

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

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

SEPTEMBER 30, 2010

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

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

SEPTEMBER 30, 2010

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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, 2010, 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, 2009 consolidated financial statements and, in our report dated February 17, 2010, 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, 2010, 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 conducted 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. as a whole. The accompanying information on pages 20 through 22 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such 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. The 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 information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



December 21, 2010
Gainesville, Florida

Certified Public Accountants

P.O. Box 23999 • 222 N.E. 1st Street • Gainesville, Florida 32602 • (352) 378-2461 • FAX (352) 378-2505
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872 • FAX (352) 732-0542
443 East College Avenue • Tallahassee, Florida 32301 • (850) 224-7144 • FAX (850) 224-1762
5001 Lakewood Ranch Blvd. N., Suite 101 • Sarasota, Florida 34240 • (941) 907-0350 • FAX (941) 907-0309

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, 2010,
WITH COMPARATIVE TOTALS FOR 2009
FLORIDA SHERIFFS YOUTH RANCHES, INC. - BOYS RANCH, FLORIDA

	<u>2010</u>	<u>2009</u>
Assets		
Cash and Cash Equivalents	\$ 1,803,722	\$ 2,506,350
Accounts Receivable	260,478	313,357
Thrift Store Inventories	181,306	200,488
Investments	33,391,162	34,976,937
Mortgages and Notes Receivable	12,540	22,502
Real Estate	2,309,151	2,225,136
Contributions Receivable, Net	5,622,290	6,099,317
Cash Surrender Value of Life Insurance	728,521	721,765
Land, Buildings, and Equipment, Net	8,174,657	8,830,331
Funds Held in Trust by Others	6,048,637	5,845,316
Other Assets	327,680	490,654
Total Assets	<u>58,860,144</u>	<u>62,232,153</u>
 Liabilities and Net Assets		
 Liabilities		
Accounts Payable and Other Accrued Liabilities	235,383	390,576
Payroll and Related Accrued Expenses	1,350,356	1,610,719
Annuity Obligations	5,985,080	6,147,117
Discount for Future Interest - Pooled		
Income Fund	222,889	228,200
Deferred Compensation Payable	481,495	398,331
Total Liabilities	<u>8,275,203</u>	<u>8,774,943</u>
 Net Assets		
Unrestricted	14,717,287	18,910,019
Temporarily Restricted	10,904,766	10,901,384
Permanently Restricted	24,962,888	23,645,807
Total Net Assets	<u>50,584,941</u>	<u>53,457,210</u>
 Total Liabilities and Net Assets	<u>\$ 58,860,144</u>	<u>\$ 62,232,153</u>

See accompanying notes.

**CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2010,
WITH COMPARATIVE TOTALS FOR 2009
FLORIDA SHERIFFS YOUTH RANCHES, INC. - BOYS RANCH, FLORIDA**

	2010			Total	2009
	Unrestricted	Temporarily Restricted	Permanently Restricted		
Revenues, Gains, and Other Support					
Contributions:					
General Gifts	\$ 3,716,081	\$ 385,631	\$ 60,791	\$ 4,162,503	\$ 4,877,799
Wills	0	782,716	0	782,716	991,098
Trusts	226,098	1,700,188	0	1,926,286	3,092,251
Gift Annuity	0	782,188	0	782,188	1,672,886
Change in Value of Split-interest Agreements	0	(699,379)	203,321	(496,058)	(1,667,350)
Medicaid and Third Party Reimbursements	2,027,000	0	0	2,027,000	1,948,722
Government Contracts and Grants	500,471	0	0	500,471	342,807
Investment Income	425,334	489,622	44,533	959,489	1,148,273
Investment Gains	186,078	388,612	1,044,509	1,619,199	835,186
Revenue from Sheriffs Ranches Enterprises, Inc.	2,586,259	0	0	2,586,259	2,721,041
Other Revenues	122,165	0	0	122,165	139,692
Net Assets Released from Restrictions:					
Satisfaction of Program Restrictions	45,300	0	(45,300)	0	0
Satisfaction of Property and Equipment Acquisition Restrictions	18,034	(18,034)	0	0	0
Expiration of Time Restrictions	3,798,935	(3,808,162)	9,227	0	0
Total Revenues, Gains, and Other Support	13,651,755	3,382	1,317,081	14,972,218	16,102,405
Expenses and Losses					
Program Services:					
Home and Supportive	9,776,148	0	0	9,776,148	9,917,795
Medical and Clinical	2,012,501	0	0	2,012,501	2,104,882
Total Program Services	11,788,649	0	0	11,788,649	12,022,677
Supporting Services:					
Public Relations and Fund-raising Management and General	1,831,939	0	0	1,831,939	1,952,461
Sheriffs Ranches Enterprises, Inc.	2,054,446	0	0	2,054,446	2,173,584
Total Supporting Services	2,169,453	0	0	2,169,453	2,299,244
(Total Expenses and Losses)	(17,844,487)	0	0	(17,844,487)	(18,447,966)
Change in Net Assets	(4,192,732)	3,382	1,317,081	(2,872,269)	(2,345,561)
Net Assets, Beginning of Year	18,910,019	10,901,384	23,645,807	53,457,210	55,802,771
Net Assets, End of Year	\$ 14,717,287	\$ 10,904,766	\$ 24,962,888	\$ 50,584,941	\$ 53,457,210

