

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

**NASSAU COUNTY SHERIFF  
NASSAU COUNTY, FLORIDA**

**SEPTEMBER 30, 2008**

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

**NASSAU COUNTY SHERIFF  
NASSAU COUNTY, FLORIDA**

**SEPTEMBER 30, 2008**

**TABLE OF CONTENTS**

<b>Independent Auditors' Report .....</b>	<b>1-2</b>
<b>Special Purpose Financial Statements</b>	
Balance Sheet - Governmental Funds .....	3
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds .....	4
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Major Governmental Fund .....	5
Statement of Fiduciary Assets and Liabilities - Agency Funds .....	6
Notes to Special Purpose Financial Statements .....	7-12
<b>Other Financial Information</b>	
Combining Balance Sheet - Nonmajor Governmental Funds - All Special Revenue Funds .....	13
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds - All Special Revenue Funds .....	14
Combining Statement of Fiduciary Assets and Liabilities - All Agency Funds .....	15
<b>Other Reports</b>	
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 <i>Government Auditing Standards</i> .....	16-17
Management Letter .....	18-20
Management's Responses .....	21-23

## INDEPENDENT AUDITORS' REPORT

The Honorable T.L. "Tommy" Seagraves, Jr.  
Nassau County Sheriff  
Nassau County, Florida

We have audited the accompanying special purpose financial statements of the major fund and the aggregate remaining fund information of the Nassau County, Florida, Sheriff (the Sheriff) 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 Sheriff'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 Sheriff and are intended to present the major fund and the aggregate remaining fund information of Nassau County, Florida, that is attributable to the transactions of the Sheriff. 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 major fund and the aggregate remaining fund information of the Sheriff as of September 30, 2008, and the respective changes in financial position, where appropriate, thereof and the respective budgetary comparison for the major fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### Certified Public Accountants

P.O. Box 23999 • 222 N.E. 1st Street • Gainesville, Florida 32602 • (352) 378-2461 • FAX (352) 378-2505  
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872 • FAX (352) 732-0542  
443 East College Avenue • Tallahassee, Florida 32301 • (850) 224-7144 • FAX (850) 224-1762  
2201 Cantu Court, Suite #100 • Sarasota, Florida 34232 • (941) 379-2800 • FAX (941) 379-2899

MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS  
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

The Honorable T.L. "Tommy" Seagraves, Jr.  
Nassau County Sheriff  
Nassau County, Florida

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

Our audit was conducted for the purpose of forming an opinion on the special purpose financial statements taken as a whole. The accompanying other financial information is presented for purposes of additional analysis and is not a required part of the special purpose financial statements. Such information has been subjected to the auditing procedures applied by us in the audit of the special purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the special purpose financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 17, 2009, on our consideration of the Sheriff'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 Sheriff 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 17, 2009  
Gainesville, Florida

**SPECIAL PURPOSE  
FINANCIAL STATEMENTS**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2008  
NASSAU COUNTY SHERIFF**

	<b>Major Fund General Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>			
Cash on Hand	\$ 0	\$ 8,492	\$ 8,492
Cash in Bank	243,030	236,041	479,071
Due from Other Governments	100,967	9,908	110,875
Due from Board of County Commissioners	0	48,544	48,544
<b>Total Assets</b>	<u>343,997</u>	<u>302,985</u>	<u>646,982</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	335,864	0	335,864
Due to Board of County Commissioners	8,133	103,106	111,239
<b>Total Liabilities</b>	<u>343,997</u>	<u>103,106</u>	<u>447,103</u>
<b>Fund Balances</b>			
Unreserved	0	199,879	199,879
<b>Total Fund Balances</b>	<u>0</u>	<u>199,879</u>	<u>199,879</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 343,997</u>	<u>\$ 302,985</u>	<u>\$ 646,982</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2008  
NASSAU COUNTY SHERIFF**

