



Batts Morrison  
Wales & Lee

CERTIFIED PUBLIC ACCOUNTANTS

# Florida Sheriffs Youth Ranches, Inc.

Consolidated Financial Statements

For The Years Ended September 30, 2023 and 2022



Batts Morrison  
Wales & Lee

CERTIFIED PUBLIC ACCOUNTANTS

## REPORT OF INDEPENDENT AUDITOR

The Board of Directors  
Florida Sheriffs Youth Ranches, Inc.  
Live Oak, Florida

### ***Opinion***

We have audited the consolidated financial statements of Florida Sheriffs Youth Ranches, Inc. ("the Organization"), which consist of the consolidated statements of financial position as of September 30, 2023 and 2022, and the related consolidated statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Florida Sheriffs Youth Ranches, Inc. as of September 30, 2023 and 2022, the consolidated changes in its net assets, and its consolidated cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

### ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

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

---

Batts Morrison Wales & Lee, P.A. • Certified Public Accountants

Offices | Orlando • Dallas  
800.960.0803 • [www.NonprofitCPA.com](http://www.NonprofitCPA.com)  
Keeping Watch for Nonprofits Across the United States®

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the consolidated 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 consolidated 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 Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

***Other Matters – Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplemental consolidating statements of financial position as of September 30, 2023 and 2022, and the related supplemental consolidating statements of activities and cash flows for the years then ended are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

*Batts Morrison Wales & Lee, P.A.*

BATTS MORRISON WALES & LEE, P.A.

Orlando, Florida  
February 7, 2024

**FLORIDA SHERIFFS YOUTH RANCHES, INC.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**ASSETS**

	September 30,	
	2023	2022
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,850,153	\$ 5,509,654
Cash held for self-funded health insurance plan	639,284	667,456
Certificate of deposit	1,034,052	1,015,149
Investments	23,242,477	18,668,733
Investments and other assets restricted for long-term purposes	43,273,215	40,288,390
Beneficial interests in trusts and endowments held by others	5,011,060	4,648,096
Right-of-use assets	1,908,172	—
Property and equipment, net	12,512,199	10,537,971
Other assets	2,111,457	3,265,310
<b>Total assets</b>	<b>\$ 92,582,069</b>	<b>\$ 84,600,759</b>

**LIABILITIES AND NET ASSETS**

<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 1,526,743	\$ 1,757,692
Deferred compensation payable	1,114,880	1,374,711
Lease liabilities	1,926,086	—
Liabilities for annuities and other	3,097,805	3,428,381
<b>Total liabilities</b>	<b>7,665,514</b>	<b>6,560,784</b>
<b>NET ASSETS</b>		
Without donor restrictions	26,796,903	23,722,360
With donor restrictions	58,119,652	54,317,615
<b>Total net assets</b>	<b>84,916,555</b>	<b>78,039,975</b>
<b>Total liabilities and net assets</b>	<b>\$ 92,582,069</b>	<b>\$ 84,600,759</b>

The Accompanying Notes are an Integral  
Part of These Consolidated Financial Statements

**FLORIDA SHERIFFS YOUTH RANCHES, INC.**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**

	For The Years Ended	
	September 30,	
	2023	2022
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
Public support and revenue		
Contributions	\$ 6,658,041	\$ 7,686,617
Sales of donated goods, net	4,701,208	4,008,895
Other income	1,016,897	2,016,490
Medicaid and third party reimbursements	993,394	1,021,970
Investment income (loss), net	721,957	(571,514)
Total public support and revenue	14,091,497	14,162,458
Net assets released from time and use restrictions	7,176,816	7,629,223
Total public support and revenue and net assets released from time and use restrictions	21,268,313	21,791,681
Expenses		
Program activities		
Home and subsistence	8,345,561	8,316,509
Operation of thrift stores	3,157,605	2,814,951
Medical and clinical	1,180,636	1,138,421
Total program activities	12,683,802	12,269,881
Supporting activities		
Management and general	3,247,577	3,012,493
Development and public relations	2,262,391	2,187,642
Total supporting activities	5,509,968	5,200,135
Total expenses	18,193,770	17,470,016
<b>Change in net assets without donor restrictions</b>	<b>3,074,543</b>	<b>4,321,665</b>
<b>CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS</b>		
Investment income (loss), net	6,319,212	(8,930,417)
Contributions	4,598,547	8,955,174
Change in value of split-interest agreements	61,094	(2,943,688)
Net assets released from time and use restrictions	(7,176,816)	(7,629,223)
<b>Change in net assets with donor restrictions</b>	<b>3,802,037</b>	<b>(10,548,154)</b>
<b>CHANGE IN NET ASSETS</b>	<b>6,876,580</b>	<b>(6,226,489)</b>
<b>NET ASSETS - Beginning of year</b>	<b>78,039,975</b>	<b>84,266,464</b>
<b>NET ASSETS - End of year</b>	<b>\$ 84,916,555</b>	<b>\$ 78,039,975</b>

The Accompanying Notes are an Integral  
Part of These Consolidated Financial Statements

**FLORIDA SHERIFFS YOUTH RANCHES, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	For The Years Ended	
	September 30,	
	2023	2022
<b>OPERATING CASH FLOWS</b>		
Cash received from contributors	\$ 10,513,344	\$ 16,287,782
Cash received from sales of donated goods	4,701,208	4,008,895
Other revenue received	2,178,163	2,831,807
Cash received from Medicaid and third party reimbursements	993,394	1,021,970
Cash paid for operating activities and costs	(16,472,825)	(20,685,359)
<b>Net operating cash flows</b>	<b>1,913,284</b>	<b>3,465,095</b>
<b>INVESTING CASH FLOWS</b>		
Reinvestment of interest and dividends	(1,172,723)	(819,590)
Net (purchases) sales of investments	(493,621)	353,514
Purchases of and improvements to property and equipment	(3,275,830)	(2,710,121)
<b>Net investing cash flows</b>	<b>(4,942,174)</b>	<b>(3,176,197)</b>
<b>FINANCING CASH FLOWS</b>		
Contributions restricted for endowments	118,855	62,080
Contributions restricted for future construction	263,134	406,398
<b>Net financing cash flows</b>	<b>381,989</b>	<b>468,478</b>
<b>NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH</b>	<b>(2,646,901)</b>	<b>757,376</b>
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - Beginning of year</b>	<b>7,374,771</b>	<b>6,617,395</b>
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - End of year</b>	<b>\$ 4,727,870</b>	<b>\$ 7,374,771</b>
<b>REPORTED IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS FOLLOWS</b>		
Cash and cash equivalents	\$ 2,850,153	\$ 5,509,654
Cash held for self-funded health insurance plan	639,284	667,456
Cash restricted for long-term purposes included in "investments and other assets restricted for long-term purposes"	1,238,433	1,197,661
<b>Total cash, cash equivalents, and restricted cash</b>	<b>\$ 4,727,870</b>	<b>\$ 7,374,771</b>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET OPERATING CASH FLOWS</b>		
Change in net assets	\$ 6,876,580	\$ (6,226,489)
Adjustments to reconcile change in net assets to net operating cash flows		
Amortization of right-of-use assets	387,785	—
Depreciation	1,301,602	1,194,404
Contributions restricted for long-term purposes	(381,989)	(468,478)
(Gain) loss on investments, net	(5,870,356)	10,253,027
Change in beneficial interests in trusts and endowments held by others	(362,964)	111,236
Change in other assets	1,153,853	(986,053)
Change in accounts payable and accrued expenses	(230,949)	136,840
Change in deferred compensation payable	(259,831)	(41,977)
Change in lease liabilities	(369,871)	—
Change in liabilities for annuities and other	(330,576)	(507,415)
<b>Net operating cash flows</b>	<b>\$ 1,913,284</b>	<b>\$ 3,465,095</b>

**SUPPLEMENTAL DISCLOSURE**

As of October 1, 2022, the Organization recognized approximately \$2,296,000 of right-of-use assets in exchange for the same amount of lease liabilities. See Note O.

