

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

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

**SEPTEMBER 30, 2009**

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

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

**SEPTEMBER 30, 2009**

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**INDEPENDENT AUDITORS' REPORT**

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

We have audited the accompanying special purpose financial statements of the Nassau County, Florida Property Appraiser (the Property Appraiser), as of and for the year ended September 30, 2009, as listed in the table of contents. These special purpose financial statements are the responsibility of the Property Appraiser's management. Our responsibility is to express an opinion on these special purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1 to the special purpose financial statements, the special purpose financial statements referred to above have been prepared for the purpose of complying with, and on the basis of accounting practices specified by, the *Rules of the Auditor General*, State of Florida, and present only the Property Appraiser and are intended to present the major fund information of Nassau County, Florida, that is attributable to the transactions of the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Nassau County, Florida, as of September 30, 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 the general fund of the Property Appraiser at September 30, 2009, and the changes in financial position of its general fund and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Certified Public Accountants**

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

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

In accordance with *Government Auditing Standards*, we have also issued a report dated March 15, 2010, on our consideration of the Property Appraiser's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

*Purvis, Gray and Company, LLP*

March 15, 2010  
Gainesville, Florida

**SPECIAL PURPOSE  
FINANCIAL STATEMENTS**

**BALANCE SHEET  
GENERAL FUND  
SEPTEMBER 30, 2009  
NASSAU COUNTY PROPERTY APPRAISER**

<b>Assets</b>	
Cash	\$ 299,982
Accounts Receivable	5,550
<b>Total Assets</b>	<u>305,532</u>
<b>Liabilities and Fund Balance</b>	
<b>Liabilities</b>	
Accounts Payable	24,197
Due to Board of County Commissioners	267,920
Due to Other Governments	13,415
<b>Total Liabilities</b>	<u>305,532</u>
<b>Fund Balance</b>	<u>0</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 305,532</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2009  
NASSAU COUNTY PROPERTY APPRAISER**

<b>Revenues</b>	
Charges for Services	\$ 62,654
Interest	2,767
Miscellaneous	11,101
<b>Total Revenues</b>	<u>76,522</u>
<b>Expenditures</b>	
Current:	
General Government:	
Personal Services	1,348,433
Operating Expenditures	351,512
Capital Outlay	29,897
<b>(Total Expenditures)</b>	<u>(1,729,842)</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(1,653,320)</u>
<b>Other Financing Sources (Uses)</b>	
Transfers in from Board of County Commissioners	1,938,930
Transfers (out) to Board of County Commissioners	(267,610)
Transfers (out) to Constitutional Officers	(18,000)
<b>Total Other Financing Sources (Uses)</b>	<u>1,653,320</u>
<b>Net Change in Fund Balance</b>	0
<b>Fund Balance, Beginning of Year</b>	<u>0</u>
<b>Fund Balance, End of Year</b>	<u><u>\$ 0</u></u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2009  
NASSAU COUNTY PROPERTY APPRAISER**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	\$ 72,705	\$ 72,706	\$ 62,654	\$ (10,052)
Interest	0	0	2,767	2,767
Miscellaneous	0	0	11,101	11,101
<b>Total Revenues</b>	<u>72,705</u>	<u>72,706</u>	<u>76,522</u>	<u>3,816</u>
<b>Expenditures</b>				
Current:				
General Government:				
Personal Services	1,569,983	1,524,367	1,348,433	175,934
Operating Expenditures	391,653	365,729	351,512	14,217
Capital Outlay	0	53,541	29,897	23,644
Reserve for Contingency	50,000	50,000	0	50,000
<b>(Total Expenditures)</b>	<u>(2,011,636)</u>	<u>(1,993,637)</u>	<u>(1,729,842)</u>	<u>263,795</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(1,938,931)</u>	<u>(1,920,931)</u>	<u>(1,653,320)</u>	<u>267,611</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in from Board of County Commissioners	1,938,931	1,938,931	1,938,930	(1)
Transfers (out) to Board of County Commissioners	0	0	(267,610)	(267,610)
Transfers (out) to Constitutional Officers	0	(18,000)	(18,000)	0
<b>Total Other Financing Sources (Uses)</b>	<u>1,938,931</u>	<u>1,920,931</u>	<u>1,653,320</u>	<u>(267,611)</u>
<b>Net Change in Fund Balance</b>	0	0	0	0
<b>Fund Balance, Beginning of Year</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balance, End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

See accompanying notes to financial statements.