	<b>Major Fund General Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>			
Intergovernmental	\$ 182,647	\$ 0	\$ 182,647
Miscellaneous	154,314	105,110	259,424
<b>Total Revenues</b>	<u>336,961</u>	<u>105,110</u>	<u>442,071</u>
<b>Expenditures</b>			
Current:			
Court-related:			
Personal Services	681,285	0	681,285
Operating Expenditures	161,219	0	161,219
Public Safety:			
Personal Services	10,181,374	168,554	10,349,928
Operating Expenditures	2,978,761	327,136	3,305,897
Capital Outlay	404,139	43,187	447,326
Debt Service	389,751	0	389,751
<b>(Total Expenditures)</b>	<u>(14,796,529)</u>	<u>(538,877)</u>	<u>(15,335,406)</u>
<b>(Deficiency) of Revenues (Under)</b>			
<b>Expenditures</b>	<u>(14,459,568)</u>	<u>(433,767)</u>	<u>(14,893,335)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in from Board of County Commissioners	14,466,195	556,380	15,022,575
Transfers (out) to Board of County Commissioners	(6,627)	(103,106)	(109,733)
<b>Total Other Financing Sources (Uses)</b>	<u>14,459,568</u>	<u>453,274</u>	<u>14,912,842</u>
<b>Net Change in Fund Balances</b>	0	19,507	19,507
<b>Fund Balances, Beginning of Year</b>	<u>0</u>	<u>180,372</u>	<u>180,372</u>
<b>Fund Balances, End of Year</b>	<u><u>\$ 0</u></u>	<u><u>\$ 199,879</u></u>	<u><u>\$ 199,879</u></u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL - MAJOR GOVERNMENTAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2008  
NASSAU COUNTY SHERIFF**

	General Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Intergovernmental	\$ 0	\$ 182,647	\$ 182,647	\$ 0
Miscellaneous	0	154,314	154,314	0
Total Revenues	0	336,961	336,961	0
Expenditures				
Current:				
Court-related:				
Personal Services	655,606	681,285	681,285	0
Operating Expenditures	19,558	161,219	161,219	0
Public Safety:				
Personal Services	10,488,156	10,181,374	10,181,374	0
Operating Expenditures	2,490,772	2,978,761	2,978,761	0
Capital Outlay	16,000	404,139	404,139	0
Debt Service	389,899	389,751	389,751	0
(Total Expenditures)	(14,059,991)	(14,796,529)	(14,796,529)	0
(Deficiency) of Revenues (Under)				
Expenditures	(14,059,991)	(14,459,568)	(14,459,568)	0
Other Financing Sources (Uses)				
Transfers in from Board of County Commissioners	14,059,991	14,466,195	14,466,195	0
Transfers (out) to Board of County Commissioners	0	(6,627)	(6,627)	0
Total Other Financing Sources (Uses)	14,059,991	14,459,568	14,459,568	0
Net Change in Fund Balance	0	0	0	0
Fund Balance, Beginning of Year	0	0	0	0
Fund Balance, End of Year	\$ 0	\$ 0	\$ 0	\$ 0

See accompanying notes to financial statements.



**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**SEPTEMBER 30, 2008**  
**NASSAU COUNTY SHERIFF**

**Assets**

Cash	\$ 36,444
------	-----------

**Liabilities**

Accounts Payable	7,558
Due to Other Funds	9,908
Deposits	<u>18,978</u>

<b>Total Liabilities</b>	<u><u>\$ 36,444</u></u>
--------------------------	-------------------------

See accompanying notes to financial statements.

**NOTES TO SPECIAL PURPOSE  
FINANCIAL STATEMENTS**

**NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS  
NASSAU COUNTY SHERIFF**

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

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

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

During 2008, the Sheriff established the Sheriff's Foundation of Nassau County which is a separate legal entity organized under the laws of the State of Florida. The entity is a tax-exempt entity under section 501(c)(3) of the Internal Revenue Code. This entity was established to promote public safety through charitable activities and outreach programs. The activity of this organization for the September 30, 2008, fiscal year was not significant, and therefore has been omitted from the Sheriff's financial statements.

The operations of the Sheriff are primarily funded by the Board. The receipts from the Board are recorded as other financing sources on the Sheriff's special purpose financial statements. Any excess of revenues and other financing sources received over expenditures are remitted to the Board at year-end.

