

**SPECIAL PURPOSE  
FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

**NASSAU COUNTY PROPERTY APPRAISER  
NASSAU COUNTY, FLORIDA**

**SEPTEMBER 30, 2008**

**SPECIAL PURPOSE  
FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

**NASSAU COUNTY PROPERTY APPRAISER  
NASSAU COUNTY, FLORIDA**

**SEPTEMBER 30, 2008**

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**INDEPENDENT AUDITORS' REPORT**

The Honorable Tammy C. Stiles  
Nassau County Property Appraiser  
Nassau County, Florida

We have audited the accompanying special purpose financial statements of the Nassau County, Florida, Property Appraiser (the Property Appraiser) as of and for the year ended September 30, 2008, as listed in the table of contents. These special purpose financial statements are the responsibility of the Property Appraiser's management. Our responsibility is to express an opinion on these special purpose financial statements based on our audit.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in note 1 to the special purpose financial statements, the special purpose financial statements referred to above have been prepared for the purpose of complying with, and on the basis of accounting practices specified by, the *Rules of the Auditor General*, State of Florida, and present only the Property Appraiser and are intended to present the major fund information of Nassau County, Florida, that is attributable to the transactions of the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Nassau County, Florida, as of September 30, 2008, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the financial position of the general fund of the Property Appraiser at September 30, 2008, and the changes in financial position of its general fund and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Certified Public Accountants**

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The Honorable Tammy C. Stiles  
Nassau County Property Appraiser  
Nassau County, Florida

**INDEPENDENT AUDITORS' REPORT**  
*(Concluded)*

In accordance with *Government Auditing Standards*, we have also issued a report dated February 13, 2009, on our consideration of the Property Appraiser's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and is important for assessing the results of our audit.

This report is intended solely for the information and use of the Property Appraiser and management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

*Purvis, Gray and Company, LLP*

February 13, 2009  
Gainesville, Florida

**SPECIAL PURPOSE  
FINANCIAL STATEMENTS**

**BALANCE SHEET  
GENERAL FUND  
SEPTEMBER 30, 2008  
NASSAU COUNTY PROPERTY APPRAISER**

<b>Assets</b>	
Cash	\$ 108,193
	<hr/> <hr/>
<b>Liabilities and Fund Balance</b>	
<b>Liabilities</b>	
Accounts Payable	5,482
Due to Board of County Commissioners	98,161
Due to Other Governments	4,550
<b>Total Liabilities</b>	<hr/> 108,193 <hr/>
<b>Fund Balance</b>	<hr/> 0 <hr/>
<b>Total Liabilities and Fund Balance</b>	<hr/> \$ 108,193 <hr/> <hr/>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2008  
NASSAU COUNTY PROPERTY APPRAISER**

<b>Revenues</b>	
Charges for Services	\$ 60,621
Interest	5,721
Miscellaneous	20,146
<b>Total Revenues</b>	86,488
 <b>Expenditures</b>	
Current:	
General Government:	
Personal Services	1,463,403
Operating Expenditures	315,022
Capital Outlay	14,643
<b>(Total Expenditures)</b>	(1,793,068)
 <b>(Deficiency) of Revenues (Under) Expenditures</b>	 (1,706,580)
 <b>Other Financing Sources (Uses)</b>	
Transfers in from Board of County Commissioners	1,804,741
Transfers (out) to Board of County Commissioners	(98,161)
<b>Total Other Financing Sources (Uses)</b>	1,706,580
 <b>Net Change in Fund Balance</b>	 0
 <b>Fund Balance, Beginning of Year</b>	 0
 <b>Fund Balance, End of Year</b>	 \$ 0

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2008  
NASSAU COUNTY PROPERTY APPRAISER**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<b>Variance With Final Budget</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative)</b>
<b>Revenues</b>				
Charges for Services	\$ 63,690	\$ 64,198	\$ 60,621	\$ (3,577)
Interest	0	0	5,721	5,721
Miscellaneous	0	0	20,146	20,146
<b>Total Revenues</b>	<u>63,690</u>	<u>64,198</u>	<u>86,488</u>	<u>22,290</u>
<b>Expenditures</b>				
Current:				
General Government:				
Personal Services	1,451,928	1,463,403	1,463,403	0
Operating Expenditures	366,233	365,536	315,022	50,514
Capital Outlay	0	15,000	14,643	357
Reserve for Contingency	50,000	25,000	0	25,000
<b>(Total Expenditures)</b>	<u>(1,868,161)</u>	<u>(1,868,939)</u>	<u>(1,793,068)</u>	<u>75,871</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(1,804,471)</u>	<u>(1,804,741)</u>	<u>(1,706,580)</u>	<u>98,161</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in from Board of County Commissioners	1,804,471	1,804,741	1,804,741	0
Transfers (out) to Board of County Commissioners	0	0	(98,161)	(98,161)
<b>Total Other Financing Sources (Uses)</b>	<u>1,804,471</u>	<u>1,804,741</u>	<u>1,706,580</u>	<u>(98,161)</u>
<b>Net Change in Fund Balance</b>	0	0	0	0
<b>Fund Balance, Beginning of Year</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balance, End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

See accompanying notes to financial statements.



