

**SHERIFF  
SEMINOLE COUNTY, FLORIDA**

**FINANCIAL STATEMENTS**

**Year Ended September 30, 2023**

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Dennis M. Lemma,  
Seminole County, Florida Sheriff  
Sanford, Florida

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the Seminole County, Florida Sheriff (the "Sheriff") as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Sheriff, as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparison for the general fund and special revenue fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with 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. 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 Sheriff, 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 opinions.

#### ***Emphasis-of-Matter***

As described in Note 1 to the financial statements, the accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(3), *Rules of the Auditor General for Local Governmental Entity Audits*. These financial statements are not intended to be a complete presentation of the financial position of Seminole County, Florida as of September 30, 2023, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

To the Honorable Dennis M. Lemma,  
Seminole County, Florida Sheriff

**INDEPENDENT AUDITOR'S REPORT**  
*(Continued)*

***Responsibilities of Management 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, 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 Sheriff's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***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 opinions. 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 generally accepted auditing standards 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards 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 Sheriff'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 Sheriff'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.

To the Honorable Dennis M. Lemma,  
Seminole County, Florida Sheriff

**INDEPENDENT AUDITOR'S REPORT**  
*(Concluded)*

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2024, on our consideration of the Sheriff'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 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 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 Sheriff's internal control over financial reporting and compliance.

**MSL, P.A.**

Certified Public Accountants

Orlando, Florida  
February 22, 2024

**SHERIFF  
SEMINOLE COUNTY, FLORIDA**

**BALANCE SHEET - GOVERNMENTAL FUNDS**

**September 30, 2023**

	<b>General Fund</b>	<b>Special Revenue Funds</b>	<b>Totals</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 11,908,106	\$ 4,225,389	\$ 16,133,495
Accounts receivable	20,852	165,102	185,954
Due from Special Revenue Funds	279,570	-	279,570
Due from Custodial Funds	50,000	26,861	76,861
Due from Board of County Commissioners	55,964	-	55,964
Due from Other Governments	411,810	890,905	1,302,715
<b>TOTAL ASSETS</b>	<b>\$ 12,726,302</b>	<b>\$ 5,308,257</b>	<b>\$ 18,034,559</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 1,775,553	\$ 107,530	\$ 1,883,083
Accrued liabilities	4,043,470	95,908	4,139,378
Unearned revenue	-	3,779,385	3,779,385
Due to General Fund	-	279,570	279,570
Due to Custodial Funds	-	320	320
Due to Board of County Commissioners	6,907,279	32,236	6,939,515
<b>TOTAL LIABILITIES</b>	<b>12,726,302</b>	<b>4,294,949</b>	<b>17,021,251</b>
<b>FUND BALANCE</b>			
Restricted - Inmate Welfare	-	1,013,308	1,013,308
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 12,726,302</b>	<b>\$ 5,308,257</b>	<b>\$ 18,034,559</b>

The accompanying notes are an integral part of the financial statements.

**SHERIFF  
SEMINOLE COUNTY, FLORIDA**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS**

**Year Ended September 30, 2023**

	<b>General Fund</b>	<b>Special Revenue Funds</b>	<b>Totals</b>
<b>REVENUES</b>			
Charges for services	\$ 8,938,943	\$ -	\$ 8,938,943
Intergovernmental and other grant revenues	-	10,635,882	10,635,882
Miscellaneous revenues	130,708	3,695,873	3,826,581
<b>TOTAL REVENUES</b>	<b>9,069,651</b>	<b>14,331,755</b>	<b>23,401,406</b>
<b>EXPENDITURES</b>			
Public Safety:			
Salaries and benefits	128,220,301	11,552,948	139,773,249
Operating expenditures	26,657,802	3,039,424	29,697,226
Capital outlay	7,636,307	410,610	8,046,917
<b>TOTAL EXPENDITURES</b>	<b>162,514,410</b>	<b>15,002,982</b>	<b>177,517,392</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(153,444,759)</b>	<b>(671,227)</b>	<b>(154,115,986)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in from Board of County Commissioners	160,351,597	784,070	161,135,667
Transfers out to Board of County Commissioners	(6,906,838)	(32,236)	(6,939,074)
Funds returned to grantor agency	-	(196,684)	(196,684)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>153,444,759</b>	<b>555,150</b>	<b>153,999,909</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>(116,077)</b>	<b>(116,077)</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>-</b>	<b>1,129,385</b>	<b>1,129,385</b>
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ -</b>	<b>\$ 1,013,308</b>	<b>\$ 1,013,308</b>

The accompanying notes are an integral part of the financial statements.

