

**SHERIFF
SEMINOLE COUNTY, FLORIDA**

FINANCIAL STATEMENTS

Year Ended September 30, 2024

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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, 2024, 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, 2024, 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, 2024, 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 January 31, 2025, 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
January 31, 2025

**SHERIFF
SEMINOLE COUNTY, FLORIDA**

BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2024

	General Fund	Special Revenue Funds	Totals
ASSETS			
Cash and cash equivalents	\$ 11,966,235	\$ 4,314,054	\$ 16,280,289
Accounts receivable	5,160,355	298,166	5,458,521
Due from General Fund	-	1,767	1,767
Due from Special Revenue Funds	470,777	-	470,777
Due from Internal Service Fund	2,406	-	2,406
Due from Custodial Funds	1,253,883	62,796	1,316,679
Due from Board of County Commissioners	43,827	6,250	50,077
Due from Other Governments	79,034	1,301,858	1,380,892
TOTAL ASSETS	\$ 18,976,517	\$ 5,984,891	\$ 24,961,408
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	\$ 2,067,666	\$ 107,923	\$ 2,175,589
Accrued liabilities	5,601,327	107,719	5,709,046
Unearned revenue	-	4,469,314	4,469,314
Due to General Fund	-	470,777	470,777
Due to Special Revenue Fund	1,767	-	1,767
Due to Internal Service Fund	500,000	-	500,000
Due to Custodial Fund	-	1,820	1,820
Due to Board of County Commissioners	5,099,469	26,835	5,126,304
TOTAL LIABILITIES	13,270,229	5,184,388	18,454,617
FUND BALANCE			
Assigned	5,706,288	-	5,706,288
Restricted - Inmate Welfare	-	800,503	800,503
TOTAL LIABILITIES AND FUND BALANCE	\$ 18,976,517	\$ 5,984,891	\$ 24,961,408

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, 2024

	General Fund	Special Revenue Funds	Totals
REVENUES			
Charges for services	\$ 8,879,744	\$ -	\$ 8,879,744
Intergovernmental and other grant revenues	-	7,430,662	7,430,662
Miscellaneous revenues	175,833	3,226,639	3,402,472
TOTAL REVENUES	9,055,577	10,657,301	19,712,878
EXPENDITURES			
Public Safety:			
Salaries and benefits	142,913,769	8,188,143	151,101,912
Operating expenditures	28,151,833	3,258,495	31,410,328
Capital outlay	7,925,625	111,202	8,036,827
TOTAL EXPENDITURES	178,991,227	11,557,840	190,549,067
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(169,935,650)	(900,539)	(170,836,189)
OTHER FINANCING SOURCES (USES)			
Sale of fixed assets	2,456,394	-	2,456,394
Insurance proceeds	5,706,288	-	5,706,288
Transfers in from Board of County Commissioners	172,578,725	714,569	173,293,294
Transfers out to Board of County Commissioners	(5,099,469)	(26,835)	(5,126,304)
TOTAL OTHER FINANCING SOURCES (USES)	175,641,938	687,734	176,329,672
NET CHANGE IN FUND BALANCE	5,706,288	(212,805)	5,493,483
FUND BALANCE AT BEGINNING OF YEAR	-	1,013,308	1,013,308
FUND BALANCE AT END OF YEAR	\$ 5,706,288	\$ 800,503	\$ 6,506,791

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, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Charges for services	\$ 7,441,800	\$ 8,879,744	\$ 8,879,744	\$ -
Miscellaneous revenues	-	175,833	175,833	-
TOTAL REVENUES	<u>7,441,800</u>	<u>9,055,577</u>	<u>9,055,577</u>	<u>-</u>
EXPENDITURES				
Public Safety:				
Salaries and benefits	145,154,800	142,061,309	142,913,769	(852,460)
Operating expenditures	22,235,000	28,278,902	28,151,833	127,069
Capital outlay	5,580,000	13,400,485	7,925,625	5,474,860
Contingency	350,000	350,000	-	350,000
TOTAL EXPENDITURES	<u>173,319,800</u>	<u>184,090,696</u>	<u>178,991,227</u>	<u>5,099,469</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(165,878,000)</u>	<u>(175,035,119)</u>	<u>(169,935,650)</u>	<u>5,099,469</u>
OTHER FINANCING SOURCES (USES)				
Sale of fixed assets	-	2,456,394	2,456,394	-
Insurance proceeds	-	5,706,288	5,706,288	-
Transfers in from Board of County Commissioners	165,878,000	172,578,725	172,578,725	-
Transfers out to Board of County Commissioners	-	-	(5,099,469)	(5,099,469)
TOTAL OTHER FINANCING SOURCES (USES)	<u>165,878,000</u>	<u>180,741,407</u>	<u>175,641,938</u>	<u>(5,099,469)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>5,706,288</u>	<u>5,706,288</u>	<u>-</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ 5,706,288</u>	<u>\$ 5,706,288</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, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental and other grant revenues	\$ 7,201,380	\$ 7,430,662	\$ 7,430,662	\$ -
Miscellaneous revenues	600,000	3,639,000	3,226,639	(412,361)
TOTAL REVENUES	<u>7,801,380</u>	<u>11,069,662</u>	<u>10,657,301</u>	<u>(412,361)</u>
EXPENDITURES				
Public Safety:				
Salaries and benefits	3,786,921	8,183,404	8,188,143	(4,739)
Operating expenditures	3,477,149	3,489,625	3,258,495	231,130
Capital outlay	1,323,000	111,202	111,202	-
TOTAL EXPENDITURES	<u>8,587,070</u>	<u>11,784,231</u>	<u>11,557,840</u>	<u>226,391</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(785,690)</u>	<u>(714,569)</u>	<u>(900,539)</u>	<u>(185,970)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in from Board of County Commissioners	785,690	714,569	714,569	-
Transfers out to Board of County Commissioners	-	-	(26,835)	(26,835)
TOTAL OTHER FINANCING SOURCES (USES)	<u>785,690</u>	<u>714,569</u>	<u>687,734</u>	<u>(26,835)</u>
NET CHANGE IN FUND BALANCE	-	-	(212,805)	(212,805)
FUND BALANCE AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>1,013,308</u>	<u>1,013,308</u>
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 800,503</u>	<u>\$ 800,503</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, 2024

