

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

**NASSAU COUNTY CLERK OF THE CIRCUIT COURT
NASSAU COUNTY, FLORIDA**

SEPTEMBER 30, 2009

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

**NASSAU COUNTY CLERK OF THE CIRCUIT COURT
NASSAU COUNTY, FLORIDA**

SEPTEMBER 30, 2009

TABLE OF CONTENTS

Independent Auditors' Report	1-2
 Special Purpose Financial Statements	
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 Funds	5-8
Statement of Fiduciary Assets and Liabilities - Agency Funds	9
Notes to Special Purpose Financial Statements	10-15
 Other Financial Information	
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Nonmajor Governmental Funds - Teen Court	16
Combining Statement of Fiduciary Assets and Liabilities - All Agency Funds.....	17
 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 <i>Government Auditing Standards</i>	18-19
Management Letter.....	20-21
Management Letter Response	22-23

INDEPENDENT AUDITORS' REPORT

The Honorable John A. Crawford
Nassau County Clerk of the Circuit Court
Nassau County, Florida

We have audited the accompanying special purpose financial statements of each major fund and the aggregate remaining fund information of the Nassau County, Florida, Clerk of the Circuit Court (the Clerk), as of and for the year ended September 30, 2009, as listed in the table of contents. These special purpose financial statements are the responsibility of the Clerk'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 Clerk and are intended to present each major fund and the aggregate remaining fund information of Nassau County, Florida, that is attributable to the transactions of the Clerk. They do not purport to, and do not, present fairly the financial position of Nassau County, Florida, as of September 30, 2009, 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 each major fund and the aggregate remaining fund information of the Clerk at September 30, 2009, and the respective changes in financial position, where appropriate, thereof and the respective budgetary comparison for each major fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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.

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 John A. Crawford
Nassau County Clerk of the Circuit Court
Nassau County, Florida

INDEPENDENT AUDITORS' REPORT
(Concluded)

In accordance with *Government Auditing Standards*, we have also issued a report dated January 23, 2010, on our consideration of the Clerk'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 should be considered in assessing the results of our audit.

This report is intended solely for the information and use of the Clerk 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

January 23, 2010
Gainesville, Florida

**SPECIAL PURPOSE
FINANCIAL STATEMENTS**

**BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2009
NASSAU COUNTY CLERK OF THE CIRCUIT COURT**

	Major Funds					Total Governmental Funds
	General Fund	Court Fund	Public Records Modernization Trust Fund	Child Support Fund	Teen Court	
Assets						
Cash	\$ 472,151	\$ 63,567	\$ 372,489	\$ 96,802	\$ 3,667	\$ 1,008,676
Investments	228	0	0	0	0	228
Accounts Receivable	2	0	0	0	0	2
Due from Board of County Commissioners	164	0	0	0	0	164
Due from Other Governments	144,532	135	15,549	28,219	0	188,435
Prepaid Expenses	6,344	0	1,910	0	0	8,254
Total Assets	<u>623,421</u>	<u>63,702</u>	<u>389,948</u>	<u>125,021</u>	<u>3,667</u>	<u>1,205,759</u>
Liabilities and Fund Balances						
Liabilities						
Accounts Payable	221,373	1,819	51,614	850	0	275,656
Due to Other Funds	68	0	0	0	0	68
Due to Board of County Commissioners	264,695	0	0	122,775	0	387,470
Due to Other Governments	52,769	14,173	0	0	0	66,942
Other Liabilities	84,516	47,710	0	1,396	0	133,622
Total Liabilities	<u>623,421</u>	<u>63,702</u>	<u>51,614</u>	<u>125,021</u>	<u>0</u>	<u>863,758</u>
Fund Balances						
Reserved for Records Modernization	0	0	338,334	0	0	338,334
Reserved for Teen Court	0	0	0	0	3,667	3,667
Total Fund Balances	<u>0</u>	<u>0</u>	<u>338,334</u>	<u>0</u>	<u>3,667</u>	<u>342,001</u>
Total Liabilities and Fund Balances	<u>\$ 623,421</u>	<u>\$ 63,702</u>	<u>\$ 389,948</u>	<u>\$ 125,021</u>	<u>\$ 3,667</u>	<u>\$ 1,205,759</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009
NASSAU COUNTY CLERK OF THE CIRCUIT COURT**