**SHERIFF  
SEMINOLE COUNTY, FLORIDA**

**STATEMENT OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES) -  
GENERAL FUND - BUDGET AND ACTUAL**

**Year Ended September 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>				
Charges for services	\$ -	\$ 8,938,943	\$ 8,938,943	\$ -
Miscellaneous revenues	-	130,708	130,708	-
<b>TOTAL REVENUES</b>	<u>-</u>	<u>9,069,651</u>	<u>9,069,651</u>	<u>-</u>
<b>EXPENDITURES</b>				
Public Safety:				
Salaries and benefits	128,100,000	130,439,563	128,220,301	2,219,262
Operating expenditures	19,964,000	26,547,823	26,657,802	(109,979)
Capital outlay	5,373,000	12,273,862	7,636,307	4,637,555
Contingency	160,000	160,000	-	160,000
<b>TOTAL EXPENDITURES</b>	<u>153,597,000</u>	<u>169,421,248</u>	<u>162,514,410</u>	<u>6,906,838</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(153,597,000)</u>	<u>(160,351,597)</u>	<u>(153,444,759)</u>	<u>6,906,838</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in from Board of County Commissioners	153,597,000	160,351,597	160,351,597	-
Transfers out to Board of County Commissioners	-	-	(6,906,838)	(6,906,838)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>153,597,000</u>	<u>160,351,597</u>	<u>153,444,759</u>	<u>(6,906,838)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of the financial statements.



**SHERIFF  
SEMINOLE COUNTY, FLORIDA**

**STATEMENT OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES) -  
SPECIAL REVENUE FUNDS - BUDGET AND ACTUAL**

**Year Ended September 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>				
Intergovernmental and other grant revenues	\$ 11,288,050	\$ 10,635,882	\$ 10,635,882	\$ -
Miscellaneous revenues	979,452	4,079,218	3,695,873	(383,345)
<b>TOTAL REVENUES</b>	<u>12,267,502</u>	<u>14,715,100</u>	<u>14,331,755</u>	<u>(383,345)</u>
<b>EXPENDITURES</b>				
Public Safety:				
Salaries and benefits	8,864,365	11,956,744	11,552,948	403,796
Operating expenditures	4,112,187	2,967,666	3,039,424	(71,758)
Capital outlay	75,020	574,760	410,610	164,150
<b>TOTAL EXPENDITURES</b>	<u>13,051,572</u>	<u>15,499,170</u>	<u>15,002,982</u>	<u>496,188</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(784,070)</u>	<u>(784,070)</u>	<u>(671,227)</u>	<u>112,843</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in from Board of County Commissioners	784,070	784,070	784,070	-
Transfers out to Board of County Commissioners	-	-	(32,236)	(32,236)
Funds returned to grantor agencies	-	-	(196,684)	(196,684)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>784,070</u>	<u>784,070</u>	<u>555,150</u>	<u>(228,920)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	(116,077)	(116,077)
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>1,129,385</u>	<u>1,129,385</u>	<u>1,129,385</u>	<u>-</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 1,129,385</u>	<u>\$ 1,129,385</u>	<u>\$ 1,013,308</u>	<u>\$ (116,077)</u>

The accompanying notes are an integral part of the financial statements.