**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 Sheriff, were prepared in conformity with GAAP. The Sheriff utilizes the following fund types:

■ **Governmental Funds**

● **Major Fund**

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

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

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

**Basis of Presentation (Concluded)**

- **Other Governmental Funds**

- ▶ **Special Revenue Funds**—Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The Sheriff reports special revenue funds in the special purpose financial statements under the title "Other Governmental Funds" as follows:

- Inmate Commissary Fund
- 911 Operations and Maintenance Fund
- Sheriff's Investigative Fund

- **Fiduciary Funds**

- **Agency Funds**—The agency funds are used to account for assets held by the Sheriff as an agent for individuals, private organizations and other governments. Agency funds are custodial in nature and do not involve measurement of changes in financial position.

**Basis of Accounting**

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

The modified accrual basis of accounting is followed by the governmental funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period. For this purpose, the Sheriff considers revenues to be available if they are collected within thirty 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.

**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. All governmental funds are 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. Governmental 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**

Government fund 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 was adopted for the general fund and the 911 operations and maintenance fund. All budget amounts presented for the general fund 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.

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

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

**Budgetary Requirement (Concluded)**

The Sheriff'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**

Capital assets, which include vehicles and equipment, are recorded as capital outlay expenditures in the governmental funds at the time goods are received and a liability is incurred. These assets are then capitalized at cost in the statement of net assets as part of the basic financial statements of the County (statement of net assets). Capital assets acquired under capital leases are capitalized at cost in the statement of net assets at the time the assets are received. Donated and confiscated capital assets are recorded in the statement of net assets at fair value at the time received. Capital assets are depreciated using the straight-line method over three to ten years. The depreciation expense is recorded in the statement of activities as part of the basic financial statements of the County.

**Accrued Compensated Absences**

The Sheriff maintains a policy of granting employees annual leave at the rate of eight hours per month. An employee can receive payment for such accumulated annual leave upon termination of employment.

In addition, the Sheriff maintains the following policy for sick leave. Sick leave is accumulated at the rate of eight hours per month. Certain sick leave benefits are paid to employees who terminate their employment after ten years of service, retire from duty, or die in the line of duty.

The Sheriff also allows employees to accumulate compensatory time earned. An employee can receive payment for unused compensatory time upon termination of employment or at the discretion of the Sheriff.

**Workers' Compensation and Group Health Insurance**

The Board provided the Sheriff and his employees with workers' compensation and group health insurance coverages. Accidental death coverage for Law Enforcement Officers was also provided by the Board. The premiums for such coverages were paid by the Board and recorded on its records and, consequently, are not recorded on the Sheriff's records.

**Risk Management**

The Sheriff is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and the public; or damage to property of others.

The Sheriff participates in two Florida Sheriffs Self-insurance funds for risk related to professional liability and automobile risks. The funding agreements provide that each fund will be self-sustaining through member premiums and that the Sheriff's liability fund will reinsure through commercial companies. Aggregate coverage provided by the liability fund is \$3,500,000 for professional liability and \$3,500,000 for public officials' coverage. Coverage

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

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

**Risk Management (Concluded)**

limits for automobile risks are \$200,000 per accident for bodily injury and \$100,000 per accident for property damage.

In addition, the Sheriff has obtained an excess loss reimbursement policy to cover catastrophic inmate medical claims.

**Note 2 - Cash and Investments**

**Cash Deposits**

At September 30, 2008, the carrying amount of the Sheriff's deposits was \$505,607 and the bank balance was \$1,047,341. Deposits in banks 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 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 Sheriff 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 Sheriff 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 Sheriff 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 Sheriff, are required to contribute 9.85% of the compensation for regular members, 20.92% for special risk, and

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

**Note 3 - Employee Benefits (Concluded)**

**Defined Benefit Pension Plan (Concluded)**

16.53% for County officials. The Sheriff's contributions to the System for the years ended September 30, 2008, 2007, and 2006, were \$1,521,777, \$1,490,224, and \$1,314,895, respectively, equal to the required contributions for each year.