The Accompanying Notes are an Integral  
Part of These Consolidated Financial Statements

**FLORIDA SHERIFFS YOUTH RANCHES, INC.**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
For The Year Ended September 30, 2023

	Program activities			
	Home and subsistence	Operation of thrift stores	Medical and clinical	Total program activities
Salaries	\$ 2,856,760	\$ 1,303,619	\$ 565,206	\$ 4,725,585
Payroll-related expenses	719,905	242,001	164,486	1,126,392
<b>Total personnel-related expenses</b>	<b>3,576,665</b>	<b>1,545,620</b>	<b>729,692</b>	<b>5,851,977</b>
Agency membership	26,971	18,194	3,639	48,804
Food	834,458	—	—	834,458
Utilities	470,141	190,996	30,169	691,306
Building and grounds repair and maintenance	416,213	38,704	58,093	513,010
Furniture and equipment rental and maintenance	69,457	16,971	9,384	95,812
Printing and office supplies	49,933	13,684	3,929	67,546
Clothing and personal care	38,694	—	—	38,694
Insurance	608,193	165,493	86,041	859,727
Communications	106,431	28,306	14,422	149,159
Postage and freight	3,423	732	484	4,639
Farm expense	152,770	—	3,190	155,960
Supplies	55,174	27,698	240	83,112
Expenses on investment property	—	—	—	—
Professional services	1,679	6,470	238	8,387
Work program	35,820	—	—	35,820
Bank fees	604	97,779	85	98,468
Program write-offs	68,249	—	9,655	77,904
Rent expense and real estate tax	27,491	754,241	3,889	785,621
Travel	264,447	996	6,815	272,258
President's discretionary fund	—	—	—	—
Medical and dental services	50	—	44,660	44,710
Recreation	136,558	—	—	136,558
Vehicle expense	125,589	137,977	25,417	288,983
Alumni scholarships and expenses	122,066	—	17,269	139,335
Awards and special events	34,153	—	—	34,153
Community affairs	46,984	1,018	6,647	54,649
Education supplies	112,679	—	44	112,723
Religion/music supplies and activities	4,055	—	—	4,055
Staff recruitment and development	49,758	5,322	6,998	62,078
Depreciation	906,856	107,404	119,636	1,133,896
<b>Total</b>	<b>\$ 8,345,561</b>	<b>\$ 3,157,605</b>	<b>\$ 1,180,636</b>	<b>\$ 12,683,802</b>

The Accompanying Notes are an Integral  
Part of These Consolidated Financial Statements

**FLORIDA SHERIFFS YOUTH RANCHES, INC.**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (Continued)**  
**For The Year Ended September 30, 2023 (Continued)**

	Supporting activities				Total expenses
	Total program activities	Management and general	Development and public relations	Total supporting activities	
Salaries	\$ 4,725,585	\$ 1,593,405	\$ 720,958	\$ 2,314,363	\$ 7,039,948
Payroll-related expenses	<u>1,126,392</u>	<u>361,305</u>	<u>196,376</u>	<u>557,681</u>	<u>1,684,073</u>
Total personnel-related expenses	5,851,977	1,954,710	917,334	2,872,044	8,724,021
Agency membership	48,804	1,044	14,945	15,989	64,793
Food	834,458	—	—	—	834,458
Utilities	691,306	32,724	—	32,724	724,030
Building and grounds repair and maintenance	513,010	13,947	—	13,947	526,957
Furniture and equipment rental and maintenance	95,812	111,187	115,536	226,723	322,535
Printing and office supplies	67,546	14,450	662,983	677,433	744,979
Clothing and personal care	38,694	—	—	—	38,694
Insurance	859,727	215,549	5,648	221,197	1,080,924
Communications	149,159	33,611	6,506	40,117	189,276
Postage and freight	4,639	4,374	345,635	350,009	354,648
Farm expense	155,960	—	—	—	155,960
Supplies	83,112	13,928	23,487	37,415	120,527
Expenses on investment property	—	21,348	—	21,348	21,348
Professional services	8,387	285,842	24,256	310,098	318,485
Work program	35,820	—	—	—	35,820
Bank fees	98,468	1,033	24,498	25,531	123,999
Program write-offs	77,904	289,258	—	289,258	367,162
Rent expense and real estate tax	785,621	4,436	—	4,436	790,057
Travel	272,258	22,636	37,997	60,633	332,891
President's discretionary fund	—	14,092	—	14,092	14,092
Medical and dental services	44,710	—	—	—	44,710
Recreation	136,558	—	—	—	136,558
Vehicle expense	288,983	29,419	20,858	50,277	339,260
Alumni scholarships and expenses	139,335	—	—	—	139,335
Awards and special events	34,153	—	—	—	34,153
Community affairs	54,649	10,196	55,743	65,939	120,588
Education supplies	112,723	—	—	—	112,723
Religion/music supplies and activities	4,055	—	—	—	4,055
Staff recruitment and development	62,078	6,087	6,965	13,052	75,130
Depreciation	<u>1,133,896</u>	<u>167,706</u>	<u>—</u>	<u>167,706</u>	<u>1,301,602</u>
<b>Total</b>	<b><u>\$ 12,683,802</u></b>	<b><u>\$ 3,247,577</u></b>	<b><u>\$ 2,262,391</u></b>	<b><u>\$ 5,509,968</u></b>	<b><u>\$ 18,193,770</u></b>

The Accompanying Notes are an Integral  
Part of These Consolidated Financial Statements



**FLORIDA SHERIFFS YOUTH RANCHES, INC.**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
For The Year Ended September 30, 2022

	Program activities			
	Home and subsistence	Operation of thrift stores	Medical and clinical	Total program activities
Salaries	\$ 3,042,194	\$ 1,338,967	\$ 590,874	\$ 4,972,035
Payroll-related expenses	781,876	273,340	155,964	1,211,180
<b>Total personnel-related expenses</b>	<b>3,824,070</b>	<b>1,612,307</b>	<b>746,838</b>	<b>6,183,215</b>
Agency membership	28,494	13,438	3,764	45,696
Food	777,351	—	—	777,351
Utilities	427,066	173,409	27,359	627,834
Building and grounds repair and maintenance	357,725	30,128	48,819	436,672
Furniture and equipment rental and maintenance	81,698	15,802	10,768	108,268
Printing and office supplies	43,415	4,065	2,204	49,684
Clothing and personal care	49,102	—	—	49,102
Insurance	534,691	114,246	73,192	722,129
Communications	123,609	28,002	15,599	167,210
Postage and freight	3,048	3,587	417	7,052
Farm expense	314,514	—	—	314,514
Supplies	65,837	20,936	366	87,139
Expenses on investment property	—	—	—	—
Professional services	18,632	62	2,550	21,244
Work program	49,630	—	—	49,630
Bank fees	799	76,081	109	76,989
Program write-offs	43,728	—	5,986	49,714
Rent expense and real estate tax	27,779	486,002	3,803	517,584
Travel	214,353	3,929	6,886	225,168
President's discretionary fund	1,870	—	256	2,126
Medical and dental services	—	—	40,230	40,230
Recreation	120,263	—	—	120,263
Vehicle expense	152,766	119,409	21,816	293,991
Alumni scholarships and expenses	78,407	—	10,733	89,140
Awards and special events	36,609	—	—	36,609
Community affairs	43,003	245	5,887	49,135
Education supplies	26,284	—	—	26,284
Religion/music supplies and activities	8,490	—	1,084	9,574
Staff recruitment and development	26,092	6,763	3,531	36,386
Depreciation	837,184	106,540	106,224	1,049,948
<b>Total</b>	<b>\$ 8,316,509</b>	<b>\$ 2,814,951</b>	<b>\$ 1,138,421</b>	<b>\$ 12,269,881</b>