**SHERIFF  
SEMINOLE COUNTY, FLORIDA**

**STATEMENT OF NET POSITION –  
PROPRIETARY FUND TYPE – INTERNAL SERVICE FUND**

**September 30, 2023**

<b>ASSETS</b>	
Cash	\$ 10,766,709
Investments	10,619,041
Prepaid claims	<u>501,000</u>
	<b>TOTAL CURRENT ASSETS</b>
	<u>21,886,750</u>
<b>LIABILITIES</b>	
Claims payable	133,171
Other liabilities	72,625
Reserved for incurred but not reported	<u>1,677,374</u>
	<b>TOTAL CURRENT LIABILITIES</b>
	<u>1,883,170</u>
<b>NET POSITION</b>	
Unrestricted	<u>20,003,580</u>
	<b>TOTAL NET POSITION</b>
	<u><u>\$ 20,003,580</u></u>

The accompanying notes are an integral part of the financial statements.

**SHERIFF  
SEMINOLE COUNTY, FLORIDA**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION –  
PROPRIETARY FUND TYPE – INTERNAL SERVICE FUND**

**Year Ended September 30, 2023**

<b>OPERATING REVENUES</b>	
Insurance contributions	<u>\$ 22,511,298</u>
	<b>TOTAL OPERATING REVENUES</b>
	<u>22,511,298</u>
<b>OPERATING EXPENSES</b>	
Administrative costs	1,087,872
Insurance premiums	3,592,035
Benefit payments and claims	<u>17,491,302</u>
	<b>TOTAL OPERATING EXPENSES</b>
	<u>22,171,209</u>
	<b>OPERATING INCOME</b>
	<u>340,089</u>
<b>NONOPERATING REVENUES</b>	
Interest revenue	<u>473,513</u>
	<b>TOTAL NONOPERATING REVENUES</b>
	<u>473,513</u>
	<b>CHANGES IN NET POSITION</b>
	813,602
<b>NET POSITION AT BEGINNING OF YEAR</b>	<u>19,189,978</u>
<b>NET POSITION AT END OF YEAR</b>	<u><u>\$ 20,003,580</u></u>

The accompanying notes are an integral part of the financial statements.

**SHERIFF  
SEMINOLE COUNTY, FLORIDA**

**STATEMENT OF CASH FLOWS –  
PROPRIETARY FUND TYPE – INTERNAL SERVICE FUND**

**Year Ended September 30, 2023**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received for insurance contributions	\$ 22,511,298
Payments to suppliers and for claims	<u>(22,225,069)</u>

**NET CASH PROVIDED BY OPERATING ACTIVITIES** 286,229

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest received	473,513
Cash invested	<u>(473,513)</u>

**NET CASH PROVIDED BY INVESTING ACTIVITIES** -

**NET CHANGE IN CASH AND CASH EQUIVALENTS** 286,229

**CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR** 10,480,480

**CASH AND CASH EQUIVALENTS, END OF YEAR** \$ 10,766,709

**RECONCILIATION OF OPERATING INCOME TO NET CASH  
PROVIDED BY OPERATING ACTIVITIES**

Operating income	\$ 340,089
Increase in prepaid claims	(8,000)
Decrease in other liabilities	(9,279)
Decrease in claims payable	<u>(36,581)</u>

**NET CASH PROVIDED BY OPERATING ACTIVITIES** \$ 286,229

The accompanying notes are an integral part of the financial statements.

**SHERIFF  
SEMINOLE COUNTY, FLORIDA**

**STATEMENT OF FIDUCIARY NET POSITION  
CUSTODIAL FUNDS**

**September 30, 2023**

**ASSETS**

Cash:

Inmate trust account	\$ 95,447
Suspense	40,812
Bond	50,000
Civil	71,305
Evidence	682,199

Accounts receivable:

Suspense	110,460
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Due from Other Funds:

Inmate trust account	320
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Due from Other Governments:

Suspense	251,019
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Due from Individuals:

Suspense	303
Inmate trust account	24,170

<b>TOTAL CURRENT ASSETS</b>	1,326,035
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**LIABILITIES**

Accounts Payable:

Inmate trust account	44,873
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Due to Other Funds:

Inmate trust account	26,861
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Due to Individuals:

Inmate trust account	30,298
Civil	45,775

Due to Board of County Commissioners:

Inmate Trust	17,905
Suspense	402,594
Civil	25,530

Due to General Fund:

Bond	50,000
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<b>TOTAL CURRENT LIABILITIES</b>	643,836
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**NET POSITION**

Restricted for:

Individuals	682,199
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<b>TOTAL NET POSITION</b>	\$ 682,199
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The accompanying notes are an integral part of the financial statements.

