

**SINGLE AUDIT REPORTS
AND
MANAGEMENT LETTER
NASSAU COUNTY, FLORIDA
SEPTEMBER 30, 2011**

**SINGLE AUDIT REPORTS
AND
MANAGEMENT LETTER

NASSAU COUNTY, FLORIDA**

SEPTEMBER 30, 2011

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**SINGLE AUDIT REPORTS
AND
MANAGEMENT LETTER

NASSAU COUNTY, FLORIDA**

SEPTEMBER 30, 2011

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**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION**

The Honorable Board of County Commissioners
and Constitutional Officers
Nassau County, Florida

We have audited the financial statements of Nassau County, Florida as of and for the year ended September 30, 2011, and our report thereon dated March 8, 2012, which expressed an unqualified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Purvis, Gray and Company, LLP

March 8, 2012
Gainesville, Florida

Certified Public Accountants

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NASSAU COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2011

| Federal Grantor/Pass-Through Grantor/ Grant Program | Grant ID Number | Federal CFDA Number | Federal Expenditures |
|---|-------------------------|------------------------------------|---------------------------------|
| United States Department of Agriculture | | | |
| Indirect: | | | |
| Passed Through Florida Department of Agriculture and Consumer Services ARRA - Forest Health Improvement Initiative Grant Program | 10A-121 | 10.688 | \$ 4,116 |
| United States Department of Housing and Urban Development | | | |
| Indirect: | | | |
| Passed Through Florida Department of Community Affairs Community Development Block Grant (CDBG) Disaster Recovery | 10-DB-K4-11-54-01-K25 | 14.228 | 374,442 |
| United States Department of Justice | | | |
| Direct: | | | |
| State Criminal Alien Assistance Program | 2010-AP-BX-0230 | 16.606 | 943 |
| ARRA - Edward Byrne Memorial Justice Assistance Grant Program | 2009-SB-B9-1543 | 16.804 | 178,673 |
| Edward Byrne Memorial Justice Assistance Grant Program | 2009-DJ-BX-1298 | 16.738 | 11,383 |
| Indirect: | | | |
| Passed Through Florida Department of Law Enforcement Edward Byrne Memorial Justice Assistance Grant Program | 2011-JAGC-NASS-1-B2-249 | 16.738 | 70,706 |
| ARRA - Edward Byrne Memorial Justice Assistance Grant Program | 2010-ARRC-NASS-1-W7-172 | 16.803 | 31,538 |
| Passed Through Office of the Attorney General of Florida Victims of Crimes Act (VOCA) | V-10132 | 16.575 | 37,764 |
| Total United States Department of Justice | | | 331,007 |
| National Endowment for the Humanities | | | |
| Direct: | | | |
| Lets Talk About It | Lets Talk About It | 45.164 | 1,256 |
| United States Election Assistance Commission | | | |
| Indirect: | | | |
| Passed Through Florida Division of Elections Federal Help America Vote Act | None | 90.401 | 8,468 |
| United States Department of Health and Human Services | | | |
| Indirect: | | | |
| Passed Through Florida Department of Revenue Child Support Enforcement | CSP45 | 93.563 | 4,481 |
| United States Department of Homeland Security | | | |
| Indirect: | | | |
| Passed Through Florida Division of Emergency Management: | | | |
| Performance Grant | 11-FG-15-04-55-01-064 | 97.042 | 57,362 |
| Performance Grant | 12-FG-R3-04-55-01-112 | 97.042 | 17,427 |
| Subtotal Expenditures CFDA No. 97.042 | | | 74,789 |
| Indirect: | | | |
| Hazard Mitigation Grant | 07-HM-4@-04-55-01-080 | 97.039 | 19,352 |
| Florida Division of Emergency Management | 2009-SS-T9-0081 | 97.067 | 14,000 |
| Total United States Department of Homeland Security | | | 108,141 |
| Federal Communications Commission | | | |
| Direct: | | | |
| Universal Discount for Schools and Libraries (E-Rate) | 2010-5Yr 13 | None | 15,623 |
| Total Federal Expenditures | | | \$ 847,534 |

NASSAU COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2011
(Concluded)