The Accompanying Notes are an Integral  
Part of These Consolidated Financial Statements

**FLORIDA SHERIFFS YOUTH RANCHES, INC.**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (Continued)**  
**For The Year Ended September 30, 2022 (Continued)**

	Supporting activities				Total expenses
	Total program activities	Management and general	Development and public relations	Total supporting activities	
Salaries	\$ 4,972,035	\$ 1,683,782	\$ 719,710	\$ 2,403,492	\$ 7,375,527
Payroll-related expenses	1,211,180	371,872	183,576	555,448	1,766,628
Total personnel-related expenses	6,183,215	2,055,654	903,286	2,958,940	9,142,155
Agency membership	45,696	1,165	13,683	14,848	60,544
Food	777,351	—	—	—	777,351
Utilities	627,834	30,958	—	30,958	658,792
Building and grounds repair and maintenance	436,672	17,290	—	17,290	453,962
Furniture and equipment rental and maintenance	108,268	81,919	91,375	173,294	281,562
Printing and office supplies	49,684	21,401	640,481	661,882	711,566
Clothing and personal care	49,102	—	—	—	49,102
Insurance	722,129	183,191	4,374	187,565	909,694
Communications	167,210	39,200	11,084	50,284	217,494
Postage and freight	7,052	3,308	311,880	315,188	322,240
Farm expense	314,514	—	—	—	314,514
Supplies	87,139	30,963	23,960	54,923	142,062
Expenses on investment property	—	29,923	—	29,923	29,923
Professional services	21,244	278,140	47,914	326,054	347,298
Work program	49,630	—	—	—	49,630
Bank fees	76,989	27,014	25,830	52,844	129,833
Program write-offs	49,714	285	—	285	49,999
Rent expense and real estate tax	517,584	4,436	—	4,436	522,020
Travel	225,168	20,654	27,496	48,150	273,318
President's discretionary fund	2,126	695	—	695	2,821
Medical and dental services	40,230	—	—	—	40,230
Recreation	120,263	—	—	—	120,263
Vehicle expense	293,991	27,752	26,058	53,810	347,801
Alumni scholarships and expenses	89,140	—	—	—	89,140
Awards and special events	36,609	—	—	—	36,609
Community affairs	49,135	9,172	54,050	63,222	112,357
Education supplies	26,284	—	—	—	26,284
Religion/music supplies and activities	9,574	—	—	—	9,574
Staff recruitment and development	36,386	4,917	6,171	11,088	47,474
Depreciation	1,049,948	144,456	—	144,456	1,194,404
<b>Total</b>	<b>\$ 12,269,881</b>	<b>\$ 3,012,493</b>	<b>\$ 2,187,642</b>	<b>\$ 5,200,135</b>	<b>\$ 17,470,016</b>

The Accompanying Notes are an Integral  
Part of These Consolidated Financial Statements

**FLORIDA SHERIFFS YOUTH RANCHES, INC.**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE A – NATURE OF ACTIVITIES**

Florida Sheriffs Youth Ranches, Inc. (“FSYR”) is a Florida not-for-profit corporation formed in 1973 to prevent juvenile delinquency by providing services to children and youth who may be abandoned, homeless, destitute, neglected, dependent, or in need of supervision regardless of race, creed, color, or sex; to care for said children and youth by providing as-needed and feasible residential care, camping programs, education, and related services.

Sheriffs Ranches Enterprises, Inc. (“SRE”) is a Florida not-for-profit corporation formed in 2005. SRE is a supporting organization of FSYR and FSYR has certain approval rights regarding SRE’s governing board. The primary purpose of SRE is to operate the productive enterprises of FSYR. SRE fulfills its purpose through the help of community donors who provide goods for sale in SRE’s thrift stores. SRE operates a vehicle sales lot in Lake County and six thrift stores in Citrus, Pinellas, Suwannee, Hernando, Lake, and Marion Counties (all in Florida).

In conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”), the consolidated financial statements of FSYR include the accounts of SRE. All significant inter-organization accounts and transactions have been eliminated in consolidation. FSYR and SRE are collectively referred to as “the Organization” in these notes.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Revenue recognition**

The Organization recognizes cash contributions as revenue when the contributions are received by the Organization. Contributions received are recorded as without or with donor restrictions, depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with restrictions are reclassified to net assets without restrictions and reported in the consolidated statements of activities as “net assets released from time and use restrictions.”

Medicaid and third party reimbursement revenue are reported at the amount that reflects the consideration to which the Organization expects to be entitled for providing child support and other services. Such amounts are generally due from Florida community-based care lead agencies and other state institutions. Generally, the Organization invoices such agencies and institutions throughout the year as services are provided. Revenue is recognized in the period the related services are provided. Performance obligations are determined based on the nature of the services provided by the Organization. Generally, the Organization measures the performance obligation for child support from when an individual is placed into the care of the Organization, to the point when the Organization is no longer required to provide such support services. The Organization determines the transaction prices based on agreed-upon rate agreements and contract terms.

**Cash and cash equivalents**

The Organization considers investment instruments purchased or donated with original maturities of three months or less to be cash equivalents.

**Cash held for self-funded health insurance plan**

Cash held for self-funded health insurance plan includes cash set aside for future claims related to FSYR’s self-funded health insurance plan.

**Certificate of deposit**

FSYR’s certificate of deposit bears interest at 4.25% per annum and matures in May 2024.

**Investments and other assets restricted for long-term purposes**

Investments and other assets restricted for long-term purposes include cash and cash equivalents, mutual funds, corporate stock, corporate bonds, and government securities carried at estimated fair value, and beneficial interests in perpetual trusts and endowments held by others. These assets are primarily restricted pursuant to the endowment agreements to which they relate and for future construction.

**FLORIDA SHERIFFS YOUTH RANCHES, INC.**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Split-interest gifts**

For irrevocable split-interest arrangements such as charitable gift annuities and similar arrangements in which FSyr is a trustee or custodian, the assets of such arrangements are reflected in the consolidated financial statements as further described in Note E. The carrying values of such investments conform to U.S. GAAP, which generally require that investment securities be carried at estimated fair value at all times and that other assets be carried at the estimated fair value of the assets on the date the assets are contributed, unadjusted for subsequent changes in value. Also, for arrangements in which FSyr is a trustee or custodian, a liability is recognized for the estimated present value of benefits payable to other beneficiaries. For split-interest arrangements in which FSyr is not the trustee or custodian, FSyr recognizes an asset for the estimated present value of FSyr's benefits under the arrangements.

For all irrevocable split-interest arrangements, regardless of whether or not FSyr acts as trustee or custodian, contribution revenue without or with donor restrictions is recognized for the estimated present value of FSyr's benefits under each such arrangement in the year the arrangement is established or in the year in which FSyr is provided sufficient information about the existence and nature of the arrangement. Periodic adjustments are made for changes in estimated present values using applicable mortality tables and appropriate discount rates. State law imposes certain restrictions on the manner in which charitable gift annuity assets may be invested.

FSyr is also the beneficiary of certain perpetual irrevocable trusts and endowments held and administered by other parties. FSyr generally has the irrevocable right to receive the income earned on the underlying assets in perpetuity. The estimated fair value of such amounts is recognized as an asset and as contribution revenue with restrictions at the date FSyr becomes aware of the agreement. FSyr's estimate of fair value is based on fair value information received from the other parties. The underlying assets are not subject to FSyr's discretion or control. Gains and losses, which are not distributed, are reflected within "change in value of split-interest agreements" in the consolidated statements of activities.