**NOTES TO SPECIAL PURPOSE  
FINANCIAL STATEMENTS**

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

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

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

**Reporting Entity**

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

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

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

**Basis of Presentation**

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

■ **Governmental Fund**

● **Major Fund**

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

**Basis of Accounting**

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

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

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

**Basis of Accounting (Concluded)**

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

**Measurement Focus**

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

**Budgetary Requirement**

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

Budgets are prepared on the modified accrual basis of accounting.

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

**Capital Assets**

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

**Accrued Compensated Absences**

The Property Appraiser maintains a policy of granting employees annual leave based upon the number of years of employment. An employee can receive payment for such accumulated annual leave upon termination of employment in good standing up to a maximum of 360 hours. In addition, the Property Appraiser maintains the following policy for sick leave. Sick leave is accumulated at the rate of one day per month. Upon either appointment or election to county-wide office, death or retirement, an employee is entitled to be paid for his/her accumulated sick leave at the staff rate of pay, calculated up to a maximum payout of 720 hours.

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

**Note 2 - Cash**

At September 30, 2009, the carrying amount of the Property Appraiser's deposits was \$299,982 and the bank balance was \$337,184. Deposits in banks and savings and loan institutions are collateralized as public funds through a state procedure provided for in Chapter 280, Florida Statutes. Financial institutions qualifying as public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. All of the cash deposits of the Property Appraiser are placed with qualified financial institutions which means they are insured or collateralized.

**Note 3 - Employee Benefits**

**Defined Benefit Pension Plan**

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

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

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

The Property Appraiser's contributions to the System for the years ended September 30, 2009, 2008, and 2007 were \$111,732, \$123,905 and \$114,430, respectively, equal to the required contributions for each year.

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

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

The following is a summary of the changes in accumulated compensated absences of the Property Appraiser for the year ended September 30, 2009:

	<u>Balance October 1, 2008</u>	<u>Additions</u>	<u>(Deletions)</u>	<u>Balance September 30, 2009</u>
Accrued Compensated Absences	\$ 124,238	\$ 105,317	\$ (99,350)	\$ 130,205
Other Postemployment Benefits	<u>0</u>	<u>87,600</u>	<u>(25,973)</u>	<u>61,627</u>
<b>Total Long-term Debt</b>	<u>\$ 124,238</u>	<u>\$ 192,917</u>	<u>\$ (125,323)</u>	<u>\$ 191,832</u>

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

Other Postemployment Benefits (OPEB) represent the portion of the liability based upon current and retired employees of the Property Appraiser. See Note 5 for a description of OPEB.

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

**Note 5 - 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 post employment health care benefits provided by the County.

The OPEB plan 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 PROPERTY APPRAISER  
(Concluded)**

**Note 5 - Other Postemployment Benefits (Concluded)**

**Percent of Direct Subsidy up to “Subsidy Base Maximum” of \$438.55**

<b>Years of Service With Nassau County</b>	<b>Hired Before 10/1/05</b>	<b>Hired on or After 10/1/05</b>
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 Property appraiser has 23 active employees and 5 retired employees who are considered participants in the plan for purposes of computing the OPEB obligation. The Property Appraiser’s portion of the OPEB obligation for the year totaled \$61,627. 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 6 - Operating Lease**

The Property Appraiser’s office entered into an operating lease agreement with Pitney Bowes on February 18, 2009, for the lease of a postage meter, scale, and printer. The lease provides for twenty-one quarterly payments of \$242. The lease is for 63 months ending in 2014. Total lease payments of \$968 were made during the fiscal year ended September 30, 2009, for the mail processing machine.

