

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT  
NASSAU COUNTY PROPERTY APPRAISER  
NASSAU COUNTY, FLORIDA**

**SEPTEMBER 30, 2014**

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

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

**SEPTEMBER 30, 2014**

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## INDEPENDENT AUDITORS' REPORT

The Honorable A. Michael Hickox  
Nassau County Property Appraiser  
Nassau County, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the general fund of the Nassau County, Florida, Property Appraiser (the Property Appraiser), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Property Appraiser's financial statements, as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based upon 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Certified Public Accountants**

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The Honorable A. Michael Hickox  
Nassau County Property Appraiser  
Nassau County, Florida

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund of the Property Appraiser as of September 30, 2014, and the respective changes in financial position and budgetary comparison for the general fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida. In conformity with the *Rules*, the accompanying financial statements are intended to present the financial position, changes in financial position, and budgetary comparisons of each major fund and the aggregate remaining fund information, where applicable, only for that portion of the major funds and the aggregate remaining fund information of Nassau County, Florida, that is attributable to the Property Appraiser. They do not purport to, and do not, present fairly the financial position as a whole of Nassau County, Florida as of September 30, 2014, and the changes in its financial position, budgetary comparisons, or cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

**Other Reporting Required by *Government Auditing Standards***

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

*Purvis, Gray and Company, LLP*

February 27, 2015  
Gainesville, Florida

## **FINANCIAL STATEMENTS**

**NASSAU COUNTY PROPERTY APPRAISER  
BALANCE SHEET  
GENERAL FUND  
SEPTEMBER 30, 2014**

<b>Assets</b>	
Cash	\$ 142,694
Cash Held in Escrow	99,701
<b>Total Assets</b>	<u>242,395</u>
<b>Liabilities and Fund Balance</b>	
<b>Liabilities</b>	
Accounts Payable	4,626
Due to Board of County Commissioners	134,327
Due to Other Governments	3,741
<b>Total Liabilities</b>	<u>142,694</u>
<b>Fund Balance</b>	
Assigned	<u>99,701</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 242,395</u>

See accompanying notes to financial statements.

**NASSAU COUNTY PROPERTY APPRAISER  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

<b>Revenues</b>	
Charges for Services	\$ 50,801
Interest	512
Miscellaneous	19,709
<b>Total Revenues</b>	<u>71,022</u>
<b>Expenditures</b>	
Current:	
General Government:	
Personal Services	1,435,192
Operating Expenditures	358,531
<b>(Total Expenditures)</b>	<u>(1,793,723)</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(1,722,701)</u>
<b>Other Financing Sources (Uses)</b>	
Transfers in from Board of County Commissioners	1,956,606
Transfers in from Constitutional Officers	18,000
Transfers (out) to Board of County Commissioners	(134,204)
Transfers (out) to Constitutional Officers	(18,000)
<b>Total Other Financing Sources (Uses)</b>	<u>1,822,402</u>
<b>Net Change in Fund Balance</b>	99,701
<b>Fund Balance, Beginning of Year</b>	<u>0</u>
<b>Fund Balance, End of Year</b>	<u>\$ 99,701</u>

See accompanying notes to financial statements.

**NASSAU COUNTY PROPERTY APPRAISER  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<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	\$ 54,542	\$ 54,542	\$ 50,801	\$ (3,741)
Interest	0	0	512	512
Miscellaneous	0	0	19,709	19,709
<b>Total Revenues</b>	<u>54,542</u>	<u>54,542</u>	<u>71,022</u>	<u>16,480</u>
<b>Expenditures</b>				
Current:				
General Government:				
Personal Services	1,487,087	1,492,657	1,435,192	57,465
Operating Expenditures	256,061	456,061	358,531	97,530
Reserves	250,000	50,000	0	50,000
<b>(Total Expenditures)</b>	<u>(1,993,148)</u>	<u>(1,998,718)</u>	<u>(1,793,723)</u>	<u>204,995</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(1,938,606)</u>	<u>(1,944,176)</u>	<u>(1,722,701)</u>	<u>221,475</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in from Board of County Commissioners	1,956,606	1,962,176	1,956,606	(5,570)
Transfers in from Constitutional Officers	0	0	18,000	18,000
Transfers (out) to Board of County Commissioners	0	0	(134,204)	(134,204)
Transfers (out) to Constitutional Officers	(18,000)	(18,000)	(18,000)	0
<b>Total Other Financing Sources (Uses)</b>	<u>1,938,606</u>	<u>1,944,176</u>	<u>1,822,402</u>	<u>(121,774)</u>
<b>Net Change in Fund Balance</b>	0	0	99,701	99,701
<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>\$ 99,701</u>	<u>\$ 99,701</u>

See accompanying notes to financial statements.