**Property and equipment**

Property and equipment are stated at cost, if purchased, or estimated fair value on the date of donation, if donated. The Organization uses the straight-line method of depreciating property and equipment over the estimated useful lives of the related assets.

**Net assets**

Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes. Net assets with donor restrictions consist of amounts with uses limited by donor-imposed time and/or purpose restrictions.

**Functional allocation of expenses**

The consolidated statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area are reported as expenses of those functional areas. Indirect costs that benefit multiple functional areas are allocated among the various functional areas based primarily on employee time and space utilization.

**Leases**

SRE leases certain building space as further described in Note O. The Organization assesses whether an arrangement qualifies as a lease at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Leases with an initial term of twelve months or less are not recorded on the consolidated statement of financial position. Lease expense is recognized for those leases on a straight-line basis over the lease term.

**FLORIDA SHERIFFS YOUTH RANCHES, INC.**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Sales of donated goods**

SRE receives donations of nonfinancial assets to be sold at its retail store locations. These nonfinancial assets are valued at their estimated fair value, which is identified as their sale price. Contributed nonfinancial assets that are not sold by year end are recorded as inventory at their estimated net realizable value. There were no donor-imposed restrictions associated with these donations of nonfinancial assets for the years ended September 30, 2023 and 2022.

**Income taxes**

FSYR and SRE are exempt from federal income tax as organizations described in Section 501(c)(3) of the Internal Revenue Code and from state income tax pursuant to Florida law. FSYR and SRE are further classified as public charities and not private foundations for federal tax purposes. FSYR engages in a certain unrelated business income activity. Income taxes (if any) are recognized as expenses when the related income is generated.

**Use of estimates**

Management uses estimates and assumptions in preparing the consolidated financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these consolidated financial statements include those related to the estimated fair value of investments, those used in determining the present value of lease payments (including the lease terms and treasury rates), those used in determining the useful lives of property and equipment, and those used to estimate the liabilities for annuities. Actual results could differ from the estimates.

**New accounting pronouncement**

The Organization adopted Financial Accounting Standards Board Accounting Standards Update (“ASU”) 2016-02, Leases (Topic 842) which is effective for the Organization’s September 30, 2023 consolidated financial statements. The Organization adopted the ASU using the modified retrospective approach, with October 1, 2022 as the date of initial adoption. The ASU applies to organizations who hold long-term leases (as lessee) and requires recognition of right-of-use assets and related lease liabilities in the consolidated statement of financial position. The Organization elected practical expedients permitted under the transition guidance for the new standard which, among other things, allowed the Organization to carry forward the historical lease classification. As a result of adopting the new standard effective October 1, 2022, the Organization recorded lease assets and liabilities of approximately \$2,296,000. The adoption of the ASU had no net effect on the Organization’s consolidated net assets as of October 1, 2021 or the consolidated change in net assets for the year ended September 30, 2022.

**Reclassifications**

Certain amounts included in the September 30, 2022 consolidated financial statements have been reclassified to conform to classifications adopted during the year ended September 30, 2023. The reclassifications had no material effect on the accompanying consolidated financial statements.

**Subsequent events**

The Organization has evaluated for possible financial statement reporting and disclosure subsequent events through the date of the report of independent auditor, the date as of which the consolidated financial statements were available to be issued.

**FLORIDA SHERIFFS YOUTH RANCHES, INC.**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE C – LIQUIDITY AND AVAILABILITY OF RESOURCES**

Financial assets available for general expenditure within one year of the date of the consolidated statements of financial position are as follows:

	September 30,	
	2023	2022
Financial assets available:		
Cash and cash equivalents	\$ 2,850,153	\$ 5,509,654
Cash held for self-funded health insurance plan	639,284	667,456
Certificate of deposit	1,034,052	1,015,149
Investments	23,242,477	18,668,733
Cash and investments restricted for long-term purposes	37,007,496	34,289,289
Total financial assets available within one year	64,773,462	60,150,281
Less amounts unavailable for general expenditure within one year due to:		
Donor restrictions	(45,328,537)	(42,533,325)
Amounts held to satisfy charitable gift annuity obligations	(4,558,093)	(4,853,645)
Amounts held for self-funded health insurance plan	(639,284)	(667,456)
Net financial assets available within one year	\$ 14,247,548	\$ 12,095,855

The Organization is primarily supported by contributions and sales of donated goods. As part of the Organization’s liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization has certain assets limited to use for donor-restricted purposes. Because a donor's restriction requires resources to be used in a specific manner or in a future period, the Organization must maintain sufficient resources to meet its responsibilities to its donors. Thus, those financial assets may not be available for general expenditure within one year of the date of the consolidated statements of financial position, and are excluded from net financial assets available to meet general expenditures within one year. Certain other donor-restricted net assets are available for general expenditure within one year, because the restrictions on the net assets are expected to be met by conducting the normal activities of the Organization in the coming year.

Management believes the Organization has sufficient investments available for general operations that may be drawn upon in the event of an unanticipated financial distress or an immediate liquidity need. The Organization also has a \$1,000,000 line of credit as an available source of liquidity (see Note Q).

**NOTE D – CONCENTRATIONS OF CREDIT RISK**

The Organization maintains its cash and cash equivalents in deposit accounts which may not be federally insured, may exceed federally insured limits, or may be insured by an entity other than an agency of the federal government. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk related to cash and cash equivalents.

**NOTE E – INVESTMENTS**

FSYR holds investments of various types both in its capacity as trustee or custodian and in its capacity as owner. Investments are carried at estimated fair value. Investments were held for the following purposes or activities:

**FLORIDA SHERIFFS YOUTH RANCHES, INC.**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE E – INVESTMENTS (Continued)**

	September 30,	
	2023	2022
<u>Investments held as trustee or in a similar capacity</u>		
• Investments held to satisfy charitable gift annuity obligations	\$ 4,558,093	\$ 4,853,645
<u>Investments subject to donor restrictions</u>		
• Investments held for endowment corpus	17,192,577	17,073,722
• Net appreciation	18,576,486	16,017,906
• Investments held for other donor restricted purposes	8,357,042	8,094,177
<u>Investments held for other purposes</u>		
• Investments held for other purposes	10,327,342	5,720,911
Total investments	\$ 59,011,540	\$ 51,760,361

Investments consisted of the following:

	September 30,	
	2023	2022
Money market and similar funds	\$ 712,796	\$ 605,879
Mutual funds	37,844,626	33,322,876
Corporate stocks	9,566,124	8,766,526
Government securities	7,174,208	4,962,989
Corporate bonds	3,713,786	4,102,091
Total investments	\$ 59,011,540	\$ 51,760,361

Investments are reported in the accompanying consolidated statements of financial position as follows:

	September 30,	
	2023	2022
Investments	\$ 23,242,477	\$ 18,668,733
Investments included within “Investments and other assets restricted for long-term purposes”	35,769,063	33,091,628
Total investments	\$ 59,011,540	\$ 51,760,361

**NOTE F – INVESTMENTS AND OTHER ASSETS RESTRICTED FOR LONG-TERM PURPOSES**

Investments and other assets restricted for long-term purposes were held for the following purposes or activities:

	September 30,	
	2023	2022
Net appreciation on investments held for endowment corpus	\$ 18,576,486	\$ 16,017,906
Investments held for endowment corpus	17,192,577	17,073,722
Beneficial interests in perpetual trusts and endowments held by others	6,265,719	5,999,101
Cash and investments held for future construction	1,238,433	1,197,661
Total investments and other assets restricted for long-term purposes	\$ 43,273,215	\$ 40,288,390

**FLORIDA SHERIFFS YOUTH RANCHES, INC.**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE G – FAIR VALUE MEASUREMENTS**