	Major Funds					Total Governmental Funds
	General Fund	Court Fund	Public Records Modernization Trust Fund	Child Support Fund	Teen Court	
Revenues						
Intergovernmental Revenue	\$ 0	\$ 1,214,985	\$ 0	\$ 181,294	\$ 0	\$ 1,396,279
Charges for Services	485,764	851,599	163,445	0	0	1,500,808
Judgments and Fines	0	381,028	7,876	0	0	388,904
Miscellaneous	395,489	4,616	656	0	2,068	402,829
Total Revenues	881,253	2,452,228	171,977	181,294	2,068	3,688,820
Expenditures						
Current:						
General Government:						
Personal Services	1,794,525	0	0	0	0	1,794,525
Operating Expenditures	790,705	0	43,950	0	0	834,655
Economic Environment:						
Personal Services	44,328	0	0	0	0	44,328
Operating Expenditures	619	0	0	0	0	619
Court-related:						
Personal Services	0	1,889,501	0	48,110	0	1,937,611
Operating Expenditures	0	110,341	128,595	10,409	6,800	256,145
Capital Outlay	107,390	0	1,526	0	0	108,916
(Total Expenditures)	(2,737,567)	(1,999,842)	(174,071)	(58,519)	(6,800)	(4,976,799)
(Deficiency) Excess of Revenues (Under) Over Expenditures	(1,856,314)	452,386	(2,094)	122,775	(4,732)	(1,287,979)
Other Financing Sources (Uses)						
Transfers in from Board of County Commissioners	2,116,842	0	1,988	0	0	2,118,830
Transfers (out) to Board of County Commissioners	(260,528)	0	0	(122,775)	0	(383,303)
Transfer of Excess Funds to State	0	(452,386)	0	0	0	(452,386)
Total Other Financing Sources (Uses)	1,856,314	(452,386)	1,988	(122,775)	0	1,283,141
Net Change in Fund Balances	0	0	(106)	0	(4,732)	(4,838)
Fund Balances, Beginning of Year	0	0	338,440	0	8,399	346,839
Fund Balances, End of Year	\$ 0	\$ 0	\$ 338,334	\$ 0	\$ 3,667	\$ 342,001

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009
NASSAU COUNTY CLERK OF THE CIRCUIT COURT**

	General Fund			Variance With Final Budget
	Budgeted Amounts		Actual Amounts	Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental Revenue	\$ 47,909	\$ 0	\$ 0	\$ 0
Charges for Services	1,014,940	594,427	485,764	(108,663)
Miscellaneous	434,000	401,161	395,489	(5,672)
Total Revenues	1,496,849	995,588	881,253	(114,335)
Expenditures				
Current:				
General Government:				
Personal Services	2,097,329	2,004,917	1,794,525	210,392
Operating Expenditures	994,576	1,021,470	790,705	230,765
Economic Environment:				
Personal Services	43,837	44,366	44,328	38
Operating Expenditures	4,072	4,039	619	3,420
Capital Outlay	47,100	112,122	107,390	4,732
(Total Expenditures)	(3,186,914)	(3,186,914)	(2,737,567)	449,347
(Deficiency) of Revenues (Under)				
Expenditures	(1,690,065)	(2,191,326)	(1,856,314)	335,012
Other Financing Sources (Uses)				
Transfers in from Board of County Commissioners	1,690,065	2,191,326	2,116,842	(74,484)
Transfers (out) to Board of County Commissioners	0	0	(260,528)	(260,528)
Total Other Financing Sources (Uses)	1,690,065	2,191,326	1,856,314	(335,012)
Net Change in Fund Balances	0	0	0	0
Fund Balances, Beginning of Year	0	0	0	0
Fund Balances, End of Year	\$ 0	\$ 0	\$ 0	\$ 0

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009
NASSAU COUNTY CLERK OF THE CIRCUIT COURT
(Continued)**

