, INC. - BOYS RANCH, FLORIDA**  
*(Continued)*

**Note 9 - Fair Value Measurement (Concluded)**

Liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	Annuity Obligations	Discount for Future Interest - Pooled Income Fund	Deferred Compensation Payable	Total
October 1, 2008	\$ 7,427,773	\$ 233,435	\$ 411,544	\$ 8,072,752
Total Gains (Losses)	(557,434)	0	33,007	(524,427)
Purchases, Issuance, and Settlements	187,382	0	0	187,382
Transfers in and/or out of Level 3	(910,604)	(5,235)	(46,220)	(962,059)
September 30, 2009	<u>\$ 6,147,117</u>	<u>\$ 228,200</u>	<u>\$ 398,331</u>	<u>\$ 6,773,648</u>

**Note 10 - Endowments**

The Florida Sheriffs Youth Ranches, Inc.'s permanently restricted net assets (Endowment Fund) consist of more than 100 individual projects (i.e. accounts) as established by donors for a variety of purposes. Although the State of Florida has not yet adopted the State Prudent Management of Institutional Funds Act (SPMIFA), the principal of all gifts made to the Endowment Fund will remain intact for perpetuity and only the earnings from these projects may be spent unless otherwise designated by the donor.

A named Endowment project may be established for a gift (or pledge) of \$10,000 or more. Gifts of less than \$10,000 will be added to the General Endowment project with income to be used for general operating purposes. In the case of a named Endowment project, a formal Endowment Agreement shall be executed which clearly defines the donor's intent and restrictions on the use of income.

The Florida Sheriffs Youth Ranches, Inc. Board of Directors has fiduciary responsibility to comply with the restrictions imposed by donors and to expend the income only as directed. The Board also has the responsibility to ensure appropriate oversight provided in the management of the Endowment Fund and for establishing the investment policy for the Endowment Fund. The investment policy requires assets be invested in a prudent manner that will produce a stable, consistent, and growing source of revenue for the operations of the Florida Sheriffs Youth Ranches, Inc. The policy also requires assets to be invested to provide a rate of return that exceeds inflation over the long-term. The Board of Directors employs the services of an independent advisory firm to assist the Board with its fiduciary responsibilities.

Investment income and gains/losses are posted to individual projects on a quarterly basis, and are allocated to individual projects based on the ratio of project assets to total Endowment Fund assets. Income is used for either unrestricted or restricted purposes as directed by individual Endowment Agreements. Realized gains and losses are posted to corpus balances with income offsetting any loss that would invade corpus. Unrealized gains and losses are not posted to individual projects until they become realized.

Assets totaled \$23,082,691 in the Endowment Fund on October 1, 2008, and totaled \$23,645,807 on September 30, 2009, resulting in a net change of \$563,116 for fiscal year 2009.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FLORIDA SHERIFFS YOUTH RANCHES, INC. - BOYS RANCH, FLORIDA**  
*(Continued)*

**Note 11 - Employee Benefit Plans**

Prior to July 1, 2005, the Florida Sheriffs Youth Ranches, Inc. sponsored a defined contribution money purchase plan. As of July 1, 2005, the plan was restated to a SunTrust Bank prototype, nonstandardized 401(k) plan. The plan covers all employees who are employed on January 1 following date of employment.

During the year, the employer amended the plan to include an employer matching contribution. Prior to the change, the employer contributed a nonelective discretionary amount of 10% of an eligible employee's salary. Under the terms of the amended plan, the Employer will match employee elected contributions up to 3% of annual compensation and a 50 cents-on-the-dollar match on elective contributions between 3% and 5%. In addition, the employer non-elective discretionary contribution made on behalf of eligible employees changed from a fixed 10% of each participant's annual compensation to a discretionary rate which will be determined by the Board each year based on the financial condition of the Employer. For 2009, the approved funding percentage for the employer non-elective discretionary contribution was 6% of compensation for eligible employees.