See accompanying notes.

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
PROGRAM AND SUPPORTING SERVICES
FOR THE YEAR ENDED SEPTEMBER 30, 2010,
WITH COMPARATIVE TOTALS FOR 2009
FLORIDA SHERIFFS YOUTH RANCHES, INC. - BOYS RANCH, FLORIDA**

	2010			2009
	Program Services	Supporting Services	Total	
Functional Expenses				
Salaries and Payroll-related Expenses:				
Salaries	\$ 5,376,703	\$ 2,693,263	\$ 8,069,966	\$ 8,421,703
Payroll-related Expenses	1,749,635	748,537	2,498,172	2,352,982
Total Salaries and Payroll-related Expenses	7,126,338	3,441,800	10,568,138	10,774,685
Agency Membership	36,828	12,450	49,278	80,965
Utilities	596,085	163,453	759,538	754,488
Food	763,347	0	763,347	695,754
Buildings Repair and Maintenance	122,920	12,438	135,358	143,893
Heating and Air Conditioning	33,072	9,202	42,274	37,016
Sewer, Water Repair and Maintenance	77,747	2,509	80,256	64,194
Grounds Repair and Maintenance	111,205	5,775	116,980	138,771
Furniture, Equipment Repair and Maintenance	20,579	3,847	24,426	20,203
Office Equipment Rental and Maintenance	70,689	113,782	184,471	198,713
Printing and Office Expense	48,605	640,732	689,337	793,370
Clothing and Personal Care	49,164	0	49,164	61,200
Insurance	388,894	122,977	511,871	599,869
Communications	201,296	85,996	287,292	288,782
Postage and Freight	11,690	314,297	325,987	334,056
Farm Expense	106,967	0	106,967	132,225
Supplies	49,181	32,484	81,665	99,894
Expense on Investment Property	0	13,083	13,083	36,791
Professional Services	59,206	214,376	273,582	222,570
Work Program	153,435	0	153,435	164,276
Inventory Resale Expenses	1,626	71,187	72,813	84,792
Fixed Asset Disposals	2,277	5,621	7,898	40,532
Bad Debt Expense	60,751	0	60,751	84,422
Rent Expense and Real Estate Tax	27,942	417,619	445,561	435,745
Travel	110,752	42,727	153,479	182,495
Personnel Services	21,262	9,359	30,621	30,638
President's Discretionary Fund	6,160	500	6,660	1,736
Medical and Dental Services	81,704	0	81,704	88,650
Recreation	54,005	0	54,005	56,503
Vehicle Expense	251,343	105,675	357,018	328,496
Alumni Scholarships and Expenses	217,534	0	217,534	165,309
Youth Gifts and Awards	39,606	0	39,606	40,448
Community Affairs	43,271	50,639	93,910	100,147
Education Supplies	19,730	0	19,730	26,639
Staff Recruitment and Training	66,310	12,534	78,844	72,812
Total Functional Expenses Before Depreciation	11,031,521	5,905,062	16,936,583	17,381,079
Depreciation	757,128	150,776	907,904	1,066,887
Total Functional Expenses - Program and Supporting Services	\$ 11,788,649	\$ 6,055,838	\$ 17,844,487	\$ 18,447,966