U.S. GAAP defines fair value for an investment as the price an organization would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. Accordingly, U.S. GAAP recognizes a hierarchy of “inputs” an organization may use in determining or estimating fair value. The inputs are categorized into “levels” that relate to the extent to which an input is objectively observable and the extent to which markets exist for identical or comparable investments. In determining or estimating fair value, an organization is required to maximize the use of observable market data (to the extent available) and minimize the use of unobservable inputs. The hierarchy assigns the highest priority to unadjusted quoted prices in active markets for identical items (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Following is a description of each of the three levels of input within the fair value hierarchy:

Level 1 – unadjusted quoted market prices in active markets for identical items

Level 2 – other significant observable inputs (such as quoted prices for similar items)

Level 3 – significant unobservable inputs

The estimated fair value of items measured on a recurring basis at September 30, 2023, is as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ 37,844,626	\$ 37,844,626	\$ —	\$ —
Corporate stocks	9,566,124	9,566,124	—	—
Government securities	7,174,208	7,174,208	—	—
Corporate bonds	3,713,786	3,713,786	—	—
Beneficial interests in trusts and endowments held by others	<u>11,276,779</u>	<u>—</u>	<u>—</u>	<u>11,276,779</u>
Total	<u>\$ 69,575,523</u>	<u>\$ 58,298,744</u>	<u>\$ —</u>	<u>\$ 11,276,779</u>
Liabilities for annuities and other	<u>\$ (3,097,805)</u>	<u>\$ —</u>	<u>\$ (3,097,805)</u>	<u>\$ —</u>

The estimated fair value of items measured on a recurring basis at September 30, 2022, is as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ 33,322,876	\$ 33,322,876	\$ —	\$ —
Corporate stocks	8,766,526	8,766,526	—	—
Government securities	4,962,989	4,962,989	—	—
Corporate bonds	4,102,091	4,102,091	—	—
Beneficial interests in trusts and endowments held by others	<u>10,647,197</u>	<u>—</u>	<u>—</u>	<u>10,647,197</u>
Total	<u>\$ 61,801,679</u>	<u>\$ 51,154,482</u>	<u>\$ —</u>	<u>\$ 10,647,197</u>
Liabilities for annuities and other	<u>\$ (3,428,381)</u>	<u>\$ —</u>	<u>\$ (3,428,381)</u>	<u>\$ —</u>

Beneficial interests in trusts and endowments are primarily administered by banks and other financial institutions. The estimated fair value of FSYP’s beneficial interests in trusts and endowments held by others using Level 3 inputs is based on amounts provided by the banks and other financial institutions.



**FLORIDA SHERIFFS YOUTH RANCHES, INC.**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE G – FAIR VALUE MEASUREMENTS (Continued)**

The following is a reconciliation of beneficial interests in trusts and endowments in which significant unobservable inputs (Level 3) were used in determining fair value:

Balance, October 1, 2021	\$ 12,975,496
Net loss	(2,398,054)
Net contributions	<u>69,755</u>
Balance, September 30, 2022	10,647,197
Net gain	532,969
Net contributions	<u>96,613</u>
Balance, September 30, 2023	<u>\$ 11,276,779</u>

Liabilities for annuities and other are based on estimated present value, applying certain assumptions regarding interest rates and life expectancies.

**NOTE H – BENEFICIAL INTERESTS IN TRUSTS AND ENDOWMENTS HELD BY OTHERS**

Beneficial interests in trusts and endowments held by others consisted of the following:

	<u>September 30,</u>	
	<u>2023</u>	<u>2022</u>
Beneficial interests in remainder trusts held by others	\$ 3,842,263	\$ 3,199,652
Estates receivable	<u>1,168,797</u>	<u>1,448,444</u>
Total beneficial interests in trusts and endowments held by others	<u>\$ 5,011,060</u>	<u>\$ 4,648,096</u>

**NOTE I – PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following:

	<u>September 30,</u>	
<u>Category</u>	<u>2023</u>	<u>2022</u>
Land and land improvements	\$ 4,622,839	\$ 4,320,621
Buildings and building improvements (including leasehold improvements)	26,000,488	23,900,145
Furniture, fixtures, and equipment	3,725,882	3,482,186
Vehicles	3,357,401	3,211,888
Construction in progress	<u>798,662</u>	<u>495,924</u>
Total property and equipment	38,505,272	35,410,764
Less: Accumulated depreciation	<u>(25,993,073)</u>	<u>(24,872,793)</u>
Net property and equipment	<u>\$ 12,512,199</u>	<u>\$ 10,537,971</u>

Depreciation expense amounted to \$1,301,602 and \$1,194,404 during the years ended September 30, 2023 and 2022, respectively.

**FLORIDA SHERIFFS YOUTH RANCHES, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE J – DEFERRED COMPENSATION PAYABLE**

FSYR has entered into unfunded deferred compensation agreements with two of its former presidents (one agreement was fulfilled and ended during the year ended September 30, 2023, while the other agreement remained in effect as of September 30, 2023). The agreements provide for certain percentages of the former presidents’ salaries to be paid to the former presidents or their surviving spouses for the remainder of their lives. The present value of the estimated remaining payments due under the deferred compensation agreements is \$1,114,880 and \$1,374,711 as of September 30, 2023 and 2022, respectively.

**NOTE K – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consisted of the following:

	September 30,	
	2023	2022
Endowment corpus	\$ 17,192,577	\$ 17,073,722
Appreciation of endowments	18,576,486	16,017,906
Beneficial interests in perpetual trusts and endowments held by others	6,265,719	5,999,101
Scholarships	5,406,518	5,118,712
Beneficial interests in remainder trusts held by others and estates receivable	5,011,060	4,648,096
Amounts held to satisfy charitable gift annuity obligations	1,514,336	1,137,093
Future construction	1,238,433	1,197,661
Other	2,914,523	3,125,324
Total net assets with donor restrictions	\$ 58,119,652	\$ 54,317,615

Earnings from endowments are primarily available to support the general purposes of FSYR. FSYR preserves the estimated fair value of all original endowment gifts as of the gift date, which management deems is in compliance with state law. Accordingly, FSYR classifies as “endowment corpus” (a) the original value of gifts donated to the endowments and (b) the original value of subsequent gifts to the endowments. FSYR has adopted an investment policy for endowment assets that attempts to provide a predictable stream of funding to supported programs while seeking to maintain the purchasing power of the endowment assets and to preserve the invested capital. FSYR seeks the advice of investment counsel, as well as management and certain committees of the Board, when determining amounts to be spent on supported programs. FSYR’s spending policy stipulates that 5% of the estimated fair value of each fund (valued as of September 30th of the prior three year average) is available for program-related distributions.

**NOTE L – SELF-FUNDED HEALTH INSURANCE PLAN**

FSYR maintains a self-funded health insurance plan for eligible employees and their eligible dependents. FSYR has contracted with a third party administrator to process claims. FSYR has stop-loss insurance coverage for claims incurred which exceed \$110,000 per individual per year, with an unlimited annual maximum. The Organization’s consolidated statements of financial position as of September 30, 2023 and 2022 include \$639,284 and \$667,456 of cash related to the plan, respectively.

In addition, management estimated the liability associated with claims incurred but not reported to the plan as of September 30, 2023 and 2022 to be approximately \$57,000 and \$95,000, respectively. Such amounts are included in “accounts payable and accrued expenses” in the accompanying consolidated statements of financial position.

**FLORIDA SHERIFFS YOUTH RANCHES, INC.**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE M – RETIREMENT PLAN**

The Organization contributes to a 401(k) profit-sharing plan (“the Plan”). All employees age 20.5 and older are eligible to participate in the Plan. Participating employees may elect to make salary deferral contributions to the Plan. The Plan requires the Organization to make matching contributions of up to 3% of an employee’s annual compensation up to a maximum of 5% (increasing by 50% of salary deferrals between 3% and 5% of an employee’s annual compensation). The Organization contributed approximately \$119,000 and \$140,000 to the Plan during the years ended September 30, 2023 and 2022, respectively. The Organization may also provide an additional discretionary matching contribution to the Plan. No additional discretionary matching contributions were made to the Plan during the years ended September 30, 2023 and 2022.