	Court Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Intergovernmental Revenue	\$ 922,297	\$ 1,214,985	\$ 1,214,985	\$ 0
Charges for Services	1,113,397	765,889	851,599	85,710
Judgments and Fines	299,491	248,748	381,028	132,280
Miscellaneous	6,952	4,616	4,616	0
Total Revenues	<u>2,342,137</u>	<u>2,234,238</u>	<u>2,452,228</u>	<u>217,990</u>
Expenditures				
Current:				
Court-related:				
Personal Services	1,977,946	1,978,831	1,889,501	89,330
Operating Expenditures	363,190	254,406	110,341	144,065
Capital Outlay	1,001	1,001	0	1,001
(Total Expenditures)	<u>(2,342,137)</u>	<u>(2,234,238)</u>	<u>(1,999,842)</u>	<u>234,396</u>
Excess of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>452,386</u>	<u>452,386</u>
Other Financing Sources (Uses)				
Transfer of Excess Funds to State	0	0	(452,386)	(452,386)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(452,386)</u>	<u>(452,386)</u>
Net Change in Fund Balances	0	0	0	0
Fund Balances, Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009
NASSAU COUNTY CLERK OF THE CIRCUIT COURT
(Continued)**

	Public Records Modernization Trust			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Charges for Services	\$ 213,000	\$ 211,013	\$ 163,445	\$ (47,568)
Judgments and Fines	0	0	7,876	7,876
Miscellaneous	0	0	657	657
Total Revenues	<u>213,000</u>	<u>211,013</u>	<u>171,978</u>	<u>(39,035)</u>
Expenditures				
Current:				
General Government:				
Operating Expenditures	51,750	53,750	43,950	9,800
Court-related:				
Operating Expenditures	161,250	164,184	128,595	35,589
Capital Outlay	0	333,506	1,526	331,980
(Total Expenditures)	<u>(213,000)</u>	<u>(551,440)</u>	<u>(174,071)</u>	<u>377,369</u>
(Deficiencies) of Revenues (Under)				
Expenditures	<u>0</u>	<u>(340,427)</u>	<u>(2,093)</u>	<u>338,334</u>
Other Financing Sources (Uses)				
Transfers in from Board of County Commissioners	0	1,987	1,987	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>1,987</u>	<u>1,987</u>	<u>0</u>
Net Change in Fund Balances	0	(338,440)	(106)	338,334
Fund Balances, Beginning of Year	<u>0</u>	<u>338,440</u>	<u>338,440</u>	<u>0</u>
Fund Balances, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 338,334</u>	<u>\$ 338,334</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009
NASSAU COUNTY CLERK OF THE CIRCUIT COURT
(Concluded)**

	Child Support			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Intergovernmental	\$ 66,175	\$ 66,175	\$ 181,294	\$ 115,119
Total Revenues	<u>66,175</u>	<u>66,175</u>	<u>181,294</u>	<u>115,119</u>
Expenditures				
Current:				
Court-related:				
Personal Services	47,451	48,615	48,110	505
Operating Expenditures	18,724	17,560	10,409	7,151
(Total Expenditures)	<u>(66,175)</u>	<u>(66,175)</u>	<u>(58,519)</u>	<u>7,656</u>
Excess of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>122,775</u>	<u>122,775</u>
Other Financing Sources (Uses)				
Transfers (out) to Board of County Commissioners	0	0	(122,775)	(122,775)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(122,775)</u>	<u>(122,775)</u>
Net Change in Fund Balances	0	0	0	0
Fund Balances, Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

See accompanying notes to financial statements.

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
SEPTEMBER 30, 2009
NASSAU COUNTY CLERK OF THE CIRCUIT COURT

Assets

Cash	\$ 1,642,512
Due from Other Funds	68
Due from Other Governments	4,766
Due from Individuals	<u>1,849</u>

Total Assets	<u><u>1,649,195</u></u>
---------------------	-------------------------

Liabilities

Due to Other Governments	411,264
Deposits	1,142,432
Other Liabilities	<u>95,499</u>

Total Liabilities	<u><u>\$ 1,649,195</u></u>
--------------------------	----------------------------

See accompanying notes to financial statements.

**NOTES TO SPECIAL PURPOSE
FINANCIAL STATEMENTS**

**NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
NASSAU COUNTY CLERK OF THE CIRCUIT COURT**

Note 1 - Summary of Significant Accounting Policies

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

The Clerk funds his non-court operations as a Budget Officer and a Fee Officer pursuant to Florida Statutes, Chapters 28, 129 and 218, respectively. As a Budget Officer, the operations of the Clerk are funded by the County General Fund. Prior to July 1, 2009, as a Fee Officer, the operations of the Clerk were funded from fees and charges authorized under Chapter 2004-265, Laws of Florida. Beginning July 1, 2009, the Clerk's court-related operations were funded from the State's general appropriations, pursuant to Chapter 2009-204, Laws of Florida. The receipts from the County General Fund are recorded as other financing sources on the Clerk's general fund financial statements. Any excess of revenues and other financing sources received over expenditures of the general fund are remitted to the County General Fund at year-end. Any excess of revenues over court-related expenditures of the court fund are remitted to the State of Florida 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 the Governmental Accounting Standards Board (GASB) and accounting practices prescribed by the Florida Auditor General. The basic financial statements for the County as a whole, which includes the funds of the Clerk, were prepared in conformity with GAAP. The Clerk utilizes the following fund types:

■ **Governmental Funds**

● **Major Funds**

- ▶ **General Fund**—The general fund is the general operating fund of the Clerk. It is used to account for all financial resources, except for those required to be accounted for in another fund.
- ▶ **Court Fund**—The court fund was established to account for court-related revenues and expenditures and are required to be reported separately from the Clerk's general fund activities.
- ▶ **Public Records Modernization Trust Fund**—This fund accounts for proceeds of specific revenues that are legally restricted for expenditures of the public records program, and additional clerk court related operational needs and program enhancements.

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
NASSAU COUNTY CLERK OF THE CIRCUIT COURT
(Continued)

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

Basis of Presentation *(Concluded)*

■ **Governmental Funds *(Concluded)***

● **Major Funds *(Concluded)***

- ▶ **Child Support Fund**—This fund accounts for proceeds of specific revenues that are legally restricted for expenditures of the child support program.

- **Nonmajor Governmental Fund**

- ▶ **Teen Court Fund**—This fund accounts for proceeds of specific revenues that are legally restricted for expenditures of the teen court program.

■ **Fiduciary Funds**

- **Agency Funds**—The agency funds are used to account for assets held by the Clerk 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. The Clerk 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. Charges for services and investment revenue are recorded as earned.

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

Governmental 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, the public records fund, teen court, and child support. 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. A budget was adopted for the court fund and approved by the Florida Clerk of Courts Operations Corporation. Budgets are prepared on the modified accrual basis of accounting.

The Clerk's annual budgets are 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.

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
NASSAU COUNTY CLERK OF THE CIRCUIT COURT
(Continued)

Note 1 - Summary of Significant Accounting Policies (Concluded)

Capital Assets

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

Accrued Compensated Absences

The Clerk maintains a policy of granting employees annual leave based upon the number of years of employment. At December 31 of each year, annual leave is accumulated up to a maximum of 160 hours. An employee can receive payment for such accrued annual leave upon termination of employment.

In addition, sick leave is accumulated at the rate of one day per month for a maximum of 675 hours as of December 31 of each year. Upon termination of employment, accrued sick leave credits are forfeited. However, upon retirement, an employee may receive payment for accrued sick leave credits.

The Clerk 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 Clerk.

Workers' Compensation and Group Health Insurance

For the Clerk's non-Court employees, the Board provided workers' compensation and group health insurance coverages. The premiums for such coverages were paid by the Board and recorded on its records and, consequently, are not recorded on the Clerk's records. For the Clerk's Court employees, the Clerk provided workers' compensation and group health insurance coverages. The premiums for such coverages were paid by the Clerk and recorded on his records.

Risk Management

The Clerk 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 Clerk participates in the risk management program through the Board, which uses commercial insurance to cover the following types of risk:

- Workers' Compensation
- Automobile Liability
- Public Officials' Liability
- Personal Property Damage
- General Liability

Workers' compensation coverage is provided under a retrospectively rated policy. Premiums are accrued based on the ultimate cost to-date of the Board's experience for this type of risk.

Reserved Fund Balance

The public records modernization fund reserved fund balance is legally restricted for the public records system of the Clerk's office and additional clerk court related operational needs and program enhancements. The teen court fund reserved fund balance is restricted for use in operating the functions of teen court.

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
NASSAU COUNTY CLERK OF THE CIRCUIT COURT
(Continued)

Note 2 - Cash and Investments

At September 30, 2009, the carrying amount of the Clerk's deposits was \$2,647,747 and the bank balance was \$2,917,174. The Clerk also held \$ 3,441 in change funds at September 30, 2009. Deposits in banks and thrift 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 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, Florida Statutes, no public depositor shall be liable for any loss thereof. All of the cash funds of the Clerk are deposited in accordance with Florida Statutes 280 and 218.415, and Nassau County Resolution 95-144.