## **NOTES TO FINANCIAL STATEMENTS**

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

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

The following is a summary of significant accounting principles and policies used in the preparation of the accompanying 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 Nassau County, Florida, Property Appraiser (the Property Appraiser), is an elected official of the County pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Property Appraiser. The Property Appraiser is a part of the primary government of the County. The Florida Department of Revenue approves 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 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 financial statements.

For financial reporting purposes, the Property Appraiser is deemed to be a part of the primary government of the County and, therefore, is included as such in the County's annual financial report.

**Basis of Presentation**

The accompanying financial statements include all funds and accounts of the Property Appraiser's office, but are not intended to be a complete presentation of the County as a whole. Except for this matter, they are otherwise in conformity with accounting principles generally accepted in the United States of America (GAAP). The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(4), *Rules of the Auditor General—Local Governmental Entity Audits*.

The financial transactions of the Property Appraiser are recorded in one individual fund. This fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures.

The Property Appraiser reports 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.

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

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

**Basis of Accounting**

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

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

**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 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.

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

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

**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 300 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 appointment or election to county-wide office, death, or voluntarily resignation (or retirement), with two weeks' prior written notice, an employee will be paid for accumulated sick leave up to a maximum payout of 400 hours calculated based upon years of service and a percentage of pay.

**Fund Balance Reporting**

The Property Appraiser implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as required. The purpose of GASB 54 is to improve the consistency and usefulness of fund balance information to the financial statement user. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the organization is bound to honor constraints on the specific purpose for which amounts can be spent. Fund balance is reported in five components: nonspendable, restricted, committed, assigned, and unassigned.

- **Nonspendable**—This component of fund balance consists of amounts that cannot be spent because: (a) they are not expected to be converted to cash; or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Property Appraiser does not have any nonspendable funds.
- **Restricted**—This component of fund balance consists of amounts that are constrained either: (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments); or (b) by law through constitutional provisions or enabling legislation.
- **Committed**—This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g. ordinance or resolution) of the County's governing board. These committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (e.g., ordinance or resolution) it employed previously to constrain those amounts.
- **Assigned**—This component of fund balance consists of amounts that are constrained by a less-than-formal action of the Property Appraiser, or by an individual or body to whom the Property Appraiser has delegated this responsibility. By definition, fund balances are also assigned to the extent that they are needed to finance a subsequent year's budget deficit.
- **Unassigned**—This classification is used for: (a) negative unrestricted fund balances in any governmental fund; or (b) fund balances within the general fund that are not restricted, committed or assigned.

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

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

**Fund Balance Reporting (Concluded)**

When both restricted and unrestricted resources are available for use, it is the Property Appraiser's policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use, it is the Property Appraiser's policy to use committed resources first, then assigned, and then unassigned, as needed.

**Note 2 - Cash**

At September 30, 2014, the carrying amount of the Property Appraiser's deposits was \$142,694 and the bank balance was \$200,037. 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.

In addition, cash in the amount of \$99,701 was held in escrow at September 30, 2014. These monies were held pursuant to a contract to purchase a new software appraisal system from a software company. The monies held in escrow will, in the future, be paid to the software company for services received or will be returned to the Property Appraiser.

**Note 3 - Employee Benefits**

**Defined Benefit Pension Plan**

The Property Appraiser and all full-time employees are eligible to 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 participating in the Pension Plan are entitled to a retirement benefit, payable monthly for life. If employed prior to July 1, 2011, the System provides for vesting of benefits after six years of creditable service. The vesting requirement changes to eight years of creditable service for those employed on or after July 1, 2011. For those employed prior to July 1, 2011, normal retirement is at or after age 62 with six years of credited service. If employed on or after July 1, 2011, normal retirement is at or after age 65 with eight years of credited service. The monthly benefit received is based on: (1) average monthly compensation in the highest five years of creditable service (eight years if the employee is initially enrolled on or after July 1, 2011); (2) creditable service during the appropriate period; and (3) the

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

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

**Defined Benefit Pension Plan (Concluded)**

appropriate benefit percentage. Vested employees may retire early and receive reduced retirement benefits. Employees participating in the Investment Plan are vested after one year of service with no age requirement. The System also provides death benefits, disability benefits and cost of living adjustments. Benefits are established by Florida Statute.

