Financial Statements

Florida Sheriffs Association

Years ended September 30, 2021 and 2020
with Report of Independent Auditors

Thomas Howell Ferguson P.A.
Certified Public Accountants

Florida Sheriffs Association

Financial Statements

Years ended September 30, 2021 and 2020

Contents

Report of Independent Auditors 1

Financial Statements

Statements of Financial Position 4
Statements of Activities and Changes in Net Assets 5
Statements of Functional Expenses 6
Statements of Cash Flows 7
Notes to Financial Statements 8

Other Reports

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* 17
Report of Independent Auditors on Compliance for the Major State Project and on Internal Control Over Compliance Required by Chapter 10.650, *Rules of the Auditor General* 19
Schedule of Expenditures of State Financial Assistance 22
Schedule of Findings and Questioned Costs Relating to State Financial Assistance 23

Thomas Howell Ferguson P.A.

Certified Public Accountants

Report of Independent Auditors

Board of Directors
Florida Sheriffs Association

Report on the Financial Statements

We have audited the accompanying financial statements of the Florida Sheriffs Association (the Association) which comprise the statements of financial position as of September 30, 2021 and2020, the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Florida Sheriffs Association as of September 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the Association adopted new accounting guidance, ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* as of October 1, 2020. Our opinion is not modified with respect to this matter.

Other Matter

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of state financial assistance, as required by Chapter 10.650, *Rules of the Auditor General*, and the schedule of findings and questioned costs relating to state financial assistance are presented for purposes of additional analysis and are not a required part of the 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 financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited the Florida Sheriffs Association's 2020 financial statements, and expressed an unmodified audit opinion on those audited financial statements in their report dated April 28, 2021. In our opinion, the summarized comparative information presented in the statement of functional expenses as of and for the year ended September 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2022 on our consideration of the Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Association's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Association's internal control over financial reporting and compliance.

Thomas Howell Ferguson P.A.

Tallahassee, Florida
March 7, 2022

Florida Sheriffs Association

Statements of Financial Position

	September 30, 2021	2020
Assets		
Current assets:		
Cash and cash equivalents	**$ 2,049,751**	$ 2,828,575
Investments, short-term	**5,084,903**	5,804,344
Accounts receivable	**894,299**	1,017,635
Prepaid expenses	**307,685**	141,767
Inventory	**87,385**	61,638
Total current assets	**8,424,023**	9,853,959
Certificate of deposit	**2,199,447**	2,134,524
Investments, long-term	**9,988,697**	7,823,036
Property and equipment, net	**6,883,080**	6,582,868
Other assets	**2,262**	2,262
Total assets	**$ 27,497,509**	$ 26,396,649
Liabilities and net assets		
Current liabilities:		
Accounts payable	**$ 320,894**	$ 525,385
Deferred revenue	**171,669**	192,425
Retirement obligation, short-term	**70,193**	68,149
Other accrued liabilities	**136**	124
Total current liabilities	**562,892**	786,083
Long-term liabilities:		
Accrued leave liabilitiy	**246,541**	295,174
Retirement obligation, long-term	**596,198**	670,203
Total long-term liabilities	**842,739**	965,377
Total liabilities	**1,405,631**	1,751,460
Net assets:		
Without donor restrictions:		
Undesignated	**25,654,377**	24,278,572
With donor restrictions:		
Purpose restrictions	**437,501**	366,617
Total net assets	**26,091,878**	24,645,189
Total liabilities and net assets	**$ 27,497,509**	$ 26,396,649

See accompanying notes.