See accompanying notes.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
PROGRAM SERVICES
FOR THE YEAR ENDED SEPTEMBER 30, 2010
FLORIDA SHERIFFS YOUTH RANCHES, INC. - BOYS RANCH, FLORIDA

	Home and Supportive Services	Clinical and Medical Services	Total Program Services
Functional Expenses			
Salaries and Payroll-related Expenses:			
Salaries	\$ 4,254,514	\$ 1,122,189	\$ 5,376,703
Payroll-related Expenses	1,396,377	353,258	1,749,635
Total Salaries and Payroll-related Expenses	<u>5,650,891</u>	<u>1,475,447</u>	<u>7,126,338</u>
Agency Membership	30,420	6,408	36,828
Utilities	595,846	239	596,085
Food	763,347	0	763,347
Buildings Repair and Maintenance	101,558	21,362	122,920
Heating and Air Conditioning	27,317	5,755	33,072
Sewer, Water Repair and Maintenance	64,219	13,528	77,747
Grounds Repair and Maintenance	91,855	19,350	111,205
Furniture, Equipment Repair and Maintenance	18,189	2,390	20,579
Office Equipment Rental and Maintenance	58,389	12,300	70,689
Printing and Office Expense	41,692	6,913	48,605
Clothing and Personal Care	49,164	0	49,164
Insurance	321,225	67,669	388,894
Communications	166,348	34,948	201,296
Postage and Freight	9,656	2,034	11,690
Farm Expense	106,558	409	106,967
Supplies	48,667	514	49,181
Professional Services	59,010	196	59,206
Work Program	153,435	0	153,435
Inventory Resale Expense	1,343	283	1,626
Fixed Asset Disposals	1,881	396	2,277
Bad Debt Expense	50,180	10,571	60,751
Rent Expense and Real Estate Tax	23,080	4,862	27,942
Travel	105,007	5,745	110,752
Personnel Services	18,427	2,835	21,262
Presidents Discretionary Fund	5,088	1,072	6,160
Medical and Dental Services	0	81,704	81,704
Recreation	54,005	0	54,005
Vehicle Expense	201,200	50,143	251,343
Alumni Scholarships and Expenses	179,682	37,852	217,534
Youth Gifts and Awards	39,606	0	39,606
Community Affairs	35,742	7,529	43,271
Education Supplies	19,730	0	19,730
Staff Recruitment and Training	58,007	8,303	66,310
Total Functional Expenses Before Depreciation	<u>9,150,764</u>	<u>1,880,757</u>	<u>11,031,521</u>
Depreciation	625,384	131,744	757,128
Total Functional Expenses - Program Services	<u>\$ 9,776,148</u>	<u>\$ 2,012,501</u>	<u>\$ 11,788,649</u>

See accompanying notes.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
SUPPORTING SERVICES
FOR THE YEAR ENDED SEPTEMBER 30, 2010
FLORIDA SHERIFFS YOUTH RANCHES, INC. - BOYS RANCH, FLORIDA