**NOTES TO SPECIAL PURPOSE  
FINANCIAL STATEMENTS**

**NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS  
NASSAU COUNTY PROPERTY APPRAISER**

**Note 1 - Summary of Significant Accounting Policies**

The accounting policies of the Nassau County, Florida, Property Appraiser (the Property Appraiser) conform to generally accepted accounting principles (GAAP), as applicable to governments. The following is a summary of significant accounting principles and policies used in the preparation of these special purpose financial statements.

**Reporting Entity**

Nassau County, Florida is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the Board).

The Property Appraiser is an elected official of Nassau County, Florida pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d). The Property Appraiser is a part of the primary government of Nassau County, Florida. Although the Board and the Florida Department of Revenue approve the Property Appraiser's total operating budget, the Property Appraiser is responsible for the administration and operation of the Property Appraiser's office, and the Property Appraiser's special purpose financial statements do not include the financial statements of the Board or the other Constitutional Officers of Nassau County, Florida.

The operations of the Property Appraiser are funded by the Board of County Commissioners, the St. Johns River Water Management District, the Amelia Island Mosquito Control District, and the Florida Inland Navigation District. The receipts from the Board are recorded as other financing sources on the Property Appraiser's special purpose financial statements.

**Basis of Presentation**

These special purpose financial statements are financial statements that have been prepared in conformity with the accounting principles and reporting guidelines established by Governmental Accounting Standards Board (GASB) and accounting practices prescribed by the Auditor General, State of Florida. The basic financial statements for the County as a whole, which includes the funds of the Property Appraiser, were prepared in conformity with the GAAP in the United States. The Property Appraiser utilizes the following fund type:

■ **Governmental Fund**

● **Major Fund**

- ▶ **General Fund**—The general fund is the general operating fund of the Property Appraiser. It is used to account for all financial resources, except for those required to be accounted for in another fund.

**Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the special purpose general fund financial statements and refers to the timing of the measurements made, regardless of the measurement focus applied.

The modified accrual basis of accounting is followed by the general fund. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period. The Property Appraiser considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures are recorded when the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid.

**NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS**  
**NASSAU COUNTY PROPERTY APPRAISER**  
*(Continued)*

**Note 1 - Summary of Significant Accounting Policies (Concluded)**

**Measurement Focus**

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. The general fund is accounted for on a spending or "financial flow" measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. General fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of "available spendable resources" during a period.

**Budgetary Requirement**

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget is approved by the Florida Department of Revenue for the general fund. Budget to actual comparisons are provided in the financial statements for the general fund, where the Property Appraiser has legally adopted an annual budget. All budget amounts presented in the accompanying special purpose financial statements have been adjusted for legally authorized amendments of the annual budget for the year.

Budgets are prepared on the modified accrual basis of accounting.

The Property Appraiser's annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year-end.

**Capital Assets**

Tangible personal property is recorded as expenditures in the general fund at the time an asset is acquired. Assets acquired by the Property Appraiser are capitalized at cost in the capital asset accounts of the County. The Property Appraiser maintains custodial responsibility for the capital assets used by his office.

**Accrued Compensated Absences**

The Property Appraiser maintains a policy of granting employees annual leave based upon the number of years of employment. An employee can receive payment for such accumulated annual leave upon termination of employment in good standing. In addition, the Property Appraiser maintains the following policy for sick leave. Sick leave is accumulated at the rate of one day per month. Upon either appointment or election to county-wide office, death or retirement, an employee is entitled to be paid for his/her accumulated sick leave at the staff rate of pay, calculated up to a maximum payout of 720 hours.

**Note 2 - Cash**

At September 30, 2008, the carrying amount of the Property Appraiser's deposits was \$108,193 and the bank balance was \$161,406. Deposits in banks and savings and loan institutions are collateralized as public funds through a state procedure provided for in Chapter 280, Florida Statutes. Financial institutions qualifying as public depositories are required to pledge eligible collateral having a market value equal to or greater than the average

**NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS**  
**NASSAU COUNTY PROPERTY APPRAISER**  
*(Continued)*

**Note 2 - Cash (Concluded)**

daily or monthly balance of all public deposits times the depository's collateral pledging level. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. All of the cash deposits of the Property Appraiser are placed with qualified financial institutions which means they are insured or collateralized.