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

<b>Year Ending September 30</b>	<b>Amount</b>
2010	\$ 968
2011	968
2012	968
2013	968
2014	242
<b>Total</b>	<b>\$ 4,114</b>

## **OTHER REPORTS**

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

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

We have audited the special purpose financial statements of the Nassau County, Florida Property Appraiser (the Property Appraiser), as of and for the year ended September 30, 2009, and have issued our report thereon dated March 15, 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 Property Appraiser's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Property Appraiser's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Property Appraiser's internal control over financial reporting.

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 Property Appraiser'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 and was not designed to identify all deficiencies in internal control over financial reporting 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. However, we identified a certain deficiency in internal control over financial reporting, described below that we consider to be a significant deficiency in internal control over financial reporting.

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

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

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

■ **Separation of Duties**

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

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

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

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

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Property Appraiser's special purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we have reported to management of the Property Appraiser in a separate letter dated March 15, 2010.

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

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

*Purvis, Gray and Company, LLP*

March 15, 2010  
Gainesville, Florida

**MANAGEMENT LETTER**

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

We have audited the special purpose financial statements of the Nassau County, Florida Property Appraiser (the Property Appraiser), as of and for the fiscal year ended September 30, 2009, and have issued our report thereon dated March 15, 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. We have issued our report on internal control over financial reporting and on compliance and other matters. Disclosures in that report, which is dated March 15, 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 includes the following information, which is not included in the aforementioned auditors' reports:

- Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. The recommendation made in the preceding annual financial audit report was addressed.
- Section 10.554(1)(i)2., *Rules of the Auditor General*, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Property Appraiser complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve the financial management. In connection with our audit, we have the following recommendation:

*Condition*—There was no formal procedure for recording journal entries, including required supporting documentation and required approval.

*Recommendation*—We recommend that a formal procedure be established for recording, documenting, and approving journal entries.

**Certified Public Accountants**

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

**MANAGEMENT LETTER**  
*(Concluded)*

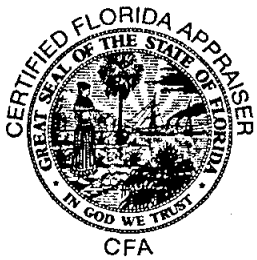
- Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that we address violations of provisions of contracts or grant agreements, or abuse that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)5., *Rules of the Auditor General* provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, 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 Property Appraiser was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Property Appraiser.

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

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*

March 15, 2010  
Gainesville, Florida



# Nassau County Property Appraiser

Fernandina Beach - Yulee 904-491-7300  
Bryceville - Callahan - Hilliard 1-888-615-4398  
Fax 904-491-3629  
www.nassaufpa.com

*Tammy C. Stiles, C.F.A.*

January 12, 2010

Purvis Gray & Company  
PO Box 23999  
Gainesville, Florida 32602

Dear Mr. Kite,

Thank you for the work Purvis Gray did for us in performing the audit for this office. In response to your finding of a *significant deficiency* reflected in your *Report on Internal Control over Financial Reporting, Separation of Duties, during the fiscal year 2008-2009*, please note that at most given times there was two who shared, reviewed and double-checked all aspects of the financial processes of this office including but not limited to the payroll functions one of which was myself. I do feel that for the fiscal year 2008-2009 that this office had a sufficient Separation of Duties over Financial reporting, however, your recommendations are appreciated and we will continue to strive to improve and enhance all of our policies and procedures.

In addition, the auditor made a recommendation that a formal procedure be established for recording, documenting, and approving journal entries. I would assume that the recommendation is being referred to as a formal "written" procedure. The journal entries have always been approved and documented, but we can see that an enhanced "written" procedure and logging in of this would provide a better tracking, "documented" procedure.

Please note that we enjoyed working with you and your staff from the Purvis Gray & Company and wish you all well in this New Year.

Sincerely,

Tammy C. Stiles, C.F.A.  
Nassau County Property Appraiser

TCS/dlb