	Sheriffs Ranches Enterprises, Inc.	Public Relations and Fund-Raising	Management and General	Total Supporting Services
Functional Expenses				
Salaries and Payroll-related Expenses:				
Salaries	\$ 940,426	\$ 579,900	\$ 1,172,937	\$ 2,693,263
Payroll-related Expenses	296,795	141,198	310,544	748,537
Total Salaries and Payroll-related Expenses	<u>1,237,221</u>	<u>721,098</u>	<u>1,483,481</u>	<u>3,441,800</u>
Agency Membership	1,762	10,008	680	12,450
Utilities	126,398	0	37,055	163,453
Buildings Repair and Maintenance	10,019	0	2,419	12,438
Heating and Air Conditioning	7,904	0	1,298	9,202
Sewer, Water Repair and Maintenance	2,509	0	0	2,509
Grounds Repair and Maintenance	1,918	0	3,857	5,775
Furniture, Equipment Repair and Maintenance	3,847	0	0	3,847
Office Equipment Rental and Maintenance	3,934	64,160	45,688	113,782
Printing and Office Expense	9,364	605,614	25,754	640,732
Insurance	53,215	0	69,762	122,977
Communications	20,451	8,231	57,314	85,996
Postage and Freight	2,312	308,251	3,734	314,297
Supplies	17,233	14,160	1,091	32,484
Expense on Investment Property	0	0	13,083	13,083
Professional Services	17,586	14,143	182,647	214,376
Inventory Resale Expense	65,416	5,771	0	71,187
Fixed Asset Disposals	169	0	5,452	5,621
Rent Expense and Real Estate Tax	416,808	0	811	417,619
Travel	11,942	21,857	8,928	42,727
Personnel Services	2,165	696	6,498	9,359
President's Discretionary Fund	0	0	500	500
Vehicle Expense	71,873	22,706	11,096	105,675
Community Affairs	28,520	18,618	3,501	50,639
Staff Recruitment and Training	6,200	3,021	3,313	12,534
Total Functional Expenses Before Depreciation	<u>2,118,766</u>	<u>1,818,334</u>	<u>1,967,962</u>	<u>5,905,062</u>
Depreciation	50,687	13,605	86,484	150,776
Total Functional Expenses - Supporting Services	<u>\$ 2,169,453</u>	<u>\$ 1,831,939</u>	<u>\$ 2,054,446</u>	<u>\$ 6,055,838</u>

See accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2010,
WITH COMPARATIVE TOTALS FOR 2009
FLORIDA SHERIFFS YOUTH RANCHES, INC. - BOYS RANCH, FLORIDA

	<u>2010</u>	<u>2009</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ (2,872,269)	\$ (2,345,561)
Adjustments to Reconcile Change in Net Assets to Net		
Cash Provided by (Used in) Operating Activities:		
Depreciation and Amortization	907,904	1,066,887
Bad Debt Expense	60,751	84,422
Losses (Gains) on Investments, Fixed Assets, Real Estate, and Other Assets	(2,536,357)	(702,334)
(Noncash Gifts of Fixed Assets, Real Estate, and Investments)	(147,264)	(421,864)
Amortization of Discount on Split-interest Agreement	51,684	361,393
Contributions Restricted for Long-term Purposes	(66,706)	(145,709)
Gift Annuity Revenue	(337,814)	(204,848)
Decrease (Increase) in Operating Assets:		
Contributions Receivable	660,065	321,622
Accounts and Interest Receivable	(28,610)	(52,080)
Thrift Store Inventories	19,182	6,637
Cash Surrender Value of Life Insurance	(6,756)	(5,135)
Other Assets	183,471	(93,103)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable and Accrued Expenses	(415,555)	(195,290)
Deferred Compensation Payable	83,164	(13,212)
Net Cash Provided by (Used in) Operating Activities	<u>(4,445,110)</u>	<u>(2,338,175)</u>
Cash Flows from Investing Activities		
Proceeds from Sales and Maturities of Investments	17,356,034	16,547,466
Purchases of Investments	(13,162,676)	(14,287,187)
Proceeds from Sales of Real Estate and Other Assets	0	(39,000)
Purchases of Equipment	(260,127)	(1,080,900)
Principal Payments Received on Mortgages	9,262	10,922
Net Cash Provided by (Used in) Investing Activities	<u>3,942,493</u>	<u>1,151,301</u>
Cash Flows from Financing Activities		
Proceeds from Contributions Restricted for:		
Investment in Permanent Endowment	5,915	76,907
Investment in Property and Equipment	60,791	68,802
Contributions for Annuity Obligations	620,151	392,229
Payments on Annuity Contracts	(886,868)	(910,603)
Net Cash Provided by (Used in) Financing Activities	<u>(200,011)</u>	<u>(372,665)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(702,628)	(1,559,539)
Cash and Cash Equivalents, Beginning of Year	<u>2,506,350</u>	<u>4,065,889</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,803,722</u>	<u>\$ 2,506,350</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 Financial Accounting Standards Board (FASB) and Accounting Standards Codification (ASC) Subtopic 985-210, *Financial Statements of Not-for-Profit Organizations*. 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.