In 2009, contributions expense totaled \$683,960. In addition to the pension plan, employee plans are also maintained for group life insurance, long-term disability and a Section 125 Cafeteria Plan.

In 2010, the plan will be amended to be a safe-harbor plan. Matching contributions made under a safe harbor plan are vested immediately rather than being subject to the three years of credible service requirement necessary for the plan's employer nonelective contribution.

**Note 12 - Support Activities of the Florida Sheriffs Association**

Florida Sheriffs Association, a nonprofit corporation related to the Florida Sheriffs Youth Ranches, Inc. through control of the membership appointments and overlapping directors, provides support services in the area of fund-raising. These services are in addition to direct support expenses included in the accompanying financial statements and are enumerated below:

- Direct mail solicitation of public contributions to the Florida Sheriffs Youth Ranches, Inc.'s programs through use of purchased mailing lists. The primary purpose of such direct mailings to persons that are not members of the Florida Sheriffs Association is to secure new members. For new and renewing members, any amounts received that are not designated to go to the Florida Sheriffs Association (i.e., membership, tags, or scholarships) will be forwarded to the Florida Sheriffs Youth Ranches, Inc. for their support.
- Participation in an organized awards program of lifetime honorary memberships in the Florida Sheriffs Association, and publication of names in *The Sheriffs Star*. This publication is mailed to all Florida Sheriffs Association members and is published six times each year.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FLORIDA SHERIFFS YOUTH RANCHES, INC. - BOYS RANCH, FLORIDA**  
*(Continued)*

**Note 12 - Support Activities of the Florida Sheriffs Association (Concluded)**

- Publishing of articles, news items, and solicitation of support in *The Sheriffs Star*.
- Providing assistance to Florida Sheriffs in the planning and staging of fund-raising activities carried out for the direct benefit of the Florida Sheriffs Youth Ranches, Inc. A portion of funds from such activities are remitted directly to the Florida Sheriffs Youth Ranches, Inc. and are not processed by the Florida Sheriffs Association.

Since the dollar value of these support activities cannot be reasonably estimated and the activities are not directed by the Florida Sheriffs Youth Ranches, Inc., neither the Florida Sheriffs Association nor the Florida Sheriffs Youth Ranches, Inc. record the monetary value of such support.

Computerized donor files, maintained by the Florida Sheriffs Youth Ranches, Inc., provide a database of donor profiles and cumulative giving records for individuals that are currently honorary lifetime members of the Florida Sheriffs Association.

**Note 13 - Deferred Compensation Agreement**

The Florida Sheriffs Youth Ranches, Inc. has a deferred compensation agreement with its former President who retired in December 1994. This agreement provided for deferred compensation to be paid, in addition to normal pension benefits, to the retired President and/or his spouse. Payments are to continue until the death of the last survivor. The present value of the remaining payments due under the deferred compensation agreement is recorded as a liability of the Florida Sheriffs Youth Ranches, Inc. at September 30, 2009.

The Board has made a commitment to provide the current President with a deferred compensation agreement to provide future benefits to he and his spouse.

**Note 14 - Line of Credit**

The Florida Sheriffs Youth Ranches, Inc. has an unsecured \$1,000,000 line of credit, interest variable at the current prime rate, to be drawn upon as needed. No amounts had been drawn as of September 30, 2009.

**Note 15 - Commitments**

**Lease Commitments**

The Sheriffs Ranches Enterprises, Inc. has entered into various noncancellable operating lease agreements for the rental of thrift store facilities. Minimum rentals, on noncancellable operating lease agreements with lease terms greater than one year, are as follows:

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FLORIDA SHERIFFS YOUTH RANCHES, INC. - BOYS RANCH, FLORIDA**  
*(Continued)*

**Note 15 - Commitments (Concluded)**

**Lease Commitments (Concluded)**

Year Ending September 30,	Amount
2010	\$ 314,270
2011	323,937
2012	137,735
Total	\$ 775,942

Total rent expense for the year ended September 30, 2009, was \$404,776.