**Note 3 - Employee Benefits**

**Defined Benefit Pension Plan**

All full-time employees of the Property Appraiser participate in the Florida Retirement System (the System). This System was created by the Florida Legislature and is a cost-sharing, multiple-employer defined benefit public retirement plan available to governmental units within the state of Florida. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or by calling (850) 488-5706.

The Property Appraiser and all full-time employees are eligible to participate in the System. Special risk employees who retire at or after age 55, with six years of creditable service; and all other employees who retire at or after age 62, with six years of creditable service; are entitled to a retirement benefit, payable monthly for life, equal to the product of: (1) average monthly compensation in the highest five years of creditable service; (2) creditable service during the appropriate period; and (3) the appropriate benefit percentage. Benefits are fully vested on reaching six years of service. Vested employees may retire after six years of creditable service and receive reduced retirement benefits. The System also provides death benefits, disability benefits and cost of living adjustments. Benefits are established by Florida Statute.

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that employers, such as the Property Appraiser, are required to contribute 9.85% of the compensation for regular members, 13.12% of senior management employees, and 16.53% for elected County officials.

The Property Appraiser's contributions to the System for the years ended September 30, 2008, 2007, and 2006 were \$123,905, \$114,430 and \$86,786, respectively, equal to the required contributions for each year.

**Note 4 - Changes in Long-term Debt**

The following is a summary of the changes in accumulated compensated absences of the Property Appraiser for the year ended September 30, 2008:

**NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS**  
**NASSAU COUNTY PROPERTY APPRAISER**  
*(Concluded)*

**Note 4 - Changes in Long-term Debt (Concluded)**

	<b>Balance October 1, 2007</b>	<b>Additions</b>	<b>(Deletions)</b>	<b>Balance September 30, 2008</b>
Accrued Compensated Absences	\$ 77,881	\$ 162,842	\$ (116,485)	\$ 124,238

Accrued compensated absences represent the vested portion of accrued leave. See note 1 for a summary of the Property Appraiser's accumulated compensated absences policy.

The Property Appraiser's long-term debt is not recorded in the accompanying special purpose financial statements but is recorded in the statement of net assets as part of the basic financial statements of the County.

**Note 5 - Operating Lease**

The Property Appraiser's office entered into an operating lease agreement with Pitney Bowes on August 20, 2004, for the lease of a mail processing machine, effective September 1, 2004. The lease provides for quarterly payments of \$186, along with sales and use taxes. The lease is for 60 months ending on August 31, 2009. Total lease payments of \$744 were made during the fiscal year ended September 30, 2008, for the mail processing machine.

The future minimum lease payments for the mail processing machine are as follows:

<b>Year Ending September 30</b>	<b>Amount</b>
2009	\$ 682

## **OTHER REPORTS**

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF SPECIAL  
PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Tammy C. Stiles  
Nassau County Property Appraiser  
Nassau County, Florida

We have audited the special purpose financial statements of the Nassau County, Florida, Property Appraiser (the Property Appraiser) as of and for the year ended September 30, 2008, and have issued our report thereon dated February 13, 2009. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Property Appraiser's internal control over financial reporting as a basis for designing our auditing procedures 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 Property Appraiser's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Property Appraiser's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A *control deficiency* 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 misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the Property Appraiser's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Property Appraiser's financial statements that is more than inconsequential will not be prevented or detected by the Property Appraiser's internal control. We consider the deficiency described below to be a significant deficiency in internal control over financial reporting:

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The Honorable Tammy C. Stiles  
Nassau County Property Appraiser  
Nassau County, Florida

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF SPECIAL  
PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*  
(Continued)**

**Internal Control Over Financial Reporting (Concluded)**

■ **Separation of Duties**

*Condition*—Because of a limited number of available personnel, it was not always possible to adequately separate certain incompatible duties so that no one employee has access to both the physical assets and the related accounting records, or to all phases of a transaction.

*Criteria*—Separation of incompatible duties provides increased assurance that errors or irregularities will not go undetected for long periods of time.

*Effect*—Lack of proper separation of incompatible duties could result in errors or irregularities that go undetected.