Florida Sheriffs Association

Statements of Activities and Changes in Net Assets

	Years ended September 30, 2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Changes in net assets:				
Revenues and other support:				
Administrative fees	$ 3,415,368	$ -	$ 3,415,368	$ 4,175,183
Dues and fees	4,056,233	-	4,056,233	3,410,744
Contributions	1,211,314	109,604	1,320,918	1,089,269
Conferences	784,735	-	784,735	1,001,957
Grant revenue	568,893	267,583	836,476	415,750
Investment income	91,820	-	91,820	430,049
Other revenue	114,353	-	114,353	108,159
Seminar and training revenue	40,250	-	40,250	1,295
Sales revenue	41,715	-	41,715	42,537
Net assets released from restrictions	306,303	(306,303)	-	-
Total revenues and other support	10,630,984	70,884	10,701,868	10,674,943
Program services:				
Training programs	2,402,379	-	2,402,379	2,228,104
Membership	2,363,322	-	2,363,322	2,104,369
Other program services	2,027,337	-	2,027,337	2,094,449
Cooperative purchasing program	999,351	-	999,351	1,073,105
Legal and legislative	685,865	-	685,865	615,795
Teen driving program	75,557	-	75,557	96,298
Federal 1122 program	85,281	-	85,281	79,153
Total program services	8,639,092	-	8,639,092	8,291,273
General and administrative	663,968	-	663,968	652,736
Total expenses	9,303,060	-	9,303,060	8,944,009
Change in operating net assets	1,327,924	70,884	1,398,808	1,730,934
Change in excess additional pension liability over unrecognized prior service cost	47,881	-	47,881	(6,980)
Change in net assets	1,375,805	70,884	1,446,689	1,723,954
Net assets at beginning of year	24,278,572	366,617	24,645,189	22,921,235
Net assets at end of year	$ 25,654,377	$ 437,501	$ 26,091,878	$ 24,645,189

See accompanying notes.

Florida Sheriffs Association

Statements of Functional Expenses

	Years ended September 30, 2021										2020
	Training Program	Membership	Other Program Services	Cooperative Purchasing Program	Legal and Legislative	Teen Driving Program	Federal 1122 Program	Total Program Services	General and administrative	Total Expenses	Total Expenses
Communication and utilities	$ 17,189	$ 14,807	$ 5,252	$ 10,665	$ 5,360	$ 1,218	$ 1,881	$ 56,372	$ 9,949	$ 66,321	$ 66,297
Conference food and hospitality	95,207	-	-	-	-	-	-	95,207	-	95,207	313,429
Contributions	-	-	497,825	-	-	-	-	497,825	-	497,825	510,477
Depreciation	68,843	71,596	19,276	46,813	24,783	-	2,754	234,065	41,306	275,371	256,638
Insurance	13,466	11,394	18,849	8,286	4,144	14,362	1,554	72,055	10,363	82,418	75,862
Information technology expenses	69,560	50,653	3,818	39,334	9,625	1,123	1,733	175,846	6,984	182,830	72,465
Law enforcement operations direct support	-	-	921,647	-	-	-	-	921,647	-	921,647	1,014,350
Membership dues and subscriptions	-	145	750	4,864	14,338	-	-	20,097	8,739	28,836	28,340
Plaques and awards	11,618	84,471	50,000	98	2,043	-	-	148,230	733	148,963	90,384
Postage	28,484	443,915	11,652	10,791	3,310	10,211	11,147	519,510	14,027	533,537	452,128
Printing and publications	11,050	278,188	9,170	10,117	13,377	354	5,415	327,671	4,005	331,676	326,553
Professional services	141,892	79,531	254,557	442,691	330,244	1,355	2,143	1,252,413	17,724	1,270,137	1,468,819
Processing and solicitation	-	670,575	-	-	-	-	-	670,575	-	670,575	603,277
Rent	8,268	7,040	2,525	5,109	2,557	616	934	27,049	4,793	31,842	29,233
Repairs and maintenace	39,404	34,655	11,937	24,686	12,478	2,509	4,036	129,705	22,889	152,594	84,281
Resale supplies	-	100,700	(20)	-	-	-	-	100,680	-	100,680	95,002
Salaries and benefits	917,264	471,735	185,470	381,681	240,512	34,439	52,187	2,283,288	477,636	2,760,924	2,675,453
Supplies and other miscellaneous	48,242	5,035	19,967	1,979	999	204	326	76,752	36,155	112,907	73,339
Taxes and fees	21,497	38,397	-	(94)	-	5,185	-	64,985	1,042	66,027	61,025
Training and seminars	878,790	-	-	-	-	3,610	-	882,400	-	882,400	533,422
Travel, meetings, and events	31,605	485	14,662	12,331	22,095	371	1,171	82,720	7,623	90,343	113,235
	$ 2,402,379	$ 2,363,322	$ 2,027,337	$ 999,351	$ 685,865	$ 75,557	$ 85,281	$ 8,639,092	$ 663,968	$ 9,303,060	$ 8,944,009

