Financial Statements

Florida Sheriffs Association

Years ended September 30, 2023 and 2022
with Report of Independent Auditors

Thomas Howell Ferguson P.A.
Certified Public Accountants

Florida Sheriffs Association

Financial Statements

Years ended September 30, 2023 and 2022

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* 18
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* 20
Schedule of Expenditures of State Financial Assistance 23
Schedule of Findings and Questioned Costs Relating to State Financial Assistance 24

Thomas Howell Ferguson P.A.

Certified Public Accountants

Report of Independent Auditors

Board of Directors
Florida Sheriffs Association

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Florida Sheriffs Association (the Association) which comprise the statements of financial position as of September 30, 2023 and 2022, 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.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Association, as of September 30, 2023 and 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States *(Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Association's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Florida Sheriffs Association's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 15, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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 GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2024 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 Association's internal control over financial reporting and compliance.

Thomas Howell Ferguson P.A.

Tallahassee, Florida
May 10, 2024

Florida Sheriffs Association

Statements of Financial Position

	September 30, 2023	2022
Assets		
Current assets:		
Cash and cash equivalents	**$ 4,814,612**	$ 1,843,366
Certificates of deposit, short-term	**2,342,929**	-
Investments, short-term	**6,689,029**	6,804,351
Accounts receivable	**1,311,689**	841,767
Prepaid expenses	**246,816**	162,316
Inventory	**522,367**	485,562
Notes receivable, current	**368,669**	191,359
Deposits and other assets	**1,002,257**	2,262
Total current assets	**17,298,368**	10,330,983
Certificates of deposit, long-term	**-**	2,266,346
Investments, long-term	**4,782,455**	7,566,885
Property and equipment, net	**6,739,771**	7,120,844
Notes receivable, long-term	**411,243**	343,351
Total assets	**$ 29,231,837**	$ 27,628,409
Liabilities and net assets		
Current liabilities:		
Accounts payable	**$ 1,125,819**	$ 646,432
Deferred revenue	**327,349**	320,716
Retirement obligation, short-term	**74,468**	72,299
Other accrued liabilities	**490**	40
Total current liabilities	**1,528,126**	1,039,487
Long-term liabilities:		
Accrued leave liability	**273,934**	253,779
Retirement obligation, long-term	**524,332**	521,768
Total long-term liabilities	**798,266**	775,547
Total liabilities	**2,326,392**	1,815,034
Net assets:		
Without donor restrictions:		
Undesignated	**26,534,948**	25,378,928
With donor restrictions:		
Purpose restrictions	**370,497**	434,447
Total net assets	**26,905,445**	25,813,375
Total liabilities and net assets	**$ 29,231,837**	$ 27,628,409

See accompanying notes.

Florida Sheriffs Association

Statements of Activities and Changes in Net Assets

	Years ended September 30, 2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Changes in net assets:				
Revenues and other support:				
Administrative fees	$ 4,317,207	$ -	$ 4,317,207	$ 3,361,018
Dues and fees	4,963,194	-	4,963,194	4,672,726
Contributions	1,364,197	1,091,602	2,455,799	1,712,921
Conferences	1,434,800	-	1,434,800	1,331,240
Grant revenue	695,473	334,360	1,029,833	821,157
Investment income (loss)	828,909	-	828,909	(399,943)
Other revenue	143,937	-	143,937	121,126
Seminar and training revenue	83,200	-	83,200	75,221
Sales revenue	111,590	-	111,590	62,631
Loss on disposal of equipment	-	-	-	(2,046)
Net assets released from restrictions	1,489,912	(1,489,912)	-	-
Total revenues and other support	15,432,419	(63,950)	15,368,469	11,756,051
Program services:				
Training programs	3,567,379	-	3,567,379	2,941,670
Membership	3,698,983	-	3,698,983	3,340,106
Other program services	3,247,008	-	3,247,008	2,759,025
Cooperative purchasing program	1,517,635	-	1,517,635	1,139,118
Legal and legislative	939,057	-	939,057	963,535
Research institute	220,230	-	220,230	184,154
Accreditation program	459,953	-	459,953	146,004
Total program services	13,650,245	-	13,650,245	11,473,612
General and administrative	597,555	-	597,555	600,608
Total expenses	14,247,800	-	14,247,800	12,074,220
Change in operating net assets	1,184,619	(63,950)	1,120,669	(318,169)
Change in excess additional pension liability over unrecognized prior service cost	(28,599)	-	(28,599)	39,666
Change in net assets	1,156,020	(63,950)	1,092,070	(278,503)
Net assets at beginning of year	25,378,928	434,447	25,813,375	26,091,878
Net assets at end of year	$ 26,534,948	$ 370,497	$ 26,905,445	$ 25,813,375

See accompanying notes.