**Note 16 - Expense Allocation**

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Note 17 - Split-interest Agreements**

The Florida Sheriffs Youth Ranches, Inc. accounts for various split-interest agreements including:

■ **Charitable Remainder Trusts**

An arrangement in which a donor establishes and funds a trust with specified distributions to be made to a designated beneficiary or beneficiaries over the trust's term. Upon termination of the trust, the Florida Sheriffs Youth Ranches, Inc. will receive the assets remaining in the trust.

■ **Perpetual Trusts Held by a Third Party**

An arrangement in which a donor establishes and funds a perpetual trust administered by an organization other than the Florida Sheriffs Youth Ranches, Inc. Under the trust terms, the Florida Sheriffs Youth Ranches, Inc. has the irrevocable right to receive the income earned on the trust assets in perpetuity, but never receives the assets held in trust.

■ **Charitable Gift Annuities**

An arrangement between a donor and the Florida Sheriffs Youth Ranches, Inc. in which the donor contributes assets to the Florida Sheriffs Youth Ranches, Inc. in exchange for a promise by the Florida Sheriffs Youth Ranches, Inc. to pay a fixed amount for a specified period of time to the donor. Upon the donor's death, the remaining assets revert to the Florida Sheriffs Youth Ranches, Inc.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FLORIDA SHERIFFS YOUTH RANCHES, INC. - BOYS RANCH, FLORIDA**  
*(Concluded)*

**Note 17 - Split-interest Agreement (Concluded)**

■ **Pooled (Life) Income Funds**

An arrangement between a donor and the Florida Sheriffs Youth Ranches, Inc. in which the donor contributes assets to the Florida Sheriffs Youth Ranches, Inc. The Florida Sheriffs Youth Ranches, Inc. subsequently divides the assets into units, pools all the units, and invests them as a group. The Florida Sheriffs Youth Ranches, Inc. distributes to the donor, the income derived from these units of investments until the donor's death when the units revert to the Florida Sheriffs Youth Ranches, Inc.

The Florida Sheriffs Youth Ranches, Inc. follows specialized accounting practices in recording these agreements and follows the policies listed below:

- All assets received are recorded at fair value.
- The present value of the agreements is calculated using a 6% discount rate following the applicable mortality tables.
- The required Florida statutory reserve is maintained for the gift annuities.

**Note 18 - Federal and State Single Audit Requirements**

During the fiscal year, the Florida Sheriffs Youth Ranches, Inc. had less than \$500,000 in expenditures qualifying under the Circular A-133 federal Single Audit or state financial assistance; therefore, no federal or state Single Audit was required.

**ACCOMPANYING INFORMATION**

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2009**  
**FLORIDA SHERIFFS YOUTH RANCHES, INC. AND**  
**SHERIFFS RANCHES ENTERPRISES, INC.**  
**BOYS RANCH, FLORIDA**