**SHERIFF  
SEMINOLE COUNTY, FLORIDA**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUNDS**

**Year Ended September 30, 2023**

**ADDITIONS**

Contributions from Individuals:

Inmate Trust	\$ 1,627,205
Suspense	2,246,602
Bonds	1,338,507
Civil	291,450
Evidence	714,319
Forfeiture	193,740

Contributions from Other Governments:

Suspense	<u>13,759,290</u>
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**TOTAL ADDITIONS** 20,171,113

**DEDUCTIONS**

Other Payments:

Inmate Trust	1,422,405
Suspense	12,590,200
Bonds	237
Civil	5,998
Evidence	519,480

Payments to Board of County Commissioners:

Inmate Trust	207,514
Suspense	3,420,807
Civil	270,832
Forfeiture	79,065

Payments to Other Governments:

Bonds	1,340,033
Forfeiture	<u>114,675</u>

**TOTAL DEDUCTIONS** 19,971,246

**NET INCREASE IN FIDUCIARY NET POSITION** 199,867

**NET POSITION**

**NET POSITION - BEGINNING OF THE YEAR** 482,332

**NET POSITION - END OF THE YEAR** \$ 682,199

The accompanying notes are an integral part of the financial statements.

**SHERIFF  
SEMINOLE COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**Year Ended September 30, 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of the more significant accounting policies used in the preparation of these financial statements.

**Reporting Entity**

The Seminole County, Florida Sheriff (the “Sheriff”) is a separately elected county official established pursuant to the Constitution of the State of Florida. These financial statements are not intended to be a complete presentation of the financial position of Seminole County, Florida (the “County”) as of September 30, 2023, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are presented to comply with the requirements of Section 218.39, Florida Statutes, and Section 10.557(3), *Rules of the Auditor General for Local Governmental Entity Audits*. The Sheriff’s General Fund is combined with the Board of County Commissioners’ (the “Board”) and other constitutional officers’ general funds in the County’s Annual Comprehensive Financial Report (“ACFR”) to properly reflect the county-wide General Fund. The Special Revenue, Internal Service, and Fiduciary Funds are shown separately in the appropriate sections of the County’s ACFR.

**Description of Funds**

The accounting records are organized on the basis of funds and classified for reporting purposes into four basic fund types:

General Fund – The General Fund is a governmental fund used to account for all revenues and expenditures applicable to the general operations of the Sheriff. The General Fund measurement focus is based upon determination of financial position and changes in financial position (sources, uses and balances of financial resources, rather than upon net income determination).

Special Revenue Funds – The Special Revenue Funds are governmental funds used to account for all revenues and expenditures applicable to the grants, contracts, training funds, inmate welfare, extra duty detail, and HIDTA (High Intensity Drug Trafficking Areas) of the Sheriff. The measurement focus of the Special Revenue Funds is the same as the General Fund.

Internal Service Fund – The Internal Service Fund is a proprietary fund, used to account for the revenues and expenses of the Sheriff’s self-insurance benefits program. The Sheriff is self-insured for medical and dental claims covering all employees, retirees who have elected coverage, and their eligible dependents.

**SHERIFF  
SEMINOLE COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**Year Ended September 30, 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Description of Funds (Continued)**

Fiduciary Funds – The Sheriff maintains Custodial Funds, which are used to account for assets held by the Sheriff as agent. Custodial Funds do not involve measurement of results of operations. A statement of fiduciary net position and a statement of changes in fiduciary net position are presented for the Custodial Funds.

**Basis of Accounting and Presentation**

The accounts of the Governmental Funds are maintained on the modified accrual basis. Under the modified accrual basis of accounting, expenditures are recorded at the time liabilities are incurred and revenues are recorded when received in cash or when they are considered both measurable and available and, as such, susceptible to accrual. All unexpended General Fund balances at the end of the fiscal year are refunded to the Board and deposited into the County fund, or funds, from which the payment was originally made.