**NOTE N – FLORIDA SHERIFFS ASSOCIATION**

The Florida Sheriffs Association (“the Association”) is a not-for-profit corporation which is responsible for ratifying FSYR Board member appointments. Occasionally, the Association and FSYR may also have common board members. In addition, the Association provides the following support activities which benefit FSYR:

- Providing an organized awards program of lifetime honorary memberships in the Association to those individuals who make a donation of a certain amount to FSYR, including publication of such memberships in *The Sheriff’s Star* which is issued four times per year; and
- Publishing articles, news items, and solicitations of support through *The Sheriff’s Star* and online via Facebook and the Association’s website.

Since the dollar value of these activities cannot be reasonably estimated, and since the activities are not directed by FSYR, no amounts are included in the accompanying consolidated financial statements related to such activities.

**NOTE O – LEASES**

SRE is party to certain lease agreements granting it the right to use certain building space. All such lease agreements are collectively referred to herein as “the lease agreements.”

The lease agreements have terms ranging from approximately 2 to 8 years. SRE does not anticipate early termination of the lease agreements.

SRE’s lease agreements are classified as operating leases. As of October 1, 2022, the assets and liabilities related to the lease agreements were recorded at the present value of the remaining lease payments and are calculated utilizing applicable risk free rates as the discount rates. As of September 30, 2023, SRE’s lease assets and lease liabilities totaled \$1,908,172 and \$1,926,086, respectively, which are included in the accompanying consolidated statement of financial position as “right-of-use assets” and “lease liabilities.”

Some of the lease agreements contain lease and non-lease components, which are generally accounted for separately with amounts allocated to the lease and non-lease components based on the terms of the lease agreements. The non-lease components are not included in the recognition of the “right-of-use assets” and “lease liabilities,” and are expensed as incurred.

Total operating lease cost for the year ended September 30, 2023 related to the lease agreements amounted to approximately \$481,000.

The weighted average lease term of the lease agreements as of September 30, 2023 is 6.58 years.

The weighted average discount rate of the lease agreements as of September 30, 2023 is 4.05%.

**FLORIDA SHERIFFS YOUTH RANCHES, INC.**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE O – LEASES (Continued)**

Following is a schedule by years of future undiscounted payments required under the lease agreements reconciled to total lease liabilities as of September 30, 2023:

<u>Year Ending</u> <u>September 30,</u>		
2024	\$	462,754
2025		399,909
2026		414,712
2027		274,255
2028		276,215
Thereafter		<u>364,290</u>
Total undiscounted payments		2,192,135
Less: Effect of discount rate applied		<u>(266,049)</u>
Total lease liabilities	\$	<u>1,926,086</u>

**NOTE P – SALES OF DONATED GOODS**

Sales of donated goods consisted of the following:

<u>Category</u>	<u>For the Years Ended</u> <u>September 30,</u>	
	<u>2023</u>	<u>2022</u>
Housewares	\$ 1,571,206	\$ 1,409,688
Clothing	1,255,257	903,494
Furniture and appliances	1,174,960	1,077,888
Vehicles	232,293	217,453
Hardware	208,394	207,085
Athletic supplies	150,109	112,838
Jewelry	143,208	88,727
Books	142,969	125,575
Other	<u>39,225</u>	<u>31,046</u>
Total sales of donated goods	4,917,621	4,173,794
Less: Sales discounts and allowances	<u>(216,413)</u>	<u>(164,899)</u>
Net sales of donated goods	\$ <u>4,701,208</u>	\$ <u>4,008,895</u>

**NOTE Q – COMMITMENT**

FSYR has a \$1,000,000 unsecured revolving line of credit with a certain financial institution. As of September 30, 2023 and 2022, there were no amounts outstanding under this line of credit, nor were any amounts drawn on the line of credit during either year.

## **SUPPLEMENTAL SCHEDULES**

**FLORIDA SHERIFFS YOUTH RANCHES, INC.**  
**SHERIFFS RANCHES ENTERPRISES, INC.**  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
September 30, 2023

**ASSETS**

	Florida Sheriffs Youth Ranches, Inc.	Sheriffs Ranches Enterprises, Inc.	Eliminations	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,296,279	\$ 553,874	\$ —	\$ 2,850,153
Cash held for self-funded health insurance plan	639,284	—	—	639,284
Certificate of deposit	1,034,052	—	—	1,034,052
Investments	23,242,477	—	—	23,242,477
Investments and other assets restricted for long-term purposes	43,273,215	—	—	43,273,215
Beneficial interests in trusts and endowments held by others	5,011,060	—	—	5,011,060
Investment in Sheriffs Ranches Enterprises, Inc.	972,273	—	(972,273)	—
Right-of-use assets	—	1,908,172	—	1,908,172
Property and equipment, net	12,169,353	342,846	—	12,512,199
Other assets	1,647,695	463,762	—	2,111,457
<b>Total assets</b>	<b>\$ 90,285,688</b>	<b>\$ 3,268,654</b>	<b>\$ (972,273)</b>	<b>\$ 92,582,069</b>

**LIABILITIES AND NET ASSETS**

<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 1,281,844	\$ 244,899	\$ —	\$ 1,526,743
Deferred compensation payable	1,114,880	—	—	1,114,880
Lease liabilities	—	1,926,086	—	1,926,086
Liabilities for annuities and other	3,097,805	—	—	3,097,805
<b>Total liabilities</b>	<b>5,494,529</b>	<b>2,170,985</b>	<b>—</b>	<b>7,665,514</b>
<b>NET ASSETS</b>				
Without donor restrictions	26,671,507	1,097,669	(972,273)	26,796,903
With donor restrictions	58,119,652	—	—	58,119,652
<b>Total net assets</b>	<b>84,791,159</b>	<b>1,097,669</b>	<b>(972,273)</b>	<b>84,916,555</b>
<b>Total liabilities and net assets</b>	<b>\$ 90,285,688</b>	<b>\$ 3,268,654</b>	<b>\$ (972,273)</b>	<b>\$ 92,582,069</b>

**FLORIDA SHERIFFS YOUTH RANCHES, INC.**  
**SHERIFFS RANCHES ENTERPRISES, INC.**  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
September 30, 2022

**ASSETS**

	Florida Sheriffs Youth Ranches, Inc.	Sheriffs Ranches Enterprises, Inc.	Eliminations	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,091,448	\$ 418,206	\$ —	\$ 5,509,654
Cash held for self-funded health insurance plan	667,456	—	—	667,456
Certificate of deposit	1,015,149	—	—	1,015,149
Investments	18,668,733	—	—	18,668,733
Investments and other assets restricted for long-term purposes	40,288,390	—	—	40,288,390
Beneficial interests in trusts and endowments held by others	4,648,096	—	—	4,648,096
Investment in Sheriffs Ranches Enterprises, Inc.	972,273	—	(972,273)	—
Property and equipment, net	10,258,322	279,649	—	10,537,971
Other assets	2,732,505	532,805	—	3,265,310
	<u>\$ 84,342,372</u>	<u>\$ 1,230,660</u>	<u>\$ (972,273)</u>	<u>\$ 84,600,759</u>
<b>Total assets</b>				