The Organizations file informational returns in the U.S. federal jurisdiction. The Organizations are no longer subject to U.S. federal, state, and local tax examinations by tax authorities for years before 2007.

The Organizations follow the provisions of uncertain tax positions as addressed in FASB ASC 740-10, *Income Tax Uncertainties*. The Organizations recognize interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. No such interest or penalties were recognized during the periods presented.

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, 2009, 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 December 21, 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, 2010, 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, 2010, 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, 2010:

	<u>Cost</u>	<u>Unrealized Appreciation (Depreciation)</u>	<u>Fair Value</u>
Money Markets	\$ 859,355	\$ 0	\$ 859,355
Mutual Funds	7,716,256	(664,793)	7,051,463
Government Bonds and Notes	6,431,001	319,400	6,750,401
Corporate Bonds and Notes	6,044,957	140,667	6,185,624
Corporate Stocks	<u>11,593,332</u>	<u>950,987</u>	<u>12,544,319</u>
Total	<u>\$ 32,644,901</u>	<u>\$ 746,261</u>	<u>\$ 33,391,162</u>

The balances of investments by net asset classification at September 30, 2010 are as follows:

Unrestricted	\$ 3,808,061
Temporary Restricted	
Restricted for Miscellaneous Purposes	2,281,038
Gift Annuity Fund	7,463,994
Pooled Income Fund	387,177
Permanently Restricted	
Long-term Endowments	<u>19,450,892</u>
Total Investments	<u>\$ 33,391,162</u>

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, 2010:

Interest and Dividends	\$ 1,131,377
Investment Fees	<u>(171,888)</u>
Net Investment Income	<u>\$ 959,489</u>
Realized Gains	\$ 1,154,564
Unrealized Gains	<u>464,635</u>
Net Investment Gains	<u>\$ 1,619,199</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 trusts and estates. The expected receipt of beneficial interests is based upon mortality tables. Contributions receivable are comprised of the following as of September 30, 2010:

Unconditional Promises to Give	
Estate Distributions Receivable in One Year or Less	\$ 735,800
Split-interest Agreements	
Beneficial Interest in Charitable Remainder Trusts	<u>7,787,059</u>
Contributions Receivable, Gross	8,522,859
(Unamortized Discount)	<u>(2,900,569)</u>
Contributions Receivable, Net	<u>\$ 5,622,290</u>

Note 6 - Land, Buildings, and Equipment

Land, buildings, and equipment costs are as follows at September 30, 2010:

Buildings and Improvements	\$ 21,051,690
Furniture and Equipment	3,004,979
Vehicles	2,392,075
Livestock	8,000
Leasehold Improvements	<u>40,054</u>
	26,496,798
(Accumulated Depreciation)	<u>(20,516,270)</u>
	5,980,528
Land	<u>2,194,129</u>
Net	<u>\$ 8,174,657</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, 2010, was \$907,904.

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, 2010, totaled \$6,048,637.

Note 8 - Net Assets

Net assets consist of the following as of September 30, 2010:

Unrestricted Net Assets	
Expended for Land, Building, and Equipment	\$ 8,174,657
Unexpended, Unrestricted Net Asset	<u>6,542,630</u>
Total Unrestricted Net Assets	<u>14,717,287</u>
Temporarily Restricted Net Assets	
Unexpended Operating Funds Restricted by Donative Agreement	3,321,543
Amounts Restricted by the Passage of Time:	
Contributions Receivable	5,621,430
Gift Annuity Agreements	1,864,316
Pooled Income Agreements	<u>97,477</u>
Total Temporarily Restricted Net Assets	<u>10,904,766</u>
Permanently Restricted Net Assets	
Endowments	18,914,251
Funds Held by Other Trustees	<u>6,048,637</u>
Total Permanently Restricted Net Assets	<u>24,962,888</u>
Total Net Assets	<u>\$ 50,584,941</u>