ASSETS	
Cash	\$ 7,978,497
Investments	11,200,530
Prepaid claims	506,000
Due from General Fund	<u>500,000</u>
	TOTAL CURRENT ASSETS <u>20,185,027</u>
LIABILITIES	
Claims payable	307,494
Other liabilities	62,330
Due to General Fund	2,406
Reserved for incurred but not reported	<u>2,176,556</u>
	TOTAL CURRENT LIABILITIES <u>2,548,786</u>
NET POSITION	
Unrestricted	<u>17,636,241</u>
	TOTAL NET POSITION <u><u>\$ 17,636,241</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, 2024

OPERATING REVENUES	
Insurance contributions	<u>\$ 23,315,549</u>
	TOTAL OPERATING REVENUES <u>23,315,549</u>
OPERATING EXPENSES	
Administrative costs	1,283,071
Insurance premiums	2,916,994
Benefit payments and claims	<u>22,128,971</u>
	TOTAL OPERATING EXPENSES <u>26,329,036</u>
	OPERATING INCOME (LOSS) <u>(3,013,487)</u>
NONOPERATING REVENUES	
Interest revenue	<u>646,148</u>
	TOTAL NONOPERATING REVENUES <u>646,148</u>
	CHANGES IN NET POSITION (2,367,339)
NET POSITION AT BEGINNING OF YEAR	<u>20,003,580</u>
NET POSITION AT END OF YEAR	<u><u>\$ 17,636,241</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, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received for insurance contributions	\$ 23,315,549
Payments to suppliers and for claims	<u>(26,168,420)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(2,852,871)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	646,148
Cash invested	<u>(581,489)</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>64,659</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,788,212)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>10,766,709</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 7,978,497</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	
Operating income (loss)	\$ (3,013,487)
Increase in due from other funds	(500,000)
Increase in prepaid claims	(5,000)
Increase in due to other funds	2,406
Decrease in other liabilities	(10,295)
Increase in claims payable	<u>673,505</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u><u>\$ (2,852,871)</u></u>

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

**SHERIFF
SEMINOLE COUNTY, FLORIDA**

**STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS**

September 30, 2024

ASSETS

Cash:

Inmate trust	\$ 194,115
Suspense	1,669,709
Bond	49,500
Civil	97,005
Evidence	549,359
Due from Other Funds:	
Inmate trust	1,820
Due from Other Governments:	
Suspense	348,453
Bond	500
Due from Individuals:	
Inmate trust	22,572

TOTAL CURRENT ASSETS 2,933,033

LIABILITIES

Accounts Payable:	
Inmate trust	83,570
Due to General Fund:	
Suspense	1,203,883
Bond	50,000
Due to Special Revenue Fund:	
Inmate trust	55,987
Suspense	6,809
Due to Individuals:	
Inmate trust	31,263
Civil	47,084
Due to Board of County Commissioners:	
Inmate trust	47,687
Suspense	807,471
Civil	49,920

TOTAL CURRENT LIABILITIES 2,383,674

NET POSITION

Restricted for:	
Individuals	549,359

TOTAL NET POSITION \$ 549,359

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, 2024

ADDITIONS

Contributions from Individuals:

Inmate trust	\$ 1,673,111
Suspense	5,335,608
Bonds	1,378,349
Civil	325,065
Evidence	381,340
Forfeiture	215,642

Contributions from Other Governments:

Suspense	9,380,295
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TOTAL ADDITIONS 18,689,410

DEDUCTIONS

Other Payments:

Inmate trust	1,447,453
Suspense	11,498,041
Civil	31,422
Evidence	514,180

Payments to Board of County Commissioners:

Inmate trust	225,658
Suspense	3,217,862
Civil	293,643
Forfeiture	107,403

Payments to Other Governments:

Bonds	1,378,349
Forfeiture	108,239

TOTAL DEDUCTIONS 18,822,250

NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION (132,840)

NET POSITION

NET POSITION - BEGINNING OF THE YEAR 682,199

NET POSITION - END OF THE YEAR \$ 549,359

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

**SHERIFF
SEMINOLE COUNTY, FLORIDA**

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

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, 2024, 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, 2024

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, 2024

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 1,200.