See accompanying notes.

Florida Sheriffs Association

Statements of Cash Flows

	Years ended September 30, 2021	2020
Operating activities		
Change in net assets	**$ 1,446,689**	$ 1,723,954
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	**275,370**	256,638
Unrealized losses (gains) on investments	**156,841**	(119,089)
Changes in operating assets and liabilities		
Accounts receivable	**123,336**	216,549
Prepaid expenses	**(165,918)**	(31,176)
Inventory	**(25,747)**	24,356
Other assets	**-**	(5)
Accounts payable	**(204,491)**	47,937
Deferred revenue	**(20,756)**	(8,298)
Retirement obligation	**(71,961)**	(59,719)
Other accrued liabilities	**(48,633)**	56,999
Accrued leave liability	**12**	(8)
Net cash provided by operating activities	**1,464,742**	2,108,138
Investing activities		
Purchases of property and equipment	**(575,582)**	(783,802)
Purchases of investments	**(7,432,191)**	(7,975,177)
Sale of investments	**5,764,207**	4,902,639
Net cash used in investing activities	**(2,243,566)**	(3,856,340)
Net decrease in cash and cash equivalents	**(778,824)**	(1,748,202)
Cash and cash equivalents at beginning of year	**2,828,575**	4,576,777
Cash and cash equivalents at end of year	**$ 2,049,751**	$ 2,828,575

See accompanying notes.

1. Nature of Operations and Significant Accounting Policies

The Florida Sheriffs Association (the Association) is a not-for-profit entity organized exclusively for educational and charitable purposes. The Association seeks to foster the effectiveness of the Office of Sheriff through leadership, innovative practices, legislative initiatives, education, and training. The Association's strategic plan outlines its major goals, which include protecting Florida's youth, providing timely and effective service to the 67 sheriffs of Florida, promoting public safety through the legislative process, promoting the activities of sheriffs, and effectively managing the Association's resources. Revenue is mainly generated from membership dues and the cooperative purchasing programs.

Basis of Accounting

The Association uses the accrual basis of accounting. The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The significant accounting policies are described below.

Effective October 1, 2020, the Association has adopted Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* as the Financial Accounting Standards Board (FASB) believes the standard improves the usefulness and understandability of the Association's financial reporting. The adoption of the standard had no effect on previously reported financial statements.

Cash and Cash Equivalents

Cash consists of demand deposits with financial institutions. Deposits with financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per depositor. Bank deposits at times may exceed federally insured limits. The Association has not experienced any losses in such accounts.

Investments

Investments are in certificates of deposit and are recorded at fair market value. Terms of certificates of deposit vary up to five years. Certificates of deposit with maturities of less than one year from the financial statement date are classified as short-term.

1. Nature of Operations and Significant Accounting Policies (continued)

Accounts Receivable

Accounts receivable consists primarily of cooperative purchasing program revenue earned during the period and Crisis Intervention Team grant revenue for services provided and reimbursable at year end. Receivables are stated at the amount management expects to collect from outstanding balances. Management determines the allowance for doubtful accounts based on factors including experience and the current economic environment. Accounts are charged against the allowance when deemed uncollectible. Management has determined that any losses would be immaterial; therefore, they have recorded no allowance for doubtful accounts.