**Note 4 - Capital Assets**

The tangible personal property used by the Sheriff in its governmental fund operation is reported as capital assets in the statement of net assets as part of the basic financial statements of the County. Upon acquisition, such assets are recorded as expenditures in the governmental fund types of the Sheriff and capitalized at cost in the capital asset accounts of the County. The Sheriff maintains recordkeeping and custodial responsibility for certain tangible capital assets used by his office. Information on vehicles and equipment used in the operations of the Sheriff's office are presented below:

	<u>Balance October 1, 2007</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance September 30, 2008</u>
<b>Capital Assets</b>				
Machinery and Equipment	\$ 6,398,150	\$ 1,024,916	\$ (36,106)	\$ 7,386,960
Accumulated Depreciation	<u>(4,527,555)</u>	<u>(1,248,851)</u>	<u>30,477</u>	<u>(5,745,929)</u>
<b>Machinery and Equipment, Net</b>	<u>\$ 1,870,595</u>	<u>\$ (223,935)</u>	<u>\$ (5,629)</u>	<u>\$ 1,641,031</u>

Depreciation expense was recorded in the government-wide financial statements in the amount of \$981,587.

**Note 5 - Operating Leases**

The Sheriff leased various copiers during fiscal year 2007-2008. The monthly lease payments for these copiers ranged from \$135 to \$1,062 per month. The expiration date of the leases range from December 2008 to September 2013. Lease expense for the year was \$49,930. Future minimum lease payments for the leases are as follows:

<u>Year Ending September 30</u>	<u>Annual Lease Payments</u>
2009	\$ 52,759
2010	52,759
2011	49,864
2012	41,969
2013	<u>14,639</u>
<b>Total</b>	<u>\$ 211,990</u>

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

**Note 6 - Changes in Long-term Debt**

The following is a summary of the changes in long-term debt of the Sheriff for the year ended September 30, 2008:

	<b>Balance October 1, 2007</b>	<b>Additions</b>	<b>(Deletions)</b>	<b>Balance September 30, 2008</b>
Accrued Compensated Absences	\$ 855,415	\$ 702,787	\$ (603,161)	\$ 955,041
Installment Obligation	<u>388,813</u>	<u>0</u>	<u>(388,813)</u>	<u>0</u>
<b>Totals</b>	<u>\$ 1,244,288</u>	<u>\$ 702,787</u>	<u>\$ (991,974)</u>	<u>\$ 955,101</u>

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

The Sheriff entered into a contract with the SunTrust Bank effective October 3, 2005, for the purchase of fifty-two law enforcement vehicles. The Sheriff received \$777,626 on October 3, 2005, under this contract to purchase these vehicles. Repayment terms require interest to be paid on a quarterly basis at an interest rate of 3.35% and two principal payments of \$388,813 will be due on October 30, 2006, and October 30, 2007.

The Sheriff'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 7 - Interfund Balances**

Interfund receivables and payables generally represent temporary loans between funds. Balances are expected to be repaid within one year. As of September 30, 2008, interfund balances consisted of the following:

	<b>Due from Other Funds</b>	<b>Due to Other Funds</b>
Inmate Trust (Agency Fund)	\$ 0	\$ 9,908
Inmate Commissary (Special Revenue Fund)	<u>9,908</u>	<u>0</u>
<b>Total</b>	<u>\$ 9,908</u>	<u>\$ 9,908</u>



## **OTHER FINANCIAL INFORMATION**

**NONMAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS**

**Inmate Commissary Fund**—Accounts for commissions received from pay telephones and commissary profits used for the benefit of inmates.

**911 Operations and Maintenance Fund**—Accounts for the operation of the 911 emergency response system.

**Sheriff's Investigative Fund**—Accounts for monies used in accordance with Section 925.055, Florida Statutes.

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - ALL SPECIAL REVENUE FUNDS**  
**SEPTEMBER 30, 2008**  
**NASSAU COUNTY SHERIFF**

	<u>Inmate</u>	<u>911 Operations</u>	<u>Sheriff's Investigative</u>	<u>Total</u>
<b>Assets</b>				
Cash on Hand	\$ 0	\$ 0	\$ 8,492	\$ 8,492
Cash in Bank	181,479	54,562	0	236,041
Due from Other Funds	9,908	0	0	9,908
Due from Board of County Commissioners	0	48,544	0	48,544
<b>Total Assets</b>	<u>191,387</u>	<u>103,106</u>	<u>8,492</u>	<u>302,985</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Due to Board of County Commissioners	0	103,106	0	103,106
<b>Total Liabilities</b>	<u>0</u>	<u>103,106</u>	<u>0</u>	<u>103,106</u>
<b>Fund Balances</b>				
Unreserved	191,387	0	8,492	199,879
<b>Total Fund Balances</b>	<u>191,387</u>	<u>0</u>	<u>8,492</u>	<u>199,879</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 191,387</u>	<u>\$ 103,106</u>	<u>\$ 8,492</u>	<u>\$ 302,985</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
ALL SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2008  
NASSAU COUNTY SHERIFF**