*Recommendation*—We recommend that incompatible duties be separated among various employees where it is feasible to do so.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Property Appraiser's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe the significant deficiency described above is not a material weakness.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Property Appraiser's special purpose 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 determination of financial statement amounts. 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*.

We noted a certain matter that we have reported to management of the Property Appraiser in a separate letter dated February 13, 2009.



The Honorable Tammy C. Stiles  
Nassau County Property Appraiser  
Nassau County, Florida

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF SPECIAL  
PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*  
(*Concluded*)**

**Compliance and Other Matters (*Concluded*)**

The Property Appraiser's response to the findings identified in our audit are described in the accompanying Management's Response. We did not audit the Property Appraiser's response and, accordingly, we express no opinion on it.

This report is intended solely for the information of the Property Appraiser and management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

*Purvis, Gray and Company, LLP*

February 13, 2009  
Gainesville, Florida

## MANAGEMENT LETTER

The Honorable Tammy C. Stiles  
Nassau County Property Appraiser  
Nassau County, Florida

We have audited the special purpose financial statements of the Nassau County, Florida, Property Appraiser (the Property Appraiser) as of and for the fiscal year ended September 30, 2008, and have issued our report thereon dated February 13, 2009.

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. We have issued our report on internal control over financial reporting and on compliance and other matters. Disclosures in that report, which is dated February 13, 2009, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the state of Florida. This letter includes the following information, which is not included in the aforementioned auditors' reports:

- 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. There were no findings and recommendations made in the preceding annual financial audit report.
- Section 10.554(1)(i)2., *Rules of the Auditor General*, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Property Appraiser complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve the financial management. In connection with our audit, we report the following recommendation:
  - The Property Appraiser did not have a formal written purchasing policy in place. We recommend that a written purchasing policy be adopted and that written requests be submitted and approved for purchases over a predetermined amount.

### Certified Public Accountants

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The Honorable Tammy C. Stiles  
Nassau County Property Appraiser  
Nassau County, Florida

**MANAGEMENT LETTER**  
*(Concluded)*

- Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that we address violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, that have an effect on the determination of financial statement amounts that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)5., *Rules of the Auditor General* provides, based on professional judgment, the reporting of the following matters that are inconsequential to the determination of financial statement amounts, considering both quantitative and qualitative factors: (1) violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred. (2) control deficiencies that are not significant deficiencies, including, but not limited to: (a) improper or inadequate accounting procedures (b) failures to properly record financial transactions and (c) inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)6., *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 special purpose financial statements. The Property Appraiser was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Property Appraiser.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America requires us to indicate that this letter is intended solely for the information of the Property Appraiser and management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

*Purvis, Gray and Company, LLP*

February 13, 2009  
Gainesville, Florida

# Nassau County Property Appraiser

Fernandina Beach - Yulee  
(904) 491-7300

**GREG HADDOCK, C.F.A., APPRAISER**

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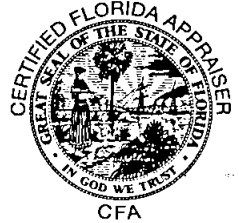
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December 31, 2008



Purvis Gray & Company  
PO Box 23999  
Gainesville, FL 32602

Dear Mr. Kite:

We appreciate the work Purvis Gray does for us in performing the audit for this office.

In response to your finding of a *significant deficiency* reflected in your *Report on Internal Control over Financial Reporting, Separation of Duties*, during the fiscal year 2007-2008, please note that Glenda Claxton and Ansley Acree shared, reviewed and double checked all aspects of performing the payroll functions during the year, up until the end of June 2008, when Glenda Claxton left the office on annual leave for the months of July, August and September that led to her retirement date as of September 30, 2008.

Additionally, the processing and review of accounts payable were performed by Glenda Claxton, Ansley Acree and I. Since the time of Mrs. Claxton's retirement Ansley Acree has been the person solely in charge of payroll, but I have continued to approve and review the accounts payable duties that Mrs. Acree has been performing. Based on the above, I feel that for the fiscal year 2007-2008, this office had sufficient Separation of Duties over financial reporting.

In addition, to the above, the auditor made a recommendation to improve financial management in this office by adopting formal written purchasing policies. Due to the size of this office and the fact that no purchases are made, except small office supply purchases, without the direct knowledge and approval of the Property Appraiser, we did not believe it was necessary to have a formal written purchasing policy in order to improve the financial management. As this office grows, or if the Property Appraiser delegates purchasing authority or another individual, then I do believe that a formal written purchasing policy should be implemented with written request submitted and approved over a predetermined amount.

Best Regards,

Greg Haddock, C.F.A.  
Nassau County Property Appraiser  
GH/jj