The Florida Legislature has established a uniform contribution rate system for the System covering both the Pension Plan and the Investment Plan. Prior to July 1, 2011, members were not required to make employee contributions. Effective July 1, 2011, all System members [except those in the Deferred Retirement Option Program (DROP)] are required to contribute 3% of their gross compensation on a pretax basis. The current contribution rates by member class are as follows: regular members 7.37%, DROP employees 12.28%, senior management 21.14%, and elected officials 43.24%. The Property Appraiser's contributions to the plan for the years ended September 30, 2014, 2013, and 2012, were \$140,959, \$81,694, and \$59,535, respectively, equal to the required contributions for each year.

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

The following is a summary of the changes in accumulated compensated absences of the Property Appraiser for the year ended September 30, 2014:

	<b>Balance October 1, 2013</b>	<b>Additions</b>	<b>(Deletions)</b>	<b>Balance September 30, 2014</b>
Accrued Compensated Absences	\$ 114,573	\$ 104,324	\$ (116,779)	\$ 102,118
Other Postemployment Benefits	289,302	41,511	0	330,813
<b>Total Long-term Debt</b>	<b>\$ 403,875</b>	<b>\$ 145,835</b>	<b>\$ (116,779)</b>	<b>\$ 432,931</b>

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) represents 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 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**

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."

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

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

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.

**Percent of Direct Subsidy up to “Subsidy Base Maximum” of \$547.92**

<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 22 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 at September 30, 2014, totaled \$330,813. 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.

## **OTHER REPORTS**



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

The Honorable A. Michael Hickox  
Nassau County Property Appraiser  
Nassau County, Florida

We have audited in accordance with the 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 financial statements of the general fund of the Nassau County, Florida, Property Appraiser (the Property Appraiser), as of and for the year ended September 30, 2014, and the related notes to the financial statements and have issued our report thereon dated February 27, 2015, which was modified to state that the financial statements are not intended to be a complete presentation of Nassau County, Florida, as a whole.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Property Appraiser's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the Property Appraiser's internal control.

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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Certified Public Accountants**

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

The Honorable A. Michael Hickox  
Nassau County Property Appraiser  
Nassau County, Florida

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Property Appraiser'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*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Property Appraiser's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Property Appraiser's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Purvis, Gray and Company, LLP*

February 27, 2015  
Gainesville, Florida

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE  
WITH SECTION 218.415, FLORIDA STATUTES**

The Honorable A. Michael Hickox  
Nassau County Property Appraiser  
Nassau County, Florida

We have examined Nassau County, Florida, Property Appraiser's (the Property Appraiser) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2014, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Property Appraiser's compliance with those requirements. Our responsibility is to express an opinion on the Property Appraiser's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Property Appraiser's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Property Appraiser's compliance with specified requirements.

In our opinion, the Property Appraiser complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Property Appraiser, its management, and the Board of County Commissioners of Nassau County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Purvis, Gray and Company, LLP*

February 27, 2015  
Gainesville, Florida

**Certified Public Accountants**

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

## MANAGEMENT LETTER

The Honorable A. Michael Hickox  
Nassau County Property Appraiser  
Nassau County, Florida

### Report on the Financial Statements

We have audited the financial statements of the general fund of the Nassau County, Florida, Property Appraiser (the Property Appraiser), as of and for the year ended September 30, 2014, and have issued our report thereon dated February 27, 2015, which was modified to state that the financial statements are not intended to be a complete presentation of Nassau County, Florida, as a whole.

### Auditors' Responsibility

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; and Chapter 10.550, *Rules of the Auditor General*.

### Other Reports

We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes. Disclosures in those reports, which are dated February 27, 2015, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding annual financial audit report.

### Official Title and Legal Authority

Section 10.554(1)(i)4., *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 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.

### Other Matters

Section 10.554(1)(i)2., *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.

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The Honorable A. Michael Hickox  
Nassau County Property Appraiser  
Nassau County, Florida

**MANAGEMENT LETTER**  
*(Concluded)*

**Other Matters (Concluded)**

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address noncompliance with the provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Property Appraiser, its management, and the Board of County Commissioners of Nassau County, Florida, 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 27, 2015  
Gainesville, Florida