	Florida Sheriffs Youth Ranches, Inc.	Sheriffs Ranches Enterprises, Inc.	Eliminations	Consolidated
<b>Assets</b>				
Cash and Cash Equivalents	\$ 2,331,512	\$ 174,838	\$ 0	\$ 2,506,350
Accounts Receivable	313,357	0	0	313,357
Thrift Store Inventories	0	200,488	0	200,488
Investments	34,976,937	0	0	34,976,937
Investment in Sheriffs Ranches Enterprises, Inc.	710,350	0	(710,350)	0
Mortgages and Notes Receivable	22,502	0	0	22,502
Real Estate	2,225,136	0	0	2,225,136
Contributions Receivable - Net	6,099,317	0	0	6,099,317
Cash Surrender Value of Life Insurance	721,765	0	0	721,765
Land, Buildings and Equipment - Net	8,875,578	198,353	0	9,073,931
Funds Held in Trust by Others	5,845,316	0	0	5,845,316
Other Assets	181,601	65,453	0	247,054
<b>Total Assets</b>	<b>62,303,371</b>	<b>639,132</b>	<b>(710,350)</b>	<b>62,232,153</b>
<b>Liabilities and Net Assets</b>				
<b>Liabilities</b>				
Accounts Payable	310,524	80,052	0	390,576
Payroll and Related Accrued Expenses	1,480,428	130,291	0	1,610,719
Annuity Obligations	6,147,117	0	0	6,147,117
Discount for Future Interest - Pooled Income Fund	228,200	0	0	228,200
Deferred Compensation Payable	398,331	0	0	398,331
<b>Total Liabilities</b>	<b>8,564,600</b>	<b>210,343</b>	<b>0</b>	<b>8,774,943</b>
<b>Net Assets</b>				
Unrestricted	19,191,580	428,789	(710,350)	18,910,019
Temporarily Restricted	10,901,384	0	0	10,901,384
Permanently Restricted	23,645,807	0	0	23,645,807
<b>Total Net Assets</b>	<b>53,738,771</b>	<b>428,789</b>	<b>(710,350)</b>	<b>53,457,210</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 62,303,371</b>	<b>\$ 639,132</b>	<b>\$ (710,350)</b>	<b>\$ 62,232,153</b>

**CONSOLIDATING STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2009  
FLORIDA SHERIFFS YOUTH RANCHES, INC. AND  
SHERIFFS RANCHES ENTERPRISES, INC.  
BOYS RANCH, FLORIDA**

	Florida Sheriffs Youth Ranches, Inc.	Sheriffs Ranches Enterprises, Inc.	Eliminations	Consolidated
<b>Revenues, Gains and Other Support</b>				
Contributions:				
General Gifts	\$ 4,877,799	\$ 0	\$ 0	\$ 4,877,799
Wills	991,098	0	0	991,098
Trusts	3,092,251	0	0	3,092,251
Gift Annuity	1,672,886	0	0	1,672,886
Change in Value of Split-interest Agreements	(1,667,350)	0	0	(1,667,350)
Medicaid and Third Party Reimbursements	1,948,722	0	0	1,948,722
Government Contracts and Grants	342,807	0	0	342,807
Investment Income	1,148,273	0	0	1,148,273
Investment Gains	835,186	0	0	835,186
Revenue from Sheriffs Ranches Enterprises, Inc.	0	2,721,041	0	2,721,041
Other Revenues	134,104	5,588	0	139,692
Transfers from Sheriffs Ranches Enterprises, Inc.	450,000	0	(450,000)	0
<b>Total Revenues, Gains and Other Support</b>	<b>13,825,776</b>	<b>2,726,629</b>	<b>(450,000)</b>	<b>16,102,405</b>
<b>Expenses and Losses</b>				
Program Services:				
Home and Supportive	9,917,795	0	0	9,917,795
Medical and Clinical	2,104,882	0	0	2,104,882
<b>Total Program Services</b>	<b>12,022,677</b>	<b>0</b>	<b>0</b>	<b>12,022,677</b>
Supporting Services:				
Public Relations and Fund-raising	1,952,461	0	0	1,952,461
Management and General	2,173,584	0	0	2,173,584
Sheriffs Ranches Enterprises, Inc.	0	2,299,244	0	2,299,244
<b>Total Supporting Services</b>	<b>4,126,045</b>	<b>2,299,244</b>	<b>0</b>	<b>6,425,289</b>
<b>(Total Expenses and Losses)</b>	<b>(16,148,722)</b>	<b>(2,299,244)</b>	<b>0</b>	<b>(18,447,966)</b>
<b>Change in Net Assets - Before In-kind   Contributions</b>	<b>(2,322,946)</b>	<b>427,385</b>	<b>(450,000)</b>	<b>(2,345,561)</b>
<b>In-kind Contributions to Florida Sheriffs   Youth Ranches, Inc.</b>	<b>9,662</b>	<b>(9,662)</b>	<b>0</b>	<b>0</b>
<b>Change in Net Assets</b>	<b>(2,313,284)</b>	<b>417,723</b>	<b>(450,000)</b>	<b>(2,345,561)</b>
<b>Transfers from Sheriffs Ranches   Enterprises, Inc.</b>	<b>0</b>	<b>(450,000)</b>	<b>450,000</b>	<b>0</b>
<b>Net Assets, Beginning of Year</b>	<b>56,052,055</b>	<b>461,066</b>	<b>(710,350)</b>	<b>55,802,771</b>
<b>Net Assets, End of Year</b>	<b>\$ 53,738,771</b>	<b>\$ 428,789</b>	<b>\$ (710,350)</b>	<b>\$ 53,457,210</b>