The Internal Service Fund is reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred. Operating revenues and expenses consist of contributions for insurance purposes and the payments for claims and related expenses. Nonoperating revenue consists of investment income.

Custodial Funds are accounted for under the economic resources method and accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred. These funds are used to account for assets held by the Sheriff in a trustee capacity or as an agent for individuals, private organizations, and other governments.

**Budgetary Requirements and Basis**

Expenditures are controlled by appropriations in accordance with the budget requirements set forth in Section 30.49(2)(a), Florida Statutes, and Board policy. The budgeted revenues and expenditures in these financial statements reflect all amendments approved by the Sheriff and the Board. Budgetary control is required at the fund level. Total budgeted expenditures may not exceed related actual expenditures at the fund level. The budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America (“GAAP”).



**SHERIFF  
SEMINOLE COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**Year Ended September 30, 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Capital Assets**

Capital assets consist of equipment used in the Sheriff's operations and are recorded as expenditures in the General Fund at the time assets are received and a liability is incurred. These assets are capitalized at cost. Depreciation is computed using the straight-line method. Useful lives of assets range from 3-10 years. The Sheriff follows the Board's capitalization policy for reporting, which requires all capital assets acquired greater than \$5,000 be capitalized and depreciated. Donated and confiscated capital assets are recorded at fair value at the time received.

**Compensated Absences**

The Sheriff accrues a liability for employees' rights to receive compensation for future absences when certain conditions are met. The Sheriff is not legally required to and does not accumulate expendable, available financial resources to liquidate this obligation. The maximum accruable hours for compensated absences is 1,000.

**Fund Balances**

Fund balances in the Governmental Funds are reported in the following categories as of September 30, 2023:

Restricted – Includes fund balance amounts in the Special Revenue Funds that are constrained for specific purposes, which are externally imposed by third parties (grantors, contributors) or amounts constrained due to constitutional provisions or enabling legislation.

Unassigned – Includes fund balance that is spendable and that has not been restricted, committed, or assigned to a specific purpose. Excess resources of an unassigned nature are returned to the Board at year end and, therefore, this category should always be zero.

When both restricted and unrestricted (assigned and unassigned) fund resources are available for use, it is the Sheriff's policy to generally use restricted resources first and then unrestricted resources.

**Transfers**

In accordance with Florida Statutes, all unexpended General Fund balances at year-end are owed to the Board. These excess fees are reported as transfers (out). Appropriations from the Board are presented as transfers in.

**SHERIFF  
SEMINOLE COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**Year Ended September 30, 2023**

**NOTE 2 - CASH AND INVESTMENTS**

**Cash**

Cash consists of various demand deposit accounts. The cash deposits are held by a bank that qualifies as a public depository under the Florida Security for Public Deposits Act as required by Chapter 280, Florida Statutes, and are fully insured.

**Investments**

Florida Statutes 218.415, 219.075, and the Sheriff's investment policy, authorize investments in obligations of the U.S. government, its agencies and instrumentalities, repurchase agreements, and money market funds. The repurchase agreements must have a termination date of 364 days or less and be collateralized by U.S. Treasury obligations, federal agency securities, and federal instrumentality securities. The money market funds invest only in obligations of the United States, its agencies and/or instrumentalities, or repurchase agreements collateralized by obligations of the United States, its agencies and/or instrumentalities. The Sheriff had investments totaling \$10,619,041 related to self-insurance reserves at September 30, 2023.

**NOTE 3 - CAPITAL ASSETS**

The Sheriff's capital assets consist of vehicles, helicopters and equipment. Capital assets acquired with a value of \$5,000 or greater are recorded as capital outlay expenditures. The following is a summary of the changes related to capital assets, that had a value of \$5,000 or greater at the time of acquisition, for the fiscal year ended September 30, 2023:

	<b>Vehicles, Helicopters, and Equipment</b>	
	<b>Cost</b>	<b>Accumulated Depreciation</b>
Balance – October 1, 2022	\$ 41,409,271	\$ 30,053,787
Additions	8,414,615	3,363,762
Retirements	(2,402,819)	(2,091,597)
Balance – September 30, 2023	<u>\$ 47,421,067</u>	<u>\$ 31,325,952</u>

Capital assets and related accumulated depreciation are recorded on the government-wide financial statements of the County. For the fiscal year ended September 30, 2023, depreciation expense of \$3,363,762 is reflected in the County's ACFR in the statement of activities under public safety expenses.