	<u>Inmate</u>	<u>911 Operations</u>	<u>Sheriff's Investigative</u>	<u>Total</u>
<b>Revenues</b>				
Miscellaneous	\$ 104,775	\$ 335	\$ 0	\$ 105,110
<b>Total Revenues</b>	<u>104,775</u>	<u>335</u>	<u>0</u>	<u>105,110</u>
<b>Expenditures</b>				
Public Safety:				
Personal Services	0	168,554	0	168,554
Operating Expenditures	84,426	220,868	21,842	327,136
Capital Outlay	<u>0</u>	<u>43,187</u>	<u>0</u>	<u>43,187</u>
<b>(Total Expenditures)</b>	<u>(84,426)</u>	<u>(432,609)</u>	<u>(21,842)</u>	<u>(538,877)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>20,349</u>	<u>(432,274)</u>	<u>(21,842)</u>	<u>(433,767)</u>
<b>Other Financing Sources (Uses)</b>				
Transfer in from Board of County Commissioners	0	535,380	21,000	556,380
Transfer (out) to Board of County Commissioners	<u>0</u>	<u>(103,106)</u>	<u>0</u>	<u>(103,106)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>432,274</u>	<u>21,000</u>	<u>453,274</u>
<b>Net Change in Fund Balances</b>	20,349	0	(842)	19,507
<b>Fund Balances, Beginning of Year</b>	<u>171,038</u>	<u>0</u>	<u>9,334</u>	<u>180,372</u>
<b>Fund Balances, End of Year</b>	<u>\$ 191,387</u>	<u>\$ 0</u>	<u>\$ 8,492</u>	<u>\$ 199,879</u>

## **AGENCY FUNDS**

**Individual Depositors/Suspense**—Accounts for fees charged for the service of process in civil cases. These nonrefundable fees are set by Section 30.231 of the Florida Statutes. On a monthly basis, these fees are deposited to the general fund of the Board. Accounts for the receipt and disbursement of funds received for various purposes such as faulty equipment for inspection and purge money for child support. Disbursement of these funds is made in accordance with the purpose of the receipt.

**Inmate Trust**—Accounts for inmates' personal cash receipts and disbursements. Individual inmate account records are maintained. This fund makes disbursements requested by inmates to the extent of their available funds.

**Federal Inmate**—Accounts for funds received for housing federal inmates at the Nassau County Detention Facility. Funds received are paid to the Nassau County Board of County Commissioners.

**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**SEPTEMBER 30, 2008**  
**NASSAU COUNTY SHERIFF**

	<b>Individual Depositors/ Suspense</b>	<b>Inmate Trust</b>	<b>Federal Inmate</b>	<b>Total</b>
<b>Assets</b>				
Cash	\$ 11,635	\$ 24,808	\$ 1	\$ 36,444
<b>Liabilities</b>				
Accounts Payable	0	7,558	0	7,558
Due to Other Funds	0	9,908	0	9,908
Deposits	11,635	7,342	1	18,978
<b>Total Liabilities</b>	\$ 11,635	\$ 24,808	\$ 1	\$ 36,444

## **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 T.L. “Tommy” Seagraves, Jr.  
Nassau County Sheriff  
Nassau County, Florida

We have audited the special purpose financial statements of the Nassau County, Florida, Sheriff (the Sheriff) as of and for the year ended September 30, 2008, and have issued our report thereon dated February 17, 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 Sheriff'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 Sheriff's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Sheriff'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 certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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 Sheriff's ability to initiate, authorize, record, process, or report financial data reliability in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Sheriff's financial statements that is more than inconsequential will not be prevented or detected by the Sheriff's internal control. We consider the deficiencies listed below to be significant deficiencies in internal control over financial reporting.