Florida Sheriffs Association

Statements of Functional Expenses

	Years ended September 30, 2023										2022
	Training Program	Membership	Other Program Services	Cooperative Purchasing Program	Legal and Legislative	Research Institute	Accreditation Program	Total Program Services	General and administrative	Total Expenses	Total Expenses
Communication and utilities	$ 15,948	$ 18,226	$ 5,316	$ 12,910	$ 3,038	$ 3,797	$ 7,595	$ 66,830	$ 9,114	$ 75,944	$ 74,986
Conference	891,971	-	-	-	-	-	-	891,971	-	891,971	759,521
Contributions	-	376,930	1,089,751	-	-	-	-	1,466,681	-	1,466,681	870,889
Depreciation	95,489	109,130	31,830	77,301	18,188	22,736	45,471	400,145	54,565	454,710	302,453
Insurance	15,684	17,925	39,640	12,697	2,987	3,734	7,468	100,135	12,292	112,427	89,826
Information technology expenses	40,554	117,503	4,570	29,166	2,615	8,150	6,589	209,147	7,835	216,982	141,165
Law enforcement operations direct support	-	-	1,350,937	-	-	-	119,762	1,470,699	-	1,470,699	1,486,836
Membership dues and subscriptions	507	723	935	3,050	17,013	200	775	23,203	5,066	28,269	31,023
Plaques and awards	12,265	(4,989)	40,000	307	2,111	-	-	49,694	707	50,401	67,953
Postage	1,787	609,776	751	1,447	340	425	851	615,377	1,041	616,418	610,661
Printing and publications	18,091	268,059	3,765	69,270	18,607	389	2,510	380,691	5,538	386,229	288,924
Professional services	57,010	82,810	359,165	573,858	456,122	6,994	13,987	1,549,946	25,435	1,575,381	1,579,892
Membership acquisition and fulfillment	-	1,064,136	-	-	-	-	-	1,064,136	-	1,064,136	1,028,370
Rent	8,170	9,337	2,723	6,614	1,556	1,945	3,891	34,236	4,669	38,905	29,707
Repairs and maintenace	33,720	38,537	11,239	27,297	6,423	8,028	16,057	141,301	19,747	161,048	121,637
Resale supplies	-	115,304	-	-	-	-	-	115,304	-	115,304	185
Salaries and benefits	994,948	830,300	265,329	636,852	343,732	156,352	189,160	3,416,673	395,607	3,812,280	3,256,119
Supplies and other miscellaneous	7,353	8,409	2,510	6,215	1,400	1,754	3,508	31,149	23,824	54,973	94,387
Taxes and fees	23,682	29,030	7,894	19,171	4,511	5,639	11,277	101,204	13,493	114,697	88,470
Training and seminars	1,251,640	-	-	-	-	-	-	1,251,640	-	1,251,640	954,319
Travel, meetings, and events	98,560	7,837	30,653	41,480	60,414	87	31,052	270,083	18,622	288,705	196,897
	$ 3,567,379	$ 3,698,983	$ 3,247,008	$ 1,517,635	$ 939,057	$ 220,230	$ 459,953	$ 13,650,245	$ 597,555	$ 14,247,800	$ 12,074,220

See accompanying notes.