Investments

The Clerk's investment practices are governed by Chapters 28.33 and 218.415, Florida Statutes. The Clerk is authorized to invest in certificates of deposit, money market certificates, obligations of the U.S. Treasury and the Local Government Surplus Funds Trust Fund (the State Board of Administration).

At September 30, 2009, the Clerk's investments consisted of investments with the State Board of Administration in the amount of \$228. Investments are recorded at market value.

Note 3 - Employee Benefits

Plan Description

Membership in the Florida Retirement System (FRS) is required for all full-time and part-time employees in regularly established positions for state agencies, county governments, district school boards, state universities and state community colleges, or cities, independent special districts, metropolitan planning districts, and public charter schools that make an irrevocable election to participate. Certain members, including elected officials and local government senior managers, may elect to not participate in the system. The FRS Pension Plan is a cost-sharing, multiple employer, public retirement system administered by the State of Florida Division of Retirement. The FRS also offers eligible employees participation in an alternative defined contribution plan (the Investment Plan).

Employees participating in the Pension Plan who retire at or after age 62 with six years of credited service or with 30 years of service regardless of age, are entitled to a retirement benefit, payable monthly for life, equal to 1.6% for regular employees, 2% for senior management, and 3% for special risk and county elected officials, for each year of credited service times their final average compensation. Final average compensation is the employee's average of the five highest years of salary earned during credited service. Vested employees may retire before age 62 and receive retirement benefits that are reduced 5% for each year prior to normal retirement age. Employees participating in the Investment Plan are vested after one year of service with no age requirement. The System also provides death and disability benefits (including in-line-of-duty disability). Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S-4, *Florida Administrative Code*.

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
NASSAU COUNTY CLERK OF THE CIRCUIT COURT
(Continued)

Note 3 - Employee Benefits (Concluded)

Plan Description (Concluded)

The Deferred Retirement Option Program (DROP) is available under the FRS Pension Plan when the member first reaches eligibility for normal retirement. DROP allows a member to retire while continuing employment for up to sixty months. While in the DROP, the member's retirement benefits accumulate in the FRS trust fund (increased by a cost of living adjustment each July) and earn monthly interest equivalent to an annual rate of 6.50%. When the DROP period ends, the DROP account is paid out as a lump sum payment, a rollover, or a combination, and monthly benefits are subsequently paid to the member in the amount as calculated upon entry into DROP, plus cost-of-living adjustments for intervening years. In most cases, the DROP participant must cease employment when the DROP period ends.

The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. 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.

Funding Policy

Members of the FRS are not required to make employee contributions; employers pay all required contributions. The Florida Legislature has established a uniform contribution rate system for the FRS covering both the Pension Plan and the Investment Plan. The current contribution rates by member class are as follows: regular employees 9.85%, senior management 13.12%, DROP employees 10.91%, and elected officials 16.53%. The Clerk's contributions to the plan for the years ended September 30, 2009, 2008, and 2007, were \$313,964, \$325,030, and \$297,912, respectively, equal to the actuarially determined contribution requirements for each fiscal year.

Note 4 - Other Postemployment Benefits

Effective for the year ending September 30, 2009, the County implemented GASB Statement No. 45, *Accounting and Reporting for Postemployment Benefits Other than Pensions*, for certain postemployment health care benefits provided by the County.

The Other Postemployment Benefit Plan (OPEB) is a single-employer benefit plan administered by the County. Retirees are charged whatever the insurance company charges for the type of coverage elected. However, the premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees. GASB Statement No. 45 calls this the "implicit rate subsidy."

Retirees and their dependents (except for life insurance) are permitted to remain covered under the County's respective medical and insurance plans as long as they pay a full premium applicable to coverage elected, subject to the direct subsidy in the following table. This conforms to the minimum required of Florida governmental employers per Chapter 112.08, Florida Statutes.

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
NASSAU COUNTY CLERK OF THE CIRCUIT COURT
(Concluded)

Note 4 - Other Postemployment Benefits (Concluded)

Percent of Direct Subsidy up to "Subsidy Base Maximum" of \$438.55

Years of Service		
With Nassau	Hired Before	Hired on or After
County	10/1/05	10/1/05
At Least 6	100%	0%
15 Years	100%	50%
20 Years	100%	65%
25 Years	100%	80%
30 or More Years	100%	100%

Currently, the Clerk has 77 active employees and 9 retired employees who are considered participants in the plan for purposes of computing the OPEB obligation. The Clerk's portion of the OPEB obligation for the year totaled \$189,283. This liability will be included in long-term liabilities in the County-wide financial statements. Details of the annual cost, the accrued obligation, and the other required disclosures can be found in the County-wide annual financial report.

