

*Internal Audit Report*

**HOWARD COUNTY  
SHERIFF'S OFFICE  
FINANCIAL STATEMENT  
JUNE 30, 2009**

*Office of the County Auditor*



HOWARD COUNTY  
SHERIFF'S OFFICE

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## OFFICE OF THE COUNTY AUDITOR

Haskell N. Arnold, CPA  
County Auditor

December 18, 2009

The Honorable County Council  
Howard County, Maryland

We have examined the statement of cash receipts and disbursements of the Howard County Sheriff's Office for the year ended June 30, 2009. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As described in Note 1, the policy of the Howard County Sheriff's Office is to prepare its financial statement on the basis of cash receipts and disbursements; consequently, certain revenue and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying financial statement is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statement referred to above presents fairly the cash receipts and disbursements made by the Howard County Sheriff's Office for the year then ended, on the basis of accounting described in Note 1, which basis has been applied in a manner consistent with that of the preceding year.

Haskell N. Arnold, CPA  
County Auditor

Leo Oken, CPA  
Auditor-in-Charge

HOWARD COUNTY SHERIFF'S OFFICE  
Statement of Cash Receipts and Disbursements  
For the year ended June 30, 2009

Cash Receipts (Note 1)

Collections under Writs of Execution (Note 1)	\$ 2,704	
Sheriff's Fees (Notes 1 and 2)		
Service of Summons	\$ 63,096	
Service of Writs of Execution	8,830	
Service of Ejectments and Writs of Restitution	285,327	
Service of Child Support Summonses and Warrants	13,440	
Photo I.D.'s	595	
Fingerprint Fees	245	371,533
Transfers from the General Fund to Replenish the Imprest Fund (Note 2)		12,224
Interest Revenue (Note 2)		<u>29</u>
Total Cash Receipts		<u>\$386,490</u>

Cash Disbursements (Note 1)

Distributions in Connection with Writs of Execution (Note 2)		
Refund of Advance	2,291	
Auctioneer	300	
Remittances to Litigants	702	
Advertising	190	
Interest Transferred to Howard County	21	3,504
Distributions in Connection with Service Fee Refunds (Note 2)		
Refunds	11,364	
Service Charges	134	
Interest Transferred to Howard County	13	11,512
Deposits and Transfers to Howard County General Fund (Note 3)		<u>371,533</u>
Total Disbursements		<u>386,549</u>
Excess of Cash Disbursements over Cash Receipts		(59)
Cash Balance, July 1, 2008		14,762
Cash Balance, June 30, 2009		<u>\$ 14,703</u>

(The accompanying notes are an integral part of this financial statement)

HOWARD COUNTY SHERIFF'S OFFICE  
Notes to Statement of  
Cash Receipts and Disbursements

Note 1 - Significant Accounting Methods & Policies

The accompanying financial statement was prepared on the cash basis of accounting. This accounting method is consistent with that used in the preceding period for external financial reporting purposes. If the financial statement was prepared on an accrual basis in accordance with generally accepted accounting principles, revenues earned but not yet received, and expenses incurred but not yet paid, would also be reflected.

Receipts derived by the Sheriff from collections under writs of execution represent gross proceeds from the seizure and sale of property in satisfaction of judicial orders. The Sheriff collects fees for service of summons, ejectments and writs of restitution from both the Circuit Court and the District Court. Fees are also received by the Sheriff for fingerprints and for photographs taken for courthouse identification badges.

Note 2 - Cash in Banks

The Sheriff's Office maintains two interest bearing accounts at PNC Bank. The "regular account" is used for the deposit of any advance collections received from litigants to meet anticipated expenses of handling and selling levied property. At the time of a Court authorized sale of levied property, cash proceeds there from are also deposited to the regular account. The "imprest account" is used to refund fees for service of summons collected in advance after the Sheriff has been unsuccessful in serving a summons or writ. Disbursements from this account are replenished from the Howard County General Fund to insure availability of adequate finances on deposit to satisfy refund requirements. As of June 30, 2009, the reconciled balances in the regular and imprest accounts were \$11,413 and \$3,290 respectively. Interest revenue reflected on the financial statement represents the cumulative interest earned on the bank accounts during the fiscal period.

Note 3 - Deposits and Transfers to the Howard County General Fund

Financial records for fiscal year 2009 indicate that \$371,533 attributed to fees for services performed by the Sheriff's Office were deposited with the Howard County Department of Finance.