Florida Sheriffs Association

Statements of Cash Flows

	Years ended September 30, 2023	2022
Operating activities		
Change in net assets	**$ 1,092,070**	$ (278,503)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	**454,710**	302,453
Loss on disposal of assets	**-**	2,046
Losses on investments	**(203,210)**	605,534
Changes in operating assets and liabilities		
Accounts receivable	**(469,922)**	52,532
Prepaid expenses	**(84,500)**	145,369
Inventory	**(36,805)**	(398,177)
Deposits and other assets	**(999,995)**	-
Accounts payable	**479,387**	325,538
Deferred revenue	**6,633**	149,047
Retirement obligation	**4,733**	(72,324)
Other accrued liabilities	**20,155**	7,238
Accrued leave liability	**450**	(96)
Net cash provided by operating activities	**263,706**	840,657
Investing activities		
Purchases of property and equipment	**(73,637)**	(542,263)
Purchases of investments	**(6,403,877)**	(5,045,069)
Sale of investments	**9,430,256**	5,075,000
Net cash provided by (used in) investing activities	**2,952,742**	(512,332)
Financing activities		
Repayment of notes receivable	**422,214**	-
Issuance of notes receivable	**(667,416)**	(534,710)
Net cash used in financing activities	**(245,202)**	(534,710)
Net increase (decrease) in cash and cash equivalents	**2,971,246**	(206,385)
Cash and cash equivalents at beginning of year	**1,843,366**	2,049,751
Cash and cash equivalents at end of year	**$ 4,814,612**	$ 1,843,366

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.

Cash and Cash Equivalents

Cash and cash equivalents consist of deposits with a financial institution and deposits in highly liquid money market funds. The financial instruments exposed to concentrations of credit risk consist primarily of its cash and cash equivalents. Deposits with financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per depositor, per FDIC-insured financial institution. 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.

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.

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

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 $3,000 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, 2023, net assets with donor restrictions are comprised of $213,115 related to scholarships, $146,897 related to specialty license plates, and $10,485 related to disaster relief programs. At September 30, 2022, net assets with donor restrictions are comprised of $179,363 related to scholarships and $225,084 related to specialty license plates.

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, 2019 and prior.

Advertising

Advertising costs are charged to operations when incurred.

Subsequent Events

The Association has evaluated subsequent events through May 10, 2024, the date the financial statements were available to be issued. During the period from September 30, 2023 to May 10, 2024, the Association did not have any material recognizable subsequent events, other than that described in Note 4.

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:

	2023	2022
Financial assets at year end:		
Cash and cash equivalents	**$ 4,814,612**	$ 1,843,366
Investments and certificates of deposit	**9,031,958**	6,804,351
Accounts receivable	**1,311,689**	841,767
Prepaid expenses and deposits	**1,249,073**	162,316
Total financial assets	**16,407,332**	9,651,800
Less: net assets with donor restrictions	**(370,497)**	(434,447)
Financial assets available to meet general expenditures within one year	**$ 16,036,835**	$ 9,217,353

3. Accounts Receivable

Accounts receivable consists of the following at September 30:

	2023	2022
Administrative fee receivable	**$ 1,016,445**	$ 625,801
Grants receivable	**163,582**	99,334
Product inventory receivable	**18,670**	23,115
Other receivables	**47,378**	93,517
Interest receivable	**65,614**	-
	$ 1,311,689	$ 841,767

4. Property and Equipment, Net

The major components of property and equipment are as follows:

	September 30, 2023	2022
Buildings	**$ 6,801,537**	$ 6,801,537
Furniture and equipment	**1,199,150**	1,163,058
Vehicles	**165,594**	165,594
Land improvements	**47,372**	47,372
Software	**731,284**	442,695
Total depreciable property and equipment	**8,944,937**	8,620,256
Accumulated depreciation	**(2,749,521)**	(2,294,811)
Total depreciable property and equipment, net	**6,195,416**	6,325,445
Law enforcement memorial	**442,173**	442,173
Land	**102,182**	102,182
Software development in process	**-**	251,044
Total property and equipment, net	**$ 6,739,771**	$ 7,120,844

Depreciation expense totaled $454,710 and $302,453 for the years ended September 30, 2023 and 2022, respectively.

Subsequent to year end, in January 2024, the Association purchased the land and building adjacent to its headquarters with the intention of developing a Youth Learning Center. Total purchase price net of selling costs was approximately $2,426,000. Prior to year end, the Association paid a deposit of $1,000,000 for the purchase. This is included in deposits and other assets on the statement of financial position as of September 30, 2023.

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.