■ **Segregation of Duties**

*Condition*—The duties of signing checks, initiating bank transfers, reconciling bank statements and preparing and posting journal entries were performed by the same employee.

**Certified Public Accountants**

P.O. Box 23999 • 222 N.E. 1st Street • Gainesville, Florida 32602 • (352) 378-2461 • FAX (352) 378-2505  
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872 • FAX (352) 732-0542  
443 East College Avenue • Tallahassee, Florida 32301 • (850) 224-7144 • FAX (850) 224-1762  
2201 Cantu Court, Suite #100 • Sarasota, Florida 34232 • (941) 379-2800 • FAX (941) 379-2899

MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS  
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS



The Honorable T.L. "Tommy" Seagraves, Jr.  
Nassau County Sheriff  
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)**

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

■ **Segregation of Duties (Concluded)**

*Effect*—The failure to separate incompatible duties could result in errors or irregularities that might go undetected.

*Recommendation*—We recommend that incompatible accounting duties be separated among 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 Sheriff's internal control.

Our consideration of the 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 the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We believe that the significant deficiencies described above are material weaknesses.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Sheriff'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 reported to management of the Sheriff in a separate letter dated February 17, 2009.

The Sheriff's response to the findings identified in our audit are described in the accompanying management's responses. We did not audit the Sheriff's responses and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Sheriff 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 17, 2009  
Gainesville, Florida

**MANAGEMENT LETTER**

The Honorable T.L. "Tommy" Seagraves, Jr.  
Nassau County Sheriff  
Nassau County, Florida

We have audited the special purpose financial statements of the Nassau County, Florida, Sheriff (the Sheriff) as of and for the fiscal year ended September 30, 2008, and have issued our report thereon dated February 17, 2009.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our independent auditors' report on internal control over financial reporting and compliance and other matters. Disclosures in that report, which is dated February 17, 2009, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the 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' report or schedule:

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 significant findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report except as noted under the heading prior year findings and recommendations.

**Prior Year Findings and Recommendations**

■ **Purchase Card Controls**

Our review of Purchasing Card control indicates that the Sheriff's office has a policy of requiring itemized receipts to be maintained by employee and be submitted to the accounting department prior to payment. We noted several instances where the policy was not consistently and strictly enforced, as payments were made without itemized receipts.

We recommend that itemized credit card receipts and other documentation be reviewed prior to paying the credit card invoice and the documentation be maintained with the credit card invoice.

**Certified Public Accountants**

P.O. Box 23999 • 222 N.E. 1st Street • Gainesville, Florida 32602 • (352) 378-2461 • FAX (352) 378-2505  
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872 • FAX (352) 732-0542  
443 East College Avenue • Tallahassee, Florida 32301 • (850) 224-7144 • FAX (850) 224-1762  
2201 Cantu Court, Suite #100 • Sarasota, Florida 34232 • (941) 379-2800 • FAX (941) 379-2899  
MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS  
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

The Honorable T.L. “Tommy” Seagraves, Jr.  
Nassau County Sheriff  
Nassau County, Florida

**MANGEMENT LETTER**  
*(Continued)*

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 Sheriff 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 findings and recommendations to improve financial management. In connection with our audit, we report the following findings:

**Current Year Findings and Recommendations**

■ **Evidence Room**

During our review of the evidence room, we noted that the evidence room is currently over populated. This is causing a hazardous and cluttered environment. Due to space limitations, certain evidence could not be stored securely. Although a system for tracking evidence is in place, we noted certain evidence items that could not be located in the system or items in the system that could not be located on the evidence floor. We also noted that much of the evidence in the Sheriff’s office is eligible for disposal upon retaining a court order.

We recommend the Sheriff’s office review evidence files and determine which items can be disposed of and expedite the process for disposing of these items.

■ **Physical Inventory**

Section 274.02, Florida Statutes, requires a physical inventory of fixed assets be performed on an annual basis. We noted that the Sheriff’s office has not performed a physical inventory in several years.

We recommend the Sheriff’s office perform a physical inventory of all fixed assets on an annual basis. This inventory should be reconciled to the detailed fixed asset records.