**SHERIFF  
SEMINOLE COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**Year Ended September 30, 2023**

**NOTE 4 - PENSION PLAN**

**Plan Description**

The Sheriff's employees participate in the Florida Retirement System ("FRS"), a multiple-employer, cost-sharing, retirement system, administered by the Florida Department of Management Services. The Sheriff's employees have the option of choosing between either a Defined Contribution plan or a Defined Benefit plan. As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida.

For financial reporting purposes, the Sheriff is deemed to be part of the primary government of the County. A liability, if any, related to the Sheriff's proportionate share of FRS retirement benefits, along with a detailed plan description, is reported in the financial statements of the County for the fiscal year ended September 30, 2023.

The Sheriff has no responsibility to FRS other than to make the periodic contributions required by State Statutes. The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for FRS. The report may be obtained online at [myfrs.com](http://myfrs.com).

**Funding Policy**

The Sheriff's contributions to the FRS for fiscal years ended September 30, 2021, 2022, and 2023 were approximately \$15,483,855, \$16,664,979, and \$19,986,958 respectively, which were equal to the required contribution for each fiscal year.

Effective July 1, 2011, employees are required to contribute 3% towards the FRS. Employee withholdings for this purpose amounted to \$2,277,117, \$2,287,167, and \$2,502,883 for the fiscal years ended September 30, 2021, 2022, and 2023, respectively, which were equal to the required contribution for each fiscal year.

**SHERIFF  
SEMINOLE COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**Year Ended September 30, 2023**

**NOTE 5 - INSURANCE COVERAGE**

The Sheriff is exposed to various risks of loss related to general liability; torts; thefts of damage to and destruction of assets; errors and omissions; injuries to employees and inmates; and natural disasters. To mitigate these risks, the Sheriff participates in, the Florida Sheriff’s Risk Management Fund (“FSRMF”), a risk management pool to which risk is transferred in exchange for annual premium payments. Coverages obtained by the Sheriff under the FSRMF include workers’ compensation, general liability, automobile liability, watercraft, confiscated/impounded equipment, canine accidental death and destruction, canine illness, flash roll money, broad form money and securities, employee dishonesty bond, data breach and miscellaneous business property. The Sheriff carries separate insurance policies with commercial carriers for aircraft insurance, statutory in-line-of-duty death benefits, medical liability at the John E. Polk Correctional Facility, business property, cybersecurity and accidental death and dismemberment policies for miscellaneous programs.

**NOTE 6 - LONG-TERM LIABILITIES**

A summary of changes in long-term liabilities for the fiscal year ended September 30, 2023 is as follows:

	<u>Balance October 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance September 30, 2023</u>	<u>Due Within One Year</u>
Compensated absences	\$ 22,395,674	\$ 12,324,921	\$ 10,343,185	\$ 24,377,410	\$ 1,564,075

The obligation for compensated absences is accrued in the government-wide financial statements of the County.

**SHERIFF  
SEMINOLE COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**Year Ended September 30, 2023**

**NOTE 7 - IMPLEMENTATION OF GASB STATEMENT NO. 87, *LEASES***

The Sheriff is a lessee of various noncancelable lease arrangement for building space, equipment, and vehicles. The leases qualify to be reported in accordance with Government Accounting Standards Board (“GASB”) Statement No. 87, *Leases*. The Sheriff’s leases have been provided to the County for inclusion of lease arrangements county-wide. The Sheriff’s leases will be included County-wide and the County will recognize a lease liability and an intangible right-to-use lease asset in the government-wide financial statements.

At the commencement of each lease, the lease liability will be initially measured at the present value of payments expected to be made during the lease term. Subsequently, the liability will be reduced by the principal payments made. The lease asset will be measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset will be amortized on a straight-line-basis over the term of the lease.