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

Note 9 - Fair Value Measurements

ASC Topic 820, *Fair Value Measurements and Disclosures*, issued by the FASB, establishes a framework of measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC Topic 820 are described below:

- **Level 1**—Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
- **Level 2**—Inputs to the valuation methodology include: (1) quoted market prices for similar assets or liabilities in active markets; (2) quoted prices for identical or similar assets or liabilities in inactive markets; (3) inputs other than quoted prices that are observable for the asset or liability; and (4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full-term of the asset or liability.
- **Level 3**—Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Fair values of assets measured on a recurring basis at September 30, 2010, 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	\$ 859,355	\$ 0	\$ 859,355	\$ 0
Mutual Funds	7,051,463	7,051,463	0	0
Government Bonds and Notes	6,750,401	6,750,401	0	0
Corporate Bonds and Notes	6,185,624	6,185,624	0	0
Corporate Stocks	12,544,319	11,961,191	0	583,128
Contributions Receivable, Net	5,622,290	0	0	5,622,290
Funds Held in Trust by Others	6,048,637	6,048,637	0	0
Total	\$ 45,062,089	\$ 37,997,316	\$ 859,355	\$ 6,205,418

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3). These inputs include the use of a 6% discount rate and the appropriate mortality tables.

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

Note 9 - Fair Value Measurement (Concluded)

	Certificates of Deposit	Corporate Stocks	Contributions Receivable - Net	Total
October 1, 2009	\$ 19,230	\$ 605,537	\$ 6,099,317	\$ 6,724,084
Total Gains	0	0	182,178	182,178
Purchases, Issuance and Settlements, Net	(19,230)	(22,409)	(659,205)	(700,844)
September 30, 2010	<u>\$ 0</u>	<u>\$ 583,128</u>	<u>\$ 5,622,290</u>	<u>\$ 6,205,418</u>

Fair values of liabilities measured on a recurring basis at September 30, 2010, 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	\$ 5,985,080	\$ 0	\$ 0	\$ 5,985,080
Discount for Further Interest - Pooled Income Fund	222,889	0	0	222,889
Deferred Compensation Payable	481,495	0	0	481,495
Total	<u>\$ 6,689,464</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,689,464</u>

Liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3). These inputs include the use of a 6% discount rate and the appropriate mortality tables.

	Annuity Obligations	Discount for Future Interest - Pooled Income Fund	Deferred Compensation Payable	Total
October 1, 2009	\$ 6,147,117	\$ 228,200	\$ 398,331	\$ 6,773,648
Total Gains (Losses)	442,494	0	32,421	474,915
Purchases, Issuance, and Settlements, Net	(604,531)	(5,311)	50,743	(559,099)
September 30, 2010	<u>\$ 5,985,080</u>	<u>\$ 222,889</u>	<u>\$ 481,495</u>	<u>\$ 6,689,464</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.

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

Note 10 - Endowments (Concluded)

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 (the Board) 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 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 \$23,645,807 in the Endowment Fund on October 1, 2009, and totaled \$24,962,888 on September 30, 2010, resulting in a net change of \$1,317,081 for fiscal year 2010.

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). The Plan covers all employees who are employed on January 1 following date of employment.

During the year, the Plan was amended to become 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. 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%. For 2010, the employer's nonelective discretionary contribution rate, which is determined by the Board annually, was 0%.

In 2010, contributions expense totaled \$240,687. In addition to the pension plan, employee plans are also maintained for group life insurance, long-term disability, and a Section 125 Cafeteria Plan.

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

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.
- 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, 2010.

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

Note 13 - Deferred Compensation Agreement (Concluded)

During the current year, the Florida Sheriffs Youth Ranches, Inc. entered into a deferred compensation agreement with its current President. This agreement provides for deferred compensation to be paid, in addition to normal pension benefits, to the President and/or his spouse. Benefits become payable upon the later of the date of his termination of employment or upon his attainment of age 62. The present value of the future payments has been computed and is being amortized based upon the President's expected retirement date.

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, 2010.