**CONSOLIDATING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009  
FLORIDA SHERIFFS YOUTH RANCHES, INC. AND  
SHERIFFS RANCHES ENTERPRISES, INC.  
BOYS RANCH, FLORIDA**

	Florida Sheriffs Youth Ranches, Inc.	Sheriffs Ranches Enterprises, Inc.	Eliminations	Consolidated
<b>Cash Flows from Operating Activities</b>				
Change in Net Assets	\$ (2,313,284)	\$ 417,723	\$ (450,000)	\$ (2,345,561)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:				
Depreciation and Amortization	1,002,801	64,086	0	1,066,887
Bad Debt Expense	84,422	0	0	84,422
Losses (Gains) on Investments, Fixed Assets, Real Estate and Other Assets	(704,199)	1,865	0	(702,334)
(Noncash Gifts of Fixed Assets, Real Estate and Investments)	(421,864)	0	0	(421,864)
Amortization of Discount on Split-interest Agreement	361,393	0	0	361,393
Contributions Restricted for Long-term Purposes	(145,709)	0	0	(145,709)
Gift Annuity Revenue	(204,848)	0	0	(204,848)
Decrease (Increase) in Operating Assets:				
Contributions Receivable	321,622	0	0	321,622
Accounts and Interest Receivable	(52,080)	0	0	(52,080)
Thrift Store Inventories	0	6,637	0	6,637
Cash Surrender Value of Life Insurance	(5,135)	0	0	(5,135)
Deposits	(96,765)	3,662	0	(93,103)
Increase (Decrease) in Operating Liabilities:				
Accounts Payable and Accrued Expenses	(166,469)	(28,821)	0	(195,290)
Deferred Compensation Payable	(13,212)	0	0	(13,212)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(2,353,327)</b>	<b>465,152</b>	<b>(450,000)</b>	<b>(2,338,175)</b>
<b>Cash Flows from Investing Activities</b>				
Proceeds from Sales and Maturities of Investments	16,547,466	0	0	16,547,466
Purchases of Investments	(14,287,187)	0	0	(14,287,187)
Proceeds from Sales of Real Estate and Other Assets	(39,000)	0	0	(39,000)
Purchases of Equipment and Other Assets	(1,054,089)	(26,811)	0	(1,080,900)
Principal Payments Received on Mortgages	10,922	0	0	10,922
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>1,178,112</b>	<b>(26,811)</b>	<b>0</b>	<b>1,151,301</b>
<b>Cash Flows from Financing Activities</b>				
Proceeds from Contributions Restricted for:				
Investment in Permanent Endowment	76,907	0	0	76,907
Investment in Property and Equipment	68,802	0	0	68,802
Contributions for Annuity Obligations	392,229	0	0	392,229
Payments on Annuity Contracts	(910,603)	0	0	(910,603)
Equity Transfer	0	(450,000)	450,000	0
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>(372,665)</b>	<b>(450,000)</b>	<b>450,000</b>	<b>(372,665)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(1,547,880)</b>	<b>(11,659)</b>	<b>0</b>	<b>(1,559,539)</b>
Cash and Cash Equivalents, Beginning of Year	3,879,392	186,497	0	4,065,889
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 2,331,512</b>	<b>\$ 174,838</b>	<b>\$ 0</b>	<b>\$ 2,506,350</b>