For key estimates and judgments related to the Sheriff’s leases and how the County determined the discount rate used to discount expected lease payments to present value, the lease term and lease payments, please see the County’s ACFR for the fiscal year ended September 30, 2023.

**SHERIFF  
SEMINOLE COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**Year Ended September 30, 2023**

**NOTE 8 - IMPLEMENTATION OF GASB STATEMENT NO. 96, *SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)***

The Governmental Accounting Standards Board issued Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA). This Statement defines a SBITA as a contract that conveys control of the right to use another party's information technology software alone or in combination with tangible capital assets as specified in the contract for a period of time in an exchange or exchange-like transaction. Under this Statement, a government should recognize a right-to-use subscription, intangible asset and a corresponding subscription liability at the commencement of the subscription term, when the subscription asset is placed in service.

The Sheriff has several SBITAs that met the criteria of this Statement. Implementation of this Statement, for the Sheriff, will be included in the County's government-wide financial statements and related note disclosures. In the year of inception, SBITAs are reported in the County's ACFR as other financing sources and capital outlay expenditures. The payments made, by the Sheriff, in accordance with the terms of the SBITAs will be reported in the County's ACFR as debt service expenditures, principal and interest, in the Statement of Revenues, Expenditures and Changes in Fund Balance. In the Sheriff's financial statements these payments are reported under Public Safety as operating expenditures and will be reclassified as noted above in the General Fund roll up. For additional information, please see the County's ACFR for the fiscal year ended September 30, 2023.

**NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS**

All eligible employees of the Sheriff participate in the County's plan. For a detailed plan description and any liability for employees of the Sheriff, see the County's ACFR for the fiscal year ended September 30, 2023.

**SHERIFF  
SEMINOLE COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**Year Ended September 30, 2023**

**NOTE 10 - INSURANCE PROGRAMS**

On January 1, 2016, the Sheriff implemented a self-insurance program for medical insurance. Dental insurance coverage was added to the self-insurance program on January 1, 2023. The program uses a combination of self-insurance and specific and aggregate stop-loss coverage to minimize risk exposure. The Sheriff purchased a reinsurance policy for employee claims in excess of \$300,000 per occurrence.

The schedule below presents the changes in the liability for accrued claims for the past year:

Year	Balance October 1, 2022	Claims Incurred	Claims Paid	Balance September 30, 2023
2023	\$ 1,847,126	\$ 18,917,197	\$ 18,953,778	\$ 1,810,545

**NOTE 11 - CONTINGENCIES AND COMMITMENTS**

Various lawsuits and claims arising in the ordinary course of operations are pending against the Sheriff. The ultimate effect of such litigation cannot be ascertained at this time. In the opinion of management of the Sheriff, the liabilities that may arise from such action would not result in losses that would materially affect the financial position of the Sheriff or its changes in financial position.

The ARPA funding from the Board has two subrecipients that will be payable over future periods. The subrecipients will provide services during the funding period (December 16, 2021 – December 31, 2024).

The Board approved an appropriation from the Sheriff’s Fiscal Year 2022/23 General Fund Budget closeout to carryforward to fiscal year 2023/24 purchase commitments in the amount of \$6,700,725 that were in effect at September 30, 2023 which were not completed during fiscal year 2022/23 as a result of challenges and delays in the supply chain.

**SHERIFF  
SEMINOLE COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**Year Ended September 30, 2023**

**NOTE 12 - AMERICAN RESCUE PLAN ACT OF 2021**

On December 14, 2021, the Board approved and authorized an Agreement between the County and the Sheriff for American Rescue Plan Act (“ARPA”) funding in the amount of \$9,000,000, payable over a three-year term in equal installments of \$3,000,000 to the Sheriff in January 2022, January 2023, and January 2024. The agreement was executed on December 16, 2021 and expires on December 31, 2024. All funds must be obligated by the end of the term of the agreement.