Note 5 - Change in Long-term Debt

The following is a summary of the change in long-term debt of the Clerk for the year ended September 30, 2009:

	Balance			Balance
	October 1,			September 30,
	2008	Additions	(Deletions)	2009
Accrued Compensated				
Absences	\$ 359,992	\$ 266,933	\$ (247,809)	\$ 379,116
Other Postemployment				
Benefits	<u>0</u>	<u>269,058</u>	<u>(79,775)</u>	<u>189,283</u>
Total Long-term Debt	<u>\$ 359,992</u>	<u>\$ 535,991</u>	<u>\$ (327,584)</u>	<u>\$ 568,399</u>

Accrued compensated absences represent the vested portion of accrued personal leave. See Note 1 for a summary of the Clerk's compensated absences policy. Also, see Note 4 for a description of County's policies on OPEB.

The Clerk'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 6 - Interfund Receivables and Payables

Interfund receivables and payables at September 30, 2009, are as follows:

	Due	Due
	from Other	to Other
	Funds	Funds
General Fund	\$ 0	\$ 68
Fiduciary:		
Civil Trust	<u>68</u>	<u>0</u>
Total	<u>\$ 68</u>	<u>\$ 68</u>

OTHER FINANCIAL INFORMATION

AGENCY FUNDS

Civil Trust—This fund accounts for the receipt and disbursement of filing fees, service charges, and bonds relating to civil actions.

Recording Trust—This fund accounts for the receipt and disbursement of fees and service charges for official records.

Criminal Trust—This fund accounts for the receipt and disbursement of criminal fines and fees.

Special Trust—This fund accounts for the receipt and disbursement of traffic and misdemeanor fines, court costs, fees and service charges.

Domestic Relations—This fund accounts for the collection and disbursement of court-ordered child support payments and fees.

Registry of the Court—This fund accounts for the collection and disbursement of deposits required by circuit court legal actions.

Bail Bond—Accounts for funds received from defendants of criminal and traffic arrests required to assure that the defendant will meet the requirement to appear in court. Disposition of these bond funds is made as ordered by the court.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
TEEN COURT
FOR THE YEAR ENDED SEPTEMBER 30, 2009
NASSAU COUNTY CLERK OF THE CIRCUIT COURT**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Miscellaneous	\$ 0	\$ 2,068	\$ 2,068	\$ 0
Total Revenues	<u>0</u>	<u>2,068</u>	<u>2,068</u>	<u>0</u>
Expenditures				
Current:				
Court-related:				
Operating Expenditures	0	10,467	6,800	3,667
(Total Expenditures)	<u>0</u>	<u>(10,467)</u>	<u>(6,800)</u>	<u>3,667</u>
Excess of Revenues Over				
Expenditures	<u>0</u>	<u>(8,399)</u>	<u>(4,732)</u>	<u>3,667</u>
Net Change in Fund Balances	0	(8,399)	(4,732)	3,667
Fund Balances, Beginning of Year	<u>0</u>	<u>8,399</u>	<u>8,399</u>	<u>0</u>
Fund Balances, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,667</u>	<u>\$ 3,667</u>

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS
SEPTEMBER 30, 2009
NASSAU COUNTY CLERK OF THE CIRCUIT COURT

	Civil Trust	Recording Trust	Criminal Trust	Special Trust	Domestic Relations	Registry of the Court	Bail Bond	Total
Assets								
Cash	\$ 191,742	\$ 139,512	\$ 16,480	\$ 203,999	\$ 3,305	\$ 763,948	\$ 323,526	\$ 1,642,512
Due from Other Funds	68	0	0	0	0	0	0	68
Due from Other Governments	0	4,525	0	0	241	0	0	4,766
Due from Individuals	20	0	0	1,829	0	0	0	1,849
Total Assets	191,830	144,037	16,480	205,828	3,546	763,948	323,526	1,649,195
Liabilities								
Due to Other Governments	150,214	62,123	9,951	152,094	3,546	5	33,331	411,264
Deposits	41,424	67,210	5,258	53,315	0	687,242	287,983	1,142,432
Other Liabilities	192	14,704	1,271	419	0	76,701	2,212	95,499
Total Liabilities	\$ 191,830	\$ 144,037	\$ 16,480	\$ 205,828	\$ 3,546	\$ 763,948	\$ 323,526	\$ 1,649,195