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:

<u>Year Ending</u> <u>September 30,</u>	<u>Amount</u>
2011	\$ 323,937
2012	137,735
Total	<u>\$ 461,672</u>

Total rent expense for the year ended September 30, 2010, was \$414,863.

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.

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

Note 17 - Split-interest Agreement (Concluded)

■ **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.

■ **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, 2010
FLORIDA SHERIFFS YOUTH RANCHES, INC. AND
SHERIFFS RANCHES ENTERPRISES, INC.
BOYS RANCH, FLORIDA

	Florida Sheriffs Youth Ranches, Inc.	Sheriffs Ranches Enterprises, Inc.	Eliminations	Total Consolidated
Assets				
Cash and Cash Equivalents	\$ 1,581,900	\$ 221,822	\$ 0	\$ 1,803,722
Accounts Receivable	300,478	0	(40,000)	260,478
Thrift Store Inventories	0	181,306	0	181,306
Investments	33,391,162	0	0	33,391,162
Investment in Sheriffs Ranches Enterprises, Inc.	710,350	0	(710,350)	0
Mortgages and Notes Receivable	12,540	0	0	12,540
Real Estate	2,309,151	0	0	2,309,151
Contributions Receivable, Net	5,622,290	0	0	5,622,290
Cash Surrender Value of Life Insurance	728,521	0	0	728,521
Land, Buildings and Equipment, Net	8,016,048	158,609	0	8,174,657
Funds Held in Trust by Others	6,048,637	0	0	6,048,637
Other Assets	266,272	66,190	(4,782)	327,680
Total Assets	58,987,349	627,927	(755,132)	58,860,144
Liabilities and Net Assets				
Liabilities				
Accounts Payable and Other Accrued Liabilities	204,673	75,492	(44,782)	235,383
Payroll and Related Accrued Expenses	1,230,760	119,596	0	1,350,356
Annuity Obligations	5,985,080	0	0	5,985,080
Discount for Future Interest - Pooled Income Fund	222,889	0	0	222,889
Deferred Compensation Payable	481,495	0	0	481,495
Total Liabilities	8,124,897	195,088	(44,782)	8,275,203
Net Assets				
Unrestricted	14,994,798	432,839	(710,350)	14,717,287
Temporarily Restricted	10,904,766	0	0	10,904,766
Permanently Restricted	24,962,888	0	0	24,962,888
Total Net Assets	50,862,452	432,839	(710,350)	50,584,941
Total Liabilities and Net Assets	\$ 58,987,349	\$ 627,927	\$ (755,132)	\$ 58,860,144

**CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2010
FLORIDA SHERIFFS YOUTH RANCHES, INC. AND
SHERIFFS RANCHES ENTERPRISES, INC.
BOYS RANCH, FLORIDA**

	Florida Sheriffs Youth Ranches, Inc.	Sheriffs Ranches Enterprises, Inc.	Eliminations	Total Consolidated
Revenues, Gains, and Other Support				
Contributions:				
General Gifts	\$ 4,162,503	\$ 0	\$ 0	\$ 4,162,503
Wills	782,716	0	0	782,716
Trusts	1,926,286	0	0	1,926,286
Gift Annuity	782,188	0	0	782,188
Change in Value of Split-interest Agreements	(496,058)	0	0	(496,058)
Medicaid and Third Party Reimbursements	2,027,000	0	0	2,027,000
Government Contracts and Grants	500,471	0	0	500,471
Investment Income	959,489	0	0	959,489
Investment Gains	1,619,199	0	0	1,619,199
Revenue from Sheriffs Ranches Enterprises, Inc.	0	2,586,259	0	2,586,259
Other Revenues	117,344	4,821	0	122,165
Transfers from Sheriffs Ranches Enterprises, Inc.	415,000	0	(415,000)	0
Total Revenues, Gains, and Other Support	12,796,138	2,591,080	(415,000)	14,972,218
Expenses and Losses				
Program Services:				
Home and Supportive	9,776,148	0	0	9,776,148
Medical and Clinical	2,012,502	0	0	2,012,502
Total Program Services	11,788,650	0	0	11,788,650
Supporting Services:				
Public Relations and Fund-raising	1,831,939	0	0	1,831,939
Management and General	2,054,445	0	0	2,054,445
Sheriffs Ranches Enterprises, Inc.	0	2,169,453	0	2,169,453
Total Supporting Services	3,886,384	2,169,453	0	6,055,837
(Total Expenses and Losses)	(15,675,034)	(2,169,453)	0	(17,844,487)
Change in Net Assets - Before In-kind Contributions	(2,878,896)	421,627	(415,000)	(2,872,269)
In-kind Contributions to Florida Sheriffs Youth Ranches, Inc.	2,577	(2,577)	0	0
Change in Net Assets	(2,876,319)	419,050	(415,000)	(2,872,269)
Transfers from Sheriffs Ranches Enterprises, Inc.	0	(415,000)	415,000	0
Net Assets, Beginning of Year	53,738,771	428,789	(710,350)	53,457,210
Net Assets, End of Year	\$ 50,862,452	\$ 432,839	\$ (710,350)	\$ 50,584,941

**CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2010
FLORIDA SHERIFFS YOUTH RANCHES, INC. AND
SHERIFFS RANCHES ENTERPRISES, INC.
BOYS RANCH, FLORIDA**

	Florida Sheriffs Youth Ranches, Inc.	Sheriffs Ranches Enterprises, Inc.	Eliminations	Total Consolidated
Cash Flows from Operating Activities				
Change in Net Assets	\$ (2,876,319)	\$ 419,050	\$ (415,000)	\$ (2,872,269)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:				
Depreciation and Amortization	857,217	50,687	0	907,904
Bad Debt Expense	60,751	0	0	60,751
Losses (Gains) on Investments, Fixed Assets, Real Estate and Other Assets	(2,536,526)	169	0	(2,536,357)
(Noncash Gifts of Fixed Assets, Real Estate and Investments)	(147,264)	0	0	(147,264)
Amortization of Discount on Split-interest Agreement	51,684	0	0	51,684
Contributions Restricted for Long-term Purposes	(66,706)	0	0	(66,706)
Gift Annuity Revenue	(337,814)	0	0	(337,814)
Decrease (Increase) in Operating Assets:				
Contributions Receivable	660,065	0	0	660,065
Accounts and Interest Receivable	(68,610)	0	40,000	(28,610)
Thrift Store Inventories	0	19,182	0	19,182
Cash Surrender Value of Life Insurance	(6,756)	0	0	(6,756)
Other Assets	179,426	(737)	4,782	183,471
Increase (Decrease) in Operating Liabilities:				
Accounts Payable and Accrued Expenses	(355,518)	(15,255)	(44,782)	(415,555)
Deferred Compensation Payable	83,164	0	0	83,164
Net Cash Provided by (Used in) Operating Activities	(4,503,206)	473,096	(415,000)	(4,445,110)
Cash Flows from Investing Activities				
Proceeds from Sales and Maturities of Investments	17,356,034	0	0	17,356,034
Purchases of Investments	(13,162,676)	0	0	(13,162,676)
Purchases of Equipment	(249,015)	(11,112)	0	(260,127)
Principal Payments Received on Mortgages	9,262	0	0	9,262
Net Cash Provided by (Used in) Investing Activities	3,953,605	(11,112)	0	3,942,493
Cash Flows from Financing Activities				
Proceeds from Contributions Restricted for:				
Investment in Permanent Endowment	5,915	0	0	5,915
Investment in Property and Equipment	60,791	0	0	60,791
Contributions for Annuity Obligations	620,151	0	0	620,151
Payments on Annuity Contracts	(886,868)	0	0	(886,868)
Equity Transfer	0	(415,000)	415,000	0
Net Cash Provided by (Used in) Financing Activities	(200,011)	(415,000)	415,000	(200,011)
Net Increase (Decrease) in Cash and Cash Equivalents	(749,612)	46,984	0	(702,628)
Cash and Cash Equivalents, Beginning of Year	2,331,512	174,838	0	2,506,350
Cash and Cash Equivalents, End of Year	\$ 1,581,900	\$ 221,822	\$ 0	\$ 1,803,722