Inventory

Inventory consists of various items given to members upon membership renewal as well as items offered for resale (i.e. license plate frames and tags, lapel pins, and history books). Inventory is recorded at the lower of cost (first-in, first-out) or net realizable value.

Property and Equipment

Property and equipment is recorded at cost less accumulated depreciation. Depreciation is computed using the straight-line method of depreciation over the estimated useful lives (3 - 40 years) of the individual assets. Generally, property and equipment purchases over $1,000 are capitalized. Repairs are expensed as incurred. The Florida Sheriffs Law Enforcement Memorial is considered a work of art or historical treasure with an indefinite life and is not depreciated.

Revenue Recognition

Sheriffs' membership dues are recognized as revenue during the period for which they are assessed. All other membership dues are recognized as revenue in the period which payment is received due to the absence of any significant continued service obligation. Administrative fee revenue is recognized in the period the vendor service is provided to the customer. Conference and seminar revenues are recognized as income in the period that the conferences and seminars are held. Contributions are recognized as revenue at the earlier of when promised or received.

Contributions

The Association reports gifts of cash and other assets as restricted support if received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. At September 30, 2021, net assets with donor restrictions are comprised of $149,804 related to scholarships, $264,051 related to specialty license plates, and $23,646 related to cold case commission work.

1. Nature of Operations and Significant Accounting Policies (continued)

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and changes in net assets. The statement of functional expenses presents the natural classification detail of expenses by function and contains certain categories of expenses that are attributable to the program or supporting functions of the Association. These expenses, such as salaries, are allocated based on estimates of time and effort by the individual. Other expenses, such as contributions and conference food and hospitality, are allocated on a direct method for expenses directly related to the program.

Income Taxes

Pursuant to a determination letter received from the Internal Revenue Service, the Association is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and as such, is liable for income taxes only on business income unrelated to the purpose for which it is exempt. With few exceptions, the Association is no longer subject to examinations by major tax jurisdictions for the years ended September 30, 2017 and prior.

Advertising

Advertising costs are charged to operations when incurred.

Subsequent Events

The Association has evaluated subsequent events through March 7, 2022, the date the financial statements were available to be issued. During the period from September 30, 2021 to March 7, 2022, the Association did not have any material recognizable subsequent events.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

2. Available Resources and Liquidity

The Association receives administrative fees, conference registration fees, contributions, membership dues, and investment income and considers these revenue streams to be without donor restrictions (if unspecified) and available to meet cash needs for general expenditures. The Association manages its liquidity to meet 180 days of operating expenses.

The table below presents financial assets available for general expenditures within one year at September 30:

	2021	2020
Financial assets at year end:		
Cash and cash equivalents	**$ 2,049,751**	$ 2,828,575
Investments, short-term	**5,084,903**	5,804,344
Accounts receivable	**894,299**	1,017,635
Prepaid expenses	**307,685**	141,767
Total financial assets	**8,336,638**	9,792,321
Less: net assets with donor restrictions	**(437,501)**	(366,617)
Financial assets available to meet general expenditures within one year	**$ 7,899,137**	$ 9,425,704

3. Accounts Receivable

Accounts receivable consists of the following at September 30:

	2021	2020
Administrative fee receivable	**$ 665,339**	$ 877,239
Grants receivable	**127,285**	28,582
Product inventory receivable	**25,950**	28,031
Other receivables	**75,725**	83,783
	$ 894,299	$ 1,017,635

4. Property and Equipment, Net

The major components of property and equipment are as follows:

	September 30, 2021	2020
Buildings	**$ 6,801,537**	$ 5,748,856
Furniture and equipment	**850,278**	761,564
Vehicles	**107,316**	107,316
Land improvements	**47,372**	39,872
Software	**442,695**	442,695
Total depreciable property and equipment	**8,249,198**	7,100,303
Accumulated depreciation	**(2,051,080)**	(1,775,710)
Total depreciable property and equipment, net	**6,198,118**	5,324,593
Law enforcement memorial	**442,173**	442,173
Land	**102,182**	102,182
Software development in process	**140,607**	-
Construction work-in-process	**-**	713,920
Total property and equipment, net	**$ 6,883,080**	$ 6,582,868

Depreciation expense totaled $275,370 and $256,638 for the years ended September 30, 2021 and 2020, respectively.