Fund Balances

Fund balances in the Governmental Funds are reported in the following categories as of September 30, 2024:

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.

Assigned – Amounts are constrained by the Sheriff's intent to be used for specific purposes but are not restricted. See Note 13 for additional information.

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.

**SHERIFF
SEMINOLE COUNTY, FLORIDA**

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 \$11,200,530 related to self-insurance reserves at September 30, 2024.

**SHERIFF
SEMINOLE COUNTY, FLORIDA**

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

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, 2024:

	Vehicles, Helicopters, and Equipment	
	Cost	Accumulated Depreciation
Balance – October 1, 2023	\$ 47,421,067	\$ 31,325,952
Additions	8,222,280	3,992,646
Retirements	(5,116,590)	(4,768,461)
Balance – September 30, 2024	<u>\$ 50,526,757</u>	<u>\$ 30,550,137</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, 2024, depreciation expense of \$3,992,646 is reflected in the County’s ACFR in the statement of activities under public safety expenses.

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, state 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, 2024.

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.

**SHERIFF
SEMINOLE COUNTY, FLORIDA**

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 4 - PENSION PLAN (Continued)

Funding Policy

The Sheriff’s contributions to the FRS for fiscal years ended September 30, 2022, 2023, and 2024 were approximately \$16,664,979, \$19,986,958, and \$23,623,109 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 \$2,287,167, \$2,502,883, and \$2,657,820 for the fiscal years ended September 30, 2022, 2023, and 2024, respectively, which were equal to the required contribution for each fiscal year.

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 coverage, statutory in-line-of-duty death benefits, 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, 2024 is as follows:

	<u>Balance October 1, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance September 30, 2024</u>	<u>Due Within One Year</u>
Compensated absences	\$ 24,377,410	\$ 12,330,218	\$ 11,843,714	\$ 24,863,914	\$ 1,625,732

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, 2024

NOTE 7 - 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 is 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, 2024.

NOTE 8 - SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

GASB 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 meet the criteria of this Statement, which will be included in the County’s government-wide financial statements and related note disclosures. 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, 2024.

**SHERIFF
SEMINOLE COUNTY, FLORIDA**

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

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, 2024.

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, 2023	Claims Incurred	Claims Paid	Balance September 30, 2024
2024	\$ 1,810,545	\$ 22,133,971	\$ 21,460,466	\$ 2,484,050

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 American Rescue Plan Act (“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 2023/24 General Fund Budget closeout to carryforward to fiscal year 2023/24 purchase commitments in the amount of \$4,532,084 that were in effect at September 30, 2024 which were not completed during fiscal year 2023/24 as a result of challenges and delays in the supply chain.

**SHERIFF
SEMINOLE COUNTY, FLORIDA**

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

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 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, \$1,598,187 during the fiscal year ended September 2023 and \$779,384 during the fiscal year ended September 30, 2024. Cumulative ARPA expenditures total \$3,000,000 as of September 30, 2024. 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 Funds. Expenditures in the amount of \$1,540,686 were incurred during fiscal year 2024 related to the second allocation leaving a balance of \$1,459,314 at September 30, 2024. Due to the impact of the Board using ARPA funding for revenue replacement, the Sheriff’s ARPA funding will be eliminated in the ACFR.

The \$3,000,000 allocation received in January 2024 has been reflected as cash and unearned revenue in the new Special Revenue Fund at September 30, 2024.

**SHERIFF
SEMINOLE COUNTY, FLORIDA**

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2024

NOTE 13 - INSURANCE PROCEEDS

In June 2024, the Sheriff's 2023 Airbus H125 AS350B3 helicopter was involved in a hard landing at the Orlando Sanford International Airport, resulting in substantial damage. The Sheriff had aviation insurance coverage totaling \$6,262,000, net of deductibles, with \$4,906,000 for the hull of the helicopter and \$1,356,000 for special equipment.

As of September 30, 2024, the insurance claim was still in process and the Sheriff received insurance proceeds of \$654,969 in September and \$5,051,319 in early October for a total of \$5,706,288. Because this amount was available and measurable, it has been recorded as insurance proceeds revenue as of September 30, 2024, and is reflected as Assigned Fund Balance, rather than returning the funds to the County in the year-end closeout and requesting the funds back in Fiscal Year 2025 for the purchase of a replacement helicopter.

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, 2024, and the related notes to the financial statements, which collectively comprise the Sheriff’s basic financial statements and have issued our report thereon dated January 31, 2025.

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 January 31, 2025.

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
January 31, 2025



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, 2024, and have issued our report thereon dated January 31, 2025.

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 January 31, 2025, 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
January 31, 2025



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, 2024. 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, 2024.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
January 31, 2025