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 John A. Crawford
Nassau County Clerk of the Circuit Court
Nassau County, Florida

We have audited the special purpose financial statements of the Nassau County, Florida, Clerk of the Circuit Court (the Clerk), as of and for the year ended September 30, 2009, and have issued our report thereon dated January 23, 2010. 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 Clerk'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 Clerk's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Clerk's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Clerk's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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 John A. Crawford
Nassau County Clerk of the Circuit Court
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

As part of obtaining reasonable assurance about whether the Clerk's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 Clerk in a separate letter dated January 23, 2010.

The Clerk's response to the finding identified in our audit is described in the accompanying management letter response. We did not audit the Clerk's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Clerk 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

January 23, 2010
Gainesville, Florida

MANAGEMENT LETTER

The Honorable John A. Crawford
Nassau County Clerk of the Circuit Court
Nassau County, Florida

We have audited the special purpose financial statements of the Nassau County, Florida, Clerk of Court (the Clerk), as of and for the fiscal year ended September 30, 2009, and have issued our report thereon dated January 23, 2010.

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 report on internal control over financial reporting and on compliance and other matters. Disclosures in that report, which is dated January 23, 2010, 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 is required to include the following information, which is not included in the aforementioned auditors' reports or schedules:

- 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 significant 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 Clerk 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 financial management. In connection with our audit, we did not have any such recommendations.
- 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 note any such findings.

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 John A. Crawford
Nassau County Clerk of the Circuit Court
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, report the following matters that are inconsequential to the determination of financial statement amounts, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse; and (2) control deficiencies that are not significant deficiencies. 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 Clerk was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Clerk.
- Section 10.554(1)(i)8., *Rules of the Auditor General*, requires a statement as to whether or not the Clerk complied with the requirements of Sections 28.35 and 28.36, Florida Statutes. In connection with our audit, we determined that the Clerk complied with such requirements. However, during the audit we discovered that the assessment and collection rate reports were not using the correct logic in generating the data used to report the performance measures. Subsequent to year-end, this issue was corrected and reports were re-submitted to the Florida Clerk of Courts Operations Corporation.

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 and use of the Clerk 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

January 23, 2010
Gainesville, Florida



JOHN A. CRAWFORD
Clerk of the Circuit Court / Comptroller
Ex-Officio Clerk to the Board of County Commissioners
Nassau County



February 10, 2010

Auditor General
Local Government Audits/342
Claude Pepper Building, Rom 401
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Sir/Madam:

The audit report of the Office of the Clerk of the Circuit Court, Nassau County, was conducted 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.

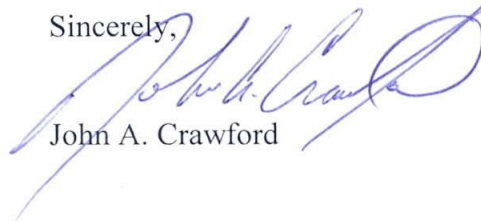
The audit report presents fairly, in all material respects, the financial position of each major fund and the aggregate remaining fund information of the Clerk at September 30, 2009, and the respective changes in financial position, where appropriate, thereof and the respective budgetary comparison for each major fund for the year then ended in conformity with accounting principles generally accepted in the United States of America based on the Independent Auditors' Report.

The independent auditors identified one finding discovered pursuant to the Rules of the Auditor General for the year ending September 30, 2009. The response to that finding is provided below.

- 1) Finding – It was noted during the audit of the court-related assessment and collection rate reports that incorrect computer logic was used in generating the data used to report the collections performance measure. However, the Clerk was, at all times, compliant with the business rules established by the Florida Clerk of Court Operations Corporation.

Response – The computer logic was corrected to better comply with the business rules. The reports were re-submitted to the Florida Clerk of Court Operations Corporation. The correction of the computer logic generated an increased collection rate in certain case types on the collections report.

Sincerely,



John A. Crawford

JAC/ks

cc: Nassau County Board of
County Commissioners