**LIABILITIES AND NET ASSETS**

<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 1,522,442	\$ 235,250	\$ —	\$ 1,757,692
Deferred compensation payable	1,374,711	—	—	1,374,711
Liabilities for annuities and other	3,428,381	—	—	3,428,381
	<u>6,325,534</u>	<u>235,250</u>	<u>—</u>	<u>6,560,784</u>
<b>Total liabilities</b>				
<b>NET ASSETS</b>				
Without donor restrictions	23,699,223	995,410	(972,273)	23,722,360
With donor restrictions	54,317,615	—	—	54,317,615
	<u>78,016,838</u>	<u>995,410</u>	<u>(972,273)</u>	<u>78,039,975</u>
<b>Total net assets</b>				
<b>Total liabilities and net assets</b>	<u>\$ 84,342,372</u>	<u>\$ 1,230,660</u>	<u>\$ (972,273)</u>	<u>\$ 84,600,759</u>

**FLORIDA SHERIFFS YOUTH RANCHES, INC.**  
**SHERIFFS RANCHES ENTERPRISES, INC.**  
CONSOLIDATING STATEMENT OF ACTIVITIES  
For The Year Ended September 30, 2023

	Florida Sheriffs Youth Ranches, Inc.	Sheriffs Ranches Enterprises, Inc.	Eliminations	Total
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>				
Public support and revenue				
Contributions	\$ 6,597,450	\$ 62,300	\$ (1,709)	\$ 6,658,041
Sales of donated goods, net	—	4,701,208	—	4,701,208
Other income	997,935	18,962	—	1,016,897
Medicaid and third party reimbursements	993,394	—	—	993,394
Investment income, net	721,957	—	—	721,957
Grant from Sheriffs Ranches Enterprises, Inc.	771,203	—	(771,203)	—
Total public support and revenue	10,081,939	4,782,470	(772,912)	14,091,497
Net assets released from time and use restrictions	7,176,816	—	—	7,176,816
Total public support and revenue and net assets released from time and use restrictions	17,258,755	4,782,470	(772,912)	21,268,313
Expenses				
Program activities				
Home and subsistence	8,345,561	—	—	8,345,561
Operation of thrift stores	—	3,159,314	(1,709)	3,157,605
Medical and clinical	1,180,636	—	—	1,180,636
Grant to Florida Sheriffs Youth Ranches, Inc.	—	771,203	(771,203)	—
Total program activities	9,526,197	3,930,517	(772,912)	12,683,802
Supporting activities				
Management and general	2,614,875	632,702	—	3,247,577
Development and public relations	2,145,399	116,992	—	2,262,391
Total supporting activities	4,760,274	749,694	—	5,509,968
Total expenses	14,286,471	4,680,211	(772,912)	18,193,770
Change in net assets without donor restrictions	2,972,284	102,259	—	3,074,543
<b>CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS</b>				
Investment income, net	6,319,212	—	—	6,319,212
Contributions	4,598,547	—	—	4,598,547
Change in value of split-interest agreements	61,094	—	—	61,094
Net assets released from time and use restrictions	(7,176,816)	—	—	(7,176,816)
Change in net assets with donor restrictions	3,802,037	—	—	3,802,037
<b>CHANGE IN NET ASSETS</b>	<b>6,774,321</b>	<b>102,259</b>	<b>—</b>	<b>6,876,580</b>
<b>NET ASSETS - Beginning of year</b>	<b>78,016,838</b>	<b>995,410</b>	<b>(972,273)</b>	<b>78,039,975</b>
<b>NET ASSETS - End of year</b>	<b>\$ 84,791,159</b>	<b>\$ 1,097,669</b>	<b>\$ (972,273)</b>	<b>\$ 84,916,555</b>



**FLORIDA SHERIFFS YOUTH RANCHES, INC.**  
**SHERIFFS RANCHES ENTERPRISES, INC.**  
CONSOLIDATING STATEMENT OF ACTIVITIES  
For The Year Ended September 30, 2022

	Florida Sheriffs Youth Ranches, Inc.	Sheriffs Ranches Enterprises, Inc.	Eliminations	Total
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>				
Public support and revenue				
Contributions	\$ 7,631,655	\$ 58,195	\$ (3,233)	\$ 7,686,617
Sales of donated goods, net	—	4,008,895	—	4,008,895
Other income	2,015,387	1,103	—	2,016,490
Medicaid and third party reimbursements	1,021,970	—	—	1,021,970
Investment loss, net	(571,514)	—	—	(571,514)
Grant from Sheriffs Ranches Enterprises, Inc.	585,194	—	(585,194)	—
Total public support and revenue	<u>10,682,692</u>	<u>4,068,193</u>	<u>(588,427)</u>	<u>14,162,458</u>
Net assets released from time and use restrictions	<u>7,629,223</u>	<u>—</u>	<u>—</u>	<u>7,629,223</u>
Total public support and revenue and net assets released from time and use restrictions	<u>18,311,915</u>	<u>4,068,193</u>	<u>(588,427)</u>	<u>21,791,681</u>
Expenses				
Program activities				
Home and subsistence	8,316,509	—	—	8,316,509
Operation of thrift stores	—	2,818,184	(3,233)	2,814,951
Medical and clinical	1,138,421	—	—	1,138,421
Grant to Florida Sheriffs Youth Ranches, Inc.	—	585,194	(585,194)	—
Total program activities	<u>9,454,930</u>	<u>3,403,378</u>	<u>(588,427)</u>	<u>12,269,881</u>
Supporting activities				
Management and general	2,373,435	639,058	—	3,012,493
Development and public relations	2,067,915	119,727	—	2,187,642
Total supporting activities	<u>4,441,350</u>	<u>758,785</u>	<u>—</u>	<u>5,200,135</u>
Total expenses	<u>13,896,280</u>	<u>4,162,163</u>	<u>(588,427)</u>	<u>17,470,016</u>
Change in net assets without donor restrictions	<u>4,415,635</u>	<u>(93,970)</u>	<u>—</u>	<u>4,321,665</u>
<b>CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS</b>				
Investment loss, net	(8,930,417)	—	—	(8,930,417)
Contributions	8,955,174	—	—	8,955,174
Change in value of split-interest agreements	(2,943,688)	—	—	(2,943,688)
Net assets released from time and use restrictions	<u>(7,629,223)</u>	<u>—</u>	<u>—</u>	<u>(7,629,223)</u>
Change in net assets with donor restrictions	<u>(10,548,154)</u>	<u>—</u>	<u>—</u>	<u>(10,548,154)</u>
<b>CHANGE IN NET ASSETS</b>	<b>(6,132,519)</b>	<b>(93,970)</b>	<b>—</b>	<b>(6,226,489)</b>
<b>NET ASSETS - Beginning of year</b>	<b><u>84,149,357</u></b>	<b><u>1,089,380</u></b>	<b><u>(972,273)</u></b>	<b><u>84,266,464</u></b>
<b>NET ASSETS - End of year</b>	<b><u>\$ 78,016,838</u></b>	<b><u>\$ 995,410</u></b>	<b><u>\$ (972,273)</u></b>	<b><u>\$ 78,039,975</u></b>

See the Accompanying Report of Independent Auditor

**FLORIDA SHERIFFS YOUTH RANCHES, INC.**  
**SHERIFFS RANCHES ENTERPRISES, INC.**  
CONSOLIDATING STATEMENT OF CASH FLOWS  
For The Year Ended September 30, 2023