5. Investments (continued)

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

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, 2023:

	Cost	Unrealized Gains (Losses)	Market and Carrying Value	Level 2
Brokered certificates of deposits	**$ 14,151,403**	**$ (336,990)**	**$ 13,814,413**	**$ 13,814,413**

Investments consist of the following at September 30, 2022:

	Cost	Unrealized Gains (Losses)	Market and Carrying Value	Level 2
Brokered certificates of deposits	$ 14,911,438	$ (540,202)	$ 14,371,236	$ 14,371,236

Investment income consists of the following:

	Years ended September 30, 2023	2022
Change in unrealized gains (losses)	**$ 203,210**	$ (605,534)
Realized gains (losses)	**200,858**	9,081
Interest income	**424,841**	196,510
	$ 828,909	$ (399,943)

6. Notes Receivable

The Association has various notes receivable from four counties under separate law enforcement equipment lease purchase agreements. Principal and interest are payable in monthly installments through maturity, which extend from June 15, 2025 through July 15, 2027. The weighted average interest rate for all agreements outstanding at September 30, 2023 and 2022 is 3.32% and 1.83%, respectively.

7. Deferred Revenue

Deferred revenue is comprised of the following:

	September 30, 2023	2022
Conference sponsorships	**$ 245,550**	$ 308,194
Conference registrations	**81,799**	6,400
Advertising	**-**	6,122
	$ 327,349	$ 320,716

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

	2023	2022
Deferred revenue, beginning of year	**$ 320,716**	$ 171,669
Conference sponsorship recognized	**(308,194)**	(151,400)
Advertising revenue recognized	**(6,122)**	(12,169)
Conference registration revenue recognized	**(6,400)**	(8,100)
Collections for future conferences	**327,349**	314,594
Collections for future advertising	**-**	6,122
Deferred revenue, end of year	**$ 327,349**	$ 320,716

8. 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:

8. Employee Benefit Plans (continued)

Supplemental Executive Retirement Plan (continued)

SERP pension benefit obligation:

	2023	2022
Balance at the beginning of the year	**$ 594,067**	$ 666,391
Interest cost	**26,664**	9,279
Actuarial loss (gain)	**50,368**	(11,410)
Benefits paid	**(72,299)**	(70,193)
Balance at the end of the year	**$ 598,800**	$ 594,067

Change in SERP plan assets:

	2023	2022
Fair value at the beginning of the year	**$ -**	$ -
Employer contributions	**72,299**	70,193
Benefits paid	**(72,299)**	(70,193)
Fair value at the end of the year	**$ -**	$ -

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

	2023	2022
Accrued pension cost	**$ 401,949**	$ 425,815
Unrecognized net actuarial loss	**196,851**	168,252
Unfunded SERP pension obligation	**$ 598,800**	$ 594,067

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

	2023	2022
Interest rate used to calculate net periodic pension cost	**2.80%**	2.80%
Interest rate used to calculate year end disclosure information	**5.30%**	4.78%
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:

	2023	2022
Interest cost	**$ 26,664**	$ 9,279
Recognized net actuarial loss	**21,769**	28,256
SERP pension expense	**$ 48,433**	$ 37,535

8. Employee Benefit Plans (continued)

Supplemental Executive Retirement Plan (continued)

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:

2024	$ 74,468
2025	76,702
2026	79,003
2027	81,373
2028	83,815
2029-2032	458,332
Total	$ 853,693

The accumulated benefit obligation was $598,800 at September 30, 2023.

Contributions for the fiscal year beginning October 1, 2023 are not available until that valuation report is completed. However, a reasonable projection of the minimum contribution for the fiscal year beginning October 1, 2022 would be $74,468.

Total retirement expense for all plans for the year ended September 30, 2023 was $250,410.