5. Investments

The Fair Value Measurement and Disclosures Topic of the FASB Accounting Standards Codification establishes a framework for 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 the Fair Value Measurement and Disclosures Topic are described as follows:

Level 1: Quoted market prices in active markets for identical assets or liabilities.
Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.
Level 3: Unobservable inputs that are not corroborated by market data.

The Association utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

5. Investments (continued)

Fair Value on a Recurring Basis

The table below presents the balances of assets and liabilities measured at fair value on a recurring basis.

Investments consist of the following at September 30, 2021:

	Cost	Unrealized Gains (Losses)	Market and Carrying Value	Level 2
Brokered certificates of deposits	**$ 15,008,268**	**$ 65,332**	**$ 15,073,600**	**$ 15,073,600**

Investments consist of the following at September 30, 2020:

	Cost	Unrealized Gains (Losses)	Market and Carrying Value	Level 2
Brokered certificates of deposits	$ 13,405,207	$ 222,173	$ 13,627,380	$ 13,627,380

Investment income consists of the following:

	Years ended September 30, 2021	2020
Change in unrealized gain	**$ (156,841)**	$ 119,089
Realized gains (loss)	**24,944**	(2,425)
Interest income	**223,717**	313,385
	$ 91,820	$ 430,049

6. Deferred Revenue

Deferred revenue is comprised of the following:

	September 30, 2021	2020
Conference sponsorships	**$ 151,400**	$ 160,000
Conference registrations	**8,100**	-
Advertising	**12,169**	32,425
	$ 171,669	$ 192,425

The following table provides significant changes in deferred revenue for the years ended September 30, 2021 and 2020.

	2021	2020
Deferred revenue, beginning of year	**$ 192,425**	$ 252,144
Conference sponsorship recognized	**(160,000)**	(249,100)
Advertising revenue recognized	**(32,425)**	-
Deferred dues revenue recognized	**-**	(3,044)
Collections for future conferences	**159,500**	160,000
Collections for future advertising	**12,169**	32,425
Deferred revenue, end of year	**$ 171,669**	$ 192,425

7. Employee Benefit Plans

Defined Contribution Plan

The Association maintains a 403(b) plan. All employees who have reached the age of 21 are eligible to participate in the plan. The Association makes an employer contribution to all full-time employee participants equal to 7% of their annual salary. In addition, the Association matches 100% of full-time employee deferrals up to 3% of the employee's compensation. Participant contributions vest immediately while employer contributions vest after one year of employment.

Supplemental Executive Retirement Plan

The Association also administers a supplemental executive retirement plan (SERP) for one individual, established to provide retirement income payments or survivor benefits in the event of death prior to retirement age for a key employee.

Following are reconciliations of the pension benefit obligation and the value of the plan assets for the years ended September 30:

SERP pension benefit obligation:

	2021	2020
Balance at the beginning of the year	**$ 738,352**	$ 746,650
Interest cost	**7,676**	16,055
Actuarial loss	**(11,488)**	41,811
Benefits paid	**(68,149)**	(66,164)
Balance at the end of the year	**$ 666,391**	$ 738,352

Change in SERP plan assets:

	2021	2020
Fair value at the beginning of the year	**$ -**	$ -
Employer contributions	**68,149**	66,164
Benefits paid	**(68,149)**	(66,164)
Fair value at the end of the year	**$ -**	$ -

At September 30, the unfunded status of the SERP plan follows:

	2021	2020
Accrued pension cost	**$ 458,473**	$ 482,553
Unrecognized net actuarial loss	**207,918**	255,799
Unfunded SERP pension obligation	**$ 666,391**	$ 738,352

7. Employee Benefit Plans (continued)

Supplemental Executive Retirement Plan (continued)

For the years ended September 30, the following weighted-average rates were used:

	2021	2020
Interest rate used to calculate net periodic pension cost	**2.80%**	2.80%
Interest rate used to calculate year end disclosure information	**1.47%**	1.09%
Rate of expected return on plan assets	**3.50%**	3.50%

SERP pension expense for the years ended September 30, is comprised of the following:

	2021	2020
Interest cost	**$ 7,676**	$ 16,055
Recognized net actuarial loss	**36,393**	34,831
SERP pension expense	**$ 44,069**	$ 50,886

The expected benefit payments for the Association's supplemental executive retirement plan for the fiscal years indicated are as follows:

Expected benefit payments for the fiscal year ended September 30:

2022	$ 70,193
2023	72,299
2024	74,468
2025	76,702
2026	79,003
2027-2031	340,433
Total	$ 713,098

The accumulated benefit obligation was $666,391 at September 30, 2021.

Contributions for the fiscal year beginning October 1, 2021 are not available until that valuation report is completed. However, a reasonable projection of the minimum contribution for the fiscal year beginning October 1, 2021 would be $70,193.

Total retirement expense for all plans for the year ended September 30, 2021 was $175,061.

8. Operating Leases

The Association leases office equipment under operating leases that expire through 2026. Total rent expense for the year ended September 30, 2021 was $31,842.

Minimum lease payments under non-cancellable operating leases are as follows for years ending September 30:

Year	Amount
2022	$ 17,435
2023	14,261
2024	11,029
2025	4,548
	$ 47,273

9. Florida Sheriffs Youth Ranches, Inc.

The Association solicits funds for the Florida Sheriffs Youth Ranches, Inc. (the FSYR) through its honorary membership program. Renewal requests clearly indicate that additional sums are being solicited and that they will be forwarded to the FSYR for their support. Donations received directly by the Association for the FSYR were $267,156 and $270,706 for the years ended September 30, 2021 and 2020, respectively. This amount is not reflected in the accompanying statement of activities and changes in net assets. Amounts due to the FSYR were $3,281 and $5,489 at September 30, 2021 and 2020, respectively.

10. Commitments and Contingencies

The Association received 32% of its revenues from cooperative purchasing program revenues and 38% of its revenues from membership dues during the year ended September 30, 2021.

During the ordinary course of business, the Association executes agreements with hotels and conference centers for future events. These agreements contain financial penalties for termination of the contract, as well as minimum financial guarantees related to room and food/beverage sales. In the case of an unforeseen cancellation, as of September 30, 2021, the potential penalties totaled $799,043. As of September 30, 2021, management has no intentions to terminate any of the existing agreements.

11. Related Party Transactions

The Florida Sheriff's Risk Management Fund (FSRMF), an affiliated entity, contributes to the Association $750,000 in order to support its mission and cover various expenses. Additionally, Florida Sheriffs Employee Benefits Trust (FSEBT), an affiliated entity of the Association, pays the Association monthly based upon number of employees in their benefit plan. For the years ended September 30, 2021 and 2020, revenue from the FSEBT agreement was approximately $20,000 and $26,000, respectively.

Other Reports

Thomas Howell Ferguson P.A.

Certified Public Accountants

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors
Florida Sheriffs Association

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Florida Sheriffs Association (the Association), which comprise the statement of financial position as of September 30, 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year ended, and the related notes to the financial statements, and have issued our report thereon dated March 7, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Association's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Thomas Howell Ferguson P.A.

Tallahassee, Florida
March 7, 2022

Thomas Howell Ferguson P.A.