The funds are to be used by the Sheriff in order to respond to the effects of the COVID-19 public health emergency upon individuals in the Seminole County community. Specifically, the Sheriff plans to expand the Seminole Collaborative Opioid Response Efforts (“SCORE”) unit to handle mental health crisis incidents in addition to substance abuse; expand the current opioid treatment partnership with AdventHealth (Hope & Healing Center); establish a Behavioral Health Hub with a mental health focus through a collaborative partnership with providers; continue and expand the Sheriff’s Juvenile Mobile Crisis Response Program and Juvenile Intervention Services; and provide continuity of program coordination and outreach among Sheriff’s Office divisions, the judicial system and community partners.

The Sheriff received the first allocation of \$3,000,000 from the Board in January 2022 and incurred \$622,429 in ARPA related expenditures through September 30, 2022, and \$1,598,187 during the fiscal year ended September 2023. Cumulative ARPA expenditures total \$2,220,616, resulting in unearned revenue of \$779,385 as of September 30, 2023. This financial activity has been reported by the Sheriff in a Special Revenue Fund.

The Sheriff received the second allocation of \$3,000,000 from the Board in January 2023. However, on November 14, 2023, the Board approved Budget Amendment Request (BAR) #23-053, which appropriated applicable projects under the Seminole County Recovery Plan as general government services. BAR #23-053 reclassified each of the \$3,000,000 ARPA funding allocations for fiscal year 2023 and fiscal year 2024 as General Fund. The \$3,000,000 allocation received in January 2023 has been reflected as cash and deferred revenue in a new Special Revenue Fund as of September 30, 2023.

Due to the impact of the Board using ARPA funding for revenue replacement, the Sheriff’s ARPA funding will be eliminated in the ACFR and reported in the Board level total.



## **COMPLIANCE SECTION**



Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT 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***

To the Honorable Dennis M. Lemma,  
Seminole County, Florida Sheriff  
Sanford, Florida

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 Seminole County, Florida Sheriff (the "Sheriff") as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated February 22, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Sheriff'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 Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the Sheriff'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 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 over financial reporting 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.

To the Honorable Dennis M. Lemma,  
Seminole County, Florida Sheriff

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Sheriff's financial statements are free of 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*.

Pursuant to provisions of Chapter 10.550, *Rules of the Auditor General*, we reported certain matters to management of the Sheriff in a separate management letter and Independent Accountant's Report dated February 22, 2024.

### **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 Sheriff'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 Sheriff's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**MSL, P.A.**

Certified Public Accountants

Orlando, Florida  
February 22, 2024



## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Honorable Dennis M. Lemma,  
Seminole County, Florida Sheriff  
Sanford, Florida

### Report on the Financial Statements

We have audited the basic financial statements of the Seminole County, Florida Sheriff (the "Sheriff") as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated February 22, 2024.

### Auditor's Responsibility

We conducted our audit in accordance with 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 and Chapter 10.550, *Rules of the Auditor General*.

### Other Reporting Requirements

We have issued our Independent Auditor's Report 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* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated March 8, 2023, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. In connection with the preceding audit, there were no findings or recommendations.

### Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority is disclosed in the notes to the financial statements.

### Financial Management

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

To the Honorable Dennis M. Lemma,  
Seminole County, Florida Sheriff

**Additional Matters**

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Sheriff and applicable management and is not intended to be, and should not be, used by anyone other than these specified parties.

**MSL, P.A.**

Certified Public Accountants

Orlando, Florida  
February 22, 2024



## INDEPENDENT ACCOUNTANT'S REPORT

To the Honorable Dennis M. Lemma,  
Seminole County, Florida Sheriff  
Sanford, Florida

We have examined the Seminole County, Florida Sheriff's (the "Sheriff") compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2023. Management is responsible for the Sheriff's compliance with those requirements. Our responsibility is to express an opinion on the Sheriff's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Sheriff is in accordance with those requirements, in all material respects. An examination involves performing procedures to obtain evidence about the Sheriff's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the Sheriff's compliance with specified requirements.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement. Our examination does not provide a legal determination on the Sheriff's compliance with the specified requirements.

In our opinion, the Sheriff complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2023.

***MSL, P.A.***

Certified Public Accountants

Orlando, Florida  
February 22, 2024