9. Florida Sheriffs Youth Ranches, Inc. and Florida Sheriffs Explorers Association

The Association solicits funds for the Florida Sheriffs Youth Ranches, Inc. (the FSYR), the Florida Sheriffs Explorers Association (FSEA), and the Florida Deputy Sheriffs Association (FDSA) through its honorary membership program. Renewal requests clearly indicate that additional sums are being solicited and that they will be forwarded to the FSYR and FSEA for their support. Donations received directly by the Association for the FSYR were $341,136 and $348,388 for the years ended September 30, 2023 and 2022, respectively. Donations received directly by the Association for the FSEA were $22,267 and $15,912 for the years ended September 30, 2023 and 2022, respectively. Donations received directly by the Association for the FDSA were $13,527 and $0 for the years ended September 30, 2023 and 2022, respectively. These donations are recorded gross in restricted contributions and membership in the accompanying statements of activities and changes in net assets. Amounts due to the FSYR were $242,532 and $522 at September 30, 2023 and 2022, respectively. Amounts due to the FSEA were $21,267 and $15,012 at September 30, 2023 and 2022, respectively.

10. Commitments and Contingencies

The Association received 28.1% of its revenues from cooperative purchasing program revenues and 32.3% of its revenues from membership dues during the year ended September 30, 2023.

The Association received 28.6% of its revenues from cooperative purchasing program revenues and 40% of its revenues from membership dues during the year ended September 30, 2022.

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, 2023, the potential penalties totaled $451,760. As of May 10, 2024, 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 an annual amount based on a January 2021 agreement. For the years ended September 30, 2023 and 2022, revenue from the FSEBT agreement was $40,000.

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 (*Government Auditing Standards)*, the financial statements of the Florida Sheriffs Association (the Association), which comprise the statement of financial position as of September 30, 2023, and the related statements of activities and changes in net assets and cash flows for the year ended, and the related notes to the financial statements, and have issued our report thereon dated May 10, 2024.

Report on 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Report on 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
May 10, 2024

Thomas Howell Ferguson P.A.

Certified Public Accountants

Report of Independent Auditors on Compliance for Each Major State Program and 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 Each Major State Program

Opinion on Each Major State Program

We have audited the Florida Sheriffs Association's (the Association) compliance with the types of compliance requirements identified as subject to audit 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 programs for the year ended September 30, 2023. The Association 's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Association complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended September 30, 2023.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Chapter 10.650, *Rules of the Auditor General*. Our responsibilities under those standards and the Chapter 10.650, *Rules of the Auditor General* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Association and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the Association 's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Association's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Association 's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and Chapter 10.650, *Rules of the Auditor General* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Association 's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Chapter 10.650, *Rules of the Auditor General*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Association 's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of the Association 's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the the Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of the Association 's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 program 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 program 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 program 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 the 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
May 10, 2024

Florida Sheriffs Association

Schedule of Expenditures of State Financial Assistance

Year ended September 30, 2023

State Agency and Program Title	CSFA Number	Contract Number	Total Expenditures
Florida Department of Legal Affairs and Office of Attorney General			
Florida Sheriffs Association	41.021	GR-2023-Florida Sheriff's Association-00018	$ 163,582
Florida Sheriffs Association	41.021	K05338	534,541
Florida Department of Highway Safety and Motor Vehicles			
Florida Sheriffs Association	76.139	FL Statute 320.08058	442,548
Total Expenditures of State Financial Assistance			$ 1,140,671

Note 1 - The Schedule of Expenditures of State Financial Assistance (the Schedule) includes the State grant activity of the Florida Sheriffs Association (the Association) under projects of the State of Florida for the year ended September 30, 2023, and is presented on the accrual basis of accounting. 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 - Interest earned on certain grant funds are applied to the applicable program. Therefore, certain grant expenditures may exceed award amount.

Note 3 - 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, 2023, there were no material questioned or disallowed costs as a result of grant audits in process or completed.

Note 4 - The Association did not receive any state noncash assistance for the fiscal year ended September 30, 2023.

Note 5 - There were no amounts transferred to subrecipients during the year ended September 30, 2023.

See report of independent auditors.

Florida Sheriffs Association

Schedule of Findings and Questioned Costs
Relating to State Financial Assitance

Year ended September 30, 2023

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?	No
Noncompliance material to financial statements noted?	No

State Projects

Type of auditor's report issued on compliance for state projects?	Unmodified
Internal control over state projects:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	No
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 state projects:

CSFA Number	State Project
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 -- State Financial Assistance Findings and Questioned Costs

We noted no matters involving noncompliance that are required to be reported in accordance with *Rules of the Auditor General* of the state of Florida, Chapter 10.650.

Section IV -- Other Matters

No matters were reported.

See report of independent auditors.