	Florida Sheriffs Youth Ranches, Inc.	Sheriffs Ranches Enterprises, Inc.	Eliminations	Total
<b>OPERATING CASH FLOWS</b>				
Cash received from contributors	\$ 10,451,044	\$ 62,300	\$ —	\$ 10,513,344
Cash received from sales of donated goods	—	4,701,208	—	4,701,208
Other revenue received	2,159,201	18,962	—	2,178,163
Cash received from Medicaid and third party reimbursements	993,394	—	—	993,394
Grant from Sheriffs Ranches Enterprises, Inc.	771,203	—	(771,203)	—
Cash paid for operating activities and costs	(12,775,751)	(3,697,074)	—	(16,472,825)
Grant to Florida Sheriffs Youth Ranches, Inc.	—	(771,203)	771,203	—
	<u>1,599,091</u>	<u>314,193</u>	<u>—</u>	<u>1,913,284</u>
<b>Net operating cash flows</b>				
<b>INVESTING CASH FLOWS</b>				
Reinvestment of interest and dividends	(1,172,723)	—	—	(1,172,723)
Net purchases of investments	(493,621)	—	—	(493,621)
Purchases of and improvements to property and equipment	(3,097,305)	(178,525)	—	(3,275,830)
	<u>(4,763,649)</u>	<u>(178,525)</u>	<u>—</u>	<u>(4,942,174)</u>
<b>Net investing cash flows</b>				
<b>FINANCING CASH FLOWS</b>				
Contributions restricted for endowments	118,855	—	—	118,855
Contributions restricted for future construction	263,134	—	—	263,134
	<u>381,989</u>	<u>—</u>	<u>—</u>	<u>381,989</u>
<b>Net financing cash flows</b>				
<b>NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH</b>				
	<u>(2,782,569)</u>	<u>135,668</u>	<u>—</u>	<u>(2,646,901)</u>
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - Beginning of year</b>				
	<u>6,956,565</u>	<u>418,206</u>	<u>—</u>	<u>7,374,771</u>
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - End of year</b>				
	<u>\$ 4,173,996</u>	<u>\$ 553,874</u>	<u>\$ —</u>	<u>\$ 4,727,870</u>
<b>REPORTED IN THE CONSOLIDATING STATEMENTS OF FINANCIAL POSITION AS FOLLOWS</b>				
Cash and cash equivalents	\$ 2,296,279	\$ 553,874	\$ —	\$ 2,850,153
Cash held for self-funded health insurance plan	639,284	—	—	639,284
Cash restricted for long-term purposes included in "investments and other assets restricted for long-term purposes"	1,238,433	—	—	1,238,433
	<u>\$ 4,173,996</u>	<u>\$ 553,874</u>	<u>\$ —</u>	<u>\$ 4,727,870</u>
<b>Total cash, cash equivalents, and restricted cash</b>				
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET OPERATING CASH FLOWS</b>				
Change in net assets	\$ 6,774,321	\$ 102,259	\$ —	\$ 6,876,580
Adjustments to reconcile change in net assets to net operating cash flows				
Amortization of right-of-use assets	—	387,785	—	387,785
Depreciation	1,186,274	115,328	—	1,301,602
Contributions restricted for long-term purposes	(381,989)	—	—	(381,989)
Gain on investments, net	(5,870,356)	—	—	(5,870,356)
Change in beneficial interests in trusts and endowments held by others	(362,964)	—	—	(362,964)
Change in other assets	1,084,810	69,043	—	1,153,853
Change in accounts payable and accrued expenses	(240,598)	9,649	—	(230,949)
Change in deferred compensation payable	(259,831)	—	—	(259,831)
Change in lease liabilities	—	(369,871)	—	(369,871)
Change in liabilities for annuities and other	(330,576)	—	—	(330,576)
	<u>\$ 1,599,091</u>	<u>\$ 314,193</u>	<u>\$ —</u>	<u>\$ 1,913,284</u>
<b>Net operating cash flows</b>				

**SUPPLEMENTAL DISCLOSURE**

As of October 1, 2022, the Organization recognized approximately \$2,296,000 of right-of-use assets in exchange for the same amount of lease liabilities. See Note O.

See the Accompanying Report of Independent Auditor

**FLORIDA SHERIFFS YOUTH RANCHES, INC.**  
**SHERIFFS RANCHES ENTERPRISES, INC.**  
CONSOLIDATING STATEMENT OF CASH FLOWS  
For The Year Ended September 30, 2022

	Florida Sheriffs Youth Ranches, Inc.	Sheriffs Ranches Enterprises, Inc.	Eliminations	Total
<b>OPERATING CASH FLOWS</b>				
Cash received from contributors	\$ 16,229,587	\$ 58,195	\$ —	\$ 16,287,782
Cash received from sales of donated goods	—	4,008,895	—	4,008,895
Other revenue received	2,830,704	1,103	—	2,831,807
Cash received from Medicaid and third party reimbursements	1,021,970	—	—	1,021,970
Grant from Sheriffs Ranches Enterprises, Inc.	585,194	—	(585,194)	—
Cash paid for operating activities and costs	(17,042,417)	(3,642,942)	—	(20,685,359)
Grant to Florida Sheriffs Youth Ranches, Inc.	—	(585,194)	585,194	—
<b>Net operating cash flows</b>	<b><u>3,625,038</u></b>	<b><u>(159,943)</u></b>	<b><u>—</u></b>	<b><u>3,465,095</u></b>
<b>INVESTING CASH FLOWS</b>				
Reinvestment of interest and dividends	(819,590)	—	—	(819,590)
Net sales of investments	353,514	—	—	353,514
Purchases of and improvements to property and equipment	(2,603,066)	(107,055)	—	(2,710,121)
<b>Net investing cash flows</b>	<b><u>(3,069,142)</u></b>	<b><u>(107,055)</u></b>	<b><u>—</u></b>	<b><u>(3,176,197)</u></b>
<b>FINANCING CASH FLOWS</b>				
Contributions restricted for endowments	62,080	—	—	62,080
Contributions restricted for future construction	406,398	—	—	406,398
<b>Net financing cash flows</b>	<b><u>468,478</u></b>	<b><u>—</u></b>	<b><u>—</u></b>	<b><u>468,478</u></b>
<b>NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH</b>	<b><u>1,024,374</u></b>	<b><u>(266,998)</u></b>	<b><u>—</u></b>	<b><u>757,376</u></b>
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - Beginning of year</b>	<b><u>5,932,191</u></b>	<b><u>685,204</u></b>	<b><u>—</u></b>	<b><u>6,617,395</u></b>
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - End of year</b>	<b><u>\$ 6,956,565</u></b>	<b><u>\$ 418,206</u></b>	<b><u>\$ —</u></b>	<b><u>\$ 7,374,771</u></b>
<b>REPORTED IN THE CONSOLIDATING STATEMENTS OF FINANCIAL POSITION AS FOLLOWS</b>				
Cash and cash equivalents	\$ 5,091,448	\$ 418,206	\$ —	\$ 5,509,654
Cash held for self-funded health insurance plan	667,456	—	—	667,456
Cash restricted for long-term purposes included in "investments and other assets restricted for long-term purposes"	1,197,661	—	—	1,197,661
<b>Total cash, cash equivalents, and restricted cash</b>	<b><u>\$ 6,956,565</u></b>	<b><u>\$ 418,206</u></b>	<b><u>\$ —</u></b>	<b><u>\$ 7,374,771</u></b>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET OPERATING CASH FLOWS</b>				
Change in net assets	\$ (6,132,519)	\$ (93,970)	\$ —	\$ (6,226,489)
Adjustments to reconcile change in net assets to net operating cash flows				
Depreciation	1,081,364	113,040	—	1,194,404
Contributions restricted for long-term purposes	(468,478)	—	—	(468,478)
Loss on investments, net	10,253,027	—	—	10,253,027
Change in beneficial interests in trusts and endowments held by others	111,236	—	—	111,236
Change in other assets	(820,881)	(165,172)	—	(986,053)
Change in accounts payable and accrued expenses	150,681	(13,841)	—	136,840
Change in deferred compensation payable	(41,977)	—	—	(41,977)
Change in liabilities for annuities and other	(507,415)	—	—	(507,415)
<b>Net operating cash flows</b>	<b><u>\$ 3,625,038</u></b>	<b><u>\$ (159,943)</u></b>	<b><u>\$ —</u></b>	<b><u>\$ 3,465,095</u></b>

See the Accompanying Report of Independent Auditor