Certified Public Accountants

Report of Independent Auditors on Compliance for the Major State Project and Report on Internal Control Over Compliance Required by Chapter 10.650, *Rules of the Auditor General*

Board of Directors
Florida Sheriffs Association

Report on Compliance for the Major State Project

We have audited Florida Sheriffs Association's (the Association) compliance with the types of compliance requirements described in the Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of the Association's major state projects for the year ended September 30, 2021. The Association's major state project is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with State statutes, regulations, and the terms and conditions of its state awards applicable to its state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Association's major state project based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.650, *Rules of the Auditor General*. Those standards, and Chapter 10.650, *Rules of the Auditor General,* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state project occurred. An audit includes examining, on a test basis, evidence about the Association's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major state project. However, our audit does not provide a legal determination of the Association's compliance.

Opinion on Each Major State Project

In our opinion, the Association complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state project for the year ended September 30, 2021.

Report on Internal Control Over Compliance

Management of the Association is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Association's internal control over compliance with the types of requirements that could have a direct and material effect on the major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major state project and to test and report on internal control over compliance in accordance with the Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

Thomas Howell Ferguson P.A.

Tallahassee, Florida
March 7, 2022

Florida Sheriffs Association

Schedule of Expenditures of State Financial Assistance

Year ended September 30, 2021

Grantor/Pass through Grantor/Project Title	CSFA	Contract Number	Expenditures
State of Florida			
Florida Department of Legal Affairs and Office of Attorney General			
Florida Sheriffs Association	41.021	K05011	$ 440,918
Florida Sheriffs Association	41.021	K05171	127,975
Florida Department of Highway Safety and Motor Vehicles			
Florida Sheriffs Association	76.139	FL Statute 320.08058	260,575
			$ 829,468

Note 1 - This schedule of expenditures of state financial assistance (the Schedule) includes the state grant activity of Florida Sheriffs Association (the Association) under projects of the State of Florida for the year ended September 30, 2021. The information in this Schedule is presented in accordance with the requirements of Chapter 10.650, *Rules of the Auditor General*. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements. Because this schedule presents only a selected portion of the operations of the Association, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Association.

Note 2 - Expenditures reported on this Schedule are reported on the modified accrual basis of accounting. Fixed assets are included in the Schedule in the period in which they are purchased and placed in service. Depreciation expense is not included in the Schedule.

Note 3 - Interest earned on certain grant funds are applied to the applicable program. Therefore, certain grant expenditures may exceed award amount.

Note 4 - Grant monies received and disbursed by the Association are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the Association does not believe that such disallowance, if any, would have a material effect on the financial position of the Association. As of September 30, 2021, there were no material questioned or disallowed costs as a result of grant audits in process or completed.

Note 5 - The Association did not receive any state noncash assistance for the fiscal year ended September 30, 2021.

See report of independent auditors.

Florida Sheriffs Association

Schedule of Findings and Questioned Costs
Relating to State Financial Assitance

Year ended September 30, 2021

Section I -- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

State Projects

Internal control over major projects:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major projects?	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Chapter 10.650, *Rules of the Auditor General*	No

Identification of major projects:

CSFA Number	State Project
	Florida Department of Legal Affairs and Office of Attorney General:
41.021	Florida Sheriffs Association

Dollar threshold used to distinguish between Type A and Type B programs:	$300,000
Auditee qualified as low risk auditee?	Yes

(continued)

Schedule of Findings and Questioned Costs
Relating to State Financial Assitance (continued)

Section II -- Financial Statement Findings

We noted no matters involving internal control over financial reporting and its operation that we considered to be significant deficiencies and/or material weaknesses required to be reported in accordance with *Government Auditing Standards.*

Section III -- Findings and Questioned Costs-Major State Projects

This section identifies audit findings required to be reported by Chapter 10.650, *Rules of the Auditor General* (for example, significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs), as well as any abuse findings involving state awards that are material to a major project. We noted no such matters required to be reported in accordance with the provisions outlined above.

Section IV -- Other Matters

No matters were reported.

See report of independent auditors.