■ **Password Controls**

During our review of data security and information technology controls, we noted that the minimum password length, password complexity, and account lockout were not set in accordance with leading practices. This presents a risk of unauthorized use, disclosure, modification, damage, or loss of data.

We recommend that the Sheriff’s office strengthen its password and configuration settings to leading practices.

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.

The Honorable T.L. "Tommy" Seagraves, Jr.  
Nassau County Sheriff  
Nassau County, Florida

**MANAGEMENT LETTER**  
*(Concluded)*

Section 10.554(1)(i)5., *Rules of the Auditor General*, provides that the auditor may, based on professional judgment, the report 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, and (2) control deficiencies that are not significant deficiencies, including, but not limited to; (a) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); (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 noted the following:

- An internal investigation performed by the Nassau County Sheriff's office discovered that one employee had been paid for overtime hours that had not been worked. The total amount paid during the audit period for time not worked is estimated at \$1,800. This employee has been terminated from the Sheriff's office and has been ordered to pay restitution.

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 Sheriff was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Sheriff.

Pursuant to Chapter 119, Florida Statutes, this management letter is 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 and use of the Sheriff 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 17, 2009  
Gainesville, Florida



# Nassau County Sheriff's Office

**Sheriff T. L. "Tommy" Seagraves, Jr.**

February 18, 2009

Purvis Gray & Company  
222 Northeast First Street  
Gainesville, FL 32601

To whom it may concern:

The purpose of this letter is to respond to the 2007-2008 Management Letter. Listed below are the individual findings along with their corresponding responses. If you have any further questions or comments, please don't hesitate to contact my office.

## **1.) Evidence Room**

Response: We have made several changes in the evidence room since the 2007-2008 audit was conducted. A new refrigerator has been purchased to allow for the proper storage of blood, urine, tissue matter, etc. Several cases have been purged as a result of the new cold storage area. General evidence that does not need a court order has been purged and disposed of to allow more room for additional items. We are in the process of obtaining a court order to destroy evidence that is ready for purging and disposal. A written supplemental is now generated when an item is purged and disposed of. The supplemental document shows the type of disposition that took place. The evidence system will also reflect that the item has been disposed of. All items in the evidence room are now in the evidence system and have been located. We also have added a disposal pick-up for hazardous material located in the evidence room.

## **2.) Physical Inventory**

Response: We will make every effort to conduct a physical inventory on an annual basis.

## **3.) Password Controls**

Response: In accordance with the Nassau County Sheriff's Office governing Operational Directive 2034.00-24, page 25, section f, passwords are required to be a minimum of (5) characters. The policy states only that a password should

change periodically or when staff moves from one department to another. It is the experience of the NCSO Information Technology department that users have a difficult time remembering "simple" passwords, thus forcing them to disable "complex" password policies within the Active Directory Schema.

Sincerely,



Sheriff T.L. "Tommy" Seagraves, Jr.





# Nassau County Sheriff's Office

Sheriff T. L. "Tommy" Seagraves, Jr.

February 18, 2009

Purvis Gray & Company  
222 Northeast First Street  
Gainesville, FL 32601

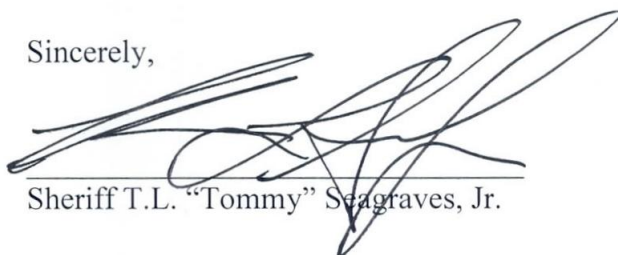
To whom it may concern:

The purpose of this letter is to respond to the Internal Control Reportable Condition found in our 2007-2008 audit. Listed below is the individual reportable condition along with its corresponding response. If you have any further questions or comments, please don't hesitate to contact my office.

## 1.) Segregation of Duties

Response: As stated in prior years, our Finance Department is very small which makes it very difficult to have a complete segregation of all incompatible accounting functions. However, we will continue to look for ways to keep these accounting duties separate whenever possible.

Sincerely,



Sheriff T.L. "Tommy" Seagraves, Jr.