| Grant Agency/Grant Title | State CSFA Number | Contract/Grant Number | Expenditures |
|--|----------------------------------|----------------------------------|---------------------|
| State Courts System | | | |
| Small County Courthouse Facilities | 22.004 | CFGIA | \$ 6,272 |
| Small County Courthouse Facilities | 22.004 | GIA08 | 35,838 |
| Subtotal Expenditures - CSFA No. 22.004 | | | <u>42,110</u> |
| Florida Department of Environmental Protection | | | |
| Small County Consolidated Solid Waste Grants | 37.012 | 125SC | <u>70,588</u> |
| Florida Department of State | | | |
| State Aid to Libraries Grant Program | 45.030 | 11-ST-37 | <u>124,597</u> |
| Florida Department of Community Affairs | | | |
| Emergency Management Programs | 52.008 | 11-BG-05-04-55-01-064 | 75,654 |
| Emergency Management Programs | 52.008 | 12-BG-05-04-55-01-045 | 3,883 |
| Subtotal Expenditures - CSFA No 52.008 | | | <u>79,537</u> |
| Florida Housing Finance Corporation | | | |
| State Housing Initiatives Partnership Program | 52.901 | 10/11 | 1,705 |
| State Housing Initiatives Partnership Program | 52.901 | 09/10 | 128,851 |
| State Housing Initiatives Partnership Program | 52.901 | 08/09 | 238,444 |
| Subtotal Expenditures - CSFA No. 52.901 | | | <u>369,000</u> |
| Florida Department of Transportation | | | |
| Small County Road Assistance Program | 55.016 | 428993-1-58-01 | 99,841 |
| Transportational Regional Incentive Program | 55.026 | 425467-1-58-01 and 68-01 | 975,000 |
| Total Florida Department of Transportation | | | <u>1,074,841</u> |
| Florida Department of Children and Families | | | |
| Community Forensic Beds and Competency | | | |
| Restoration Training | 60.114 | DH 677 | 21,009 |
| Criminal Justice, Mental Health and Substance Abuse | 60.115 | CJMHSAR | 13,817 |
| Total Florida Department of Children and Families | | | <u>34,826</u> |
| Florida Department of Health | | | |
| Emergency Medical Services County Grant | 64.005 | C9045 | <u>22,685</u> |
| Florida Department of Management Services | | | |
| Wireless 911 Emergency Telephone System | 72.001 | 11/4/2013 | <u>61,545</u> |
| Total State Expenditures | | | <u>\$ 1,879,729</u> |

**NASSAU COUNTY, FLORIDA
NOTE TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance projects includes the federal and state award activity of Nassau County, Florida, and is presented on the modified accrual basis of accounting.

**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

The Honorable Board of County Commissioners
Nassau County, Florida

Compliance

We have audited the compliance of Nassau County, Florida (the County) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement*, and the Florida Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of the County's major federal programs and state projects for the year ended September 30, 2011. The County's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs and state projects is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.550, *Rules of the Auditor General*. Those standards, OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state financial assistance project occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2011.

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The Honorable Board of County Commissioners
Nassau County, Florida

**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL
(Concluded)**

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs and state financial assistance projects. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program or state financial assistance project in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state financial assistance project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state financial assistance project will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance 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 compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Pursuant to Chapter 119, Florida Statutes, this report is a public record and its distribution is not limited. Auditing standards accepted in the United States of America requires us to indicate that this report is intended solely for the information and use of the County's management, Board of County Commissioners, Constitutional Officers, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Purvis, Gray and Company, LLP

March 8, 2012
Gainesville, Florida

**NASSAU COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

Summary of Auditors' Results

1. The independent auditors' report expresses an unqualified opinion on the financial statements of Nassau County, Florida (the County).
2. A *Significant deficiency* was identified during the audit of the financial statements and reported in the 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* for the Nassau County Sheriff which was reported as a material weakness.
3. There were no instances of noncompliance identified during the audit of the financial statements reported in the 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*.
4. The audit disclosed no significant deficiencies and/or material weaknesses in internal control over major federal programs or state projects that are required to be reported in the schedule of findings and questioned costs.
5. The report on compliance for the major federal programs and state projects expresses an unqualified opinion.
6. The audit disclosed no findings that are required to be reported in accordance with OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*.
7. The programs tested as major federal awards programs and state financial assistance projects included:

| Federal Program | <u>CFDA No.</u> |
|--|----------------------------|
| Community Development Block Grant (CDBG) | 14.228 |
| ARRA Edward Byrne Memorial Justice Assistance Grant Program | 16.804 |
| State Project | <u>CSFA No.</u> |
| State Housing Initiatives Partnership Program (SHIP) | 52.901 |
| Transportation Regional Incentive Program | 55.026 |

8. The threshold for distinguishing Type A and B programs was \$300,000 for major federal program and state projects.
9. The entity was determined to not be a low-risk audit pursuant to OMB Circular A-133.

Financial Statement Findings

Financial statement findings, if any, are reported in the individual reports of the Board and the Constitutional Officers.

**NASSAU COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2011
(Concluded)**

Findings and Questioned Costs for Major Federal Programs and State Projects

The audit disclosed no findings for major federal programs or state projects to be reported under OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*.

Status of Prior Audit Findings

There were no prior year findings required to be reported in accordance with OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*.

**INDEPENDENT AUDITORS' 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 Board of County Commissioners
Nassau County, Florida

We have audited the special purpose financial statements of the Nassau County Board of County Commissioners, Nassau County, Florida (the Board), as of and for the year ended September 30, 2011, and have issued our report thereon dated March 8, 2012. 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 Board'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 Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board'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 Board's financial statement 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 and would not necessarily 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.

Compliance and Other Matters

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

Certified Public Accountants

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The Honorable Board of County Commissioners
Nassau County, Florida

**INDEPENDENT AUDITORS' 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)**

We noted certain matters that we reported to management in a separate management letter dated March 8, 2012.

This report is intended solely for the information and use of the Board of County Commissioners, 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 8, 2012
Gainesville, Florida

MANAGEMENT LETTER

The Honorable Board of County Commissioners
Nassau County, Florida

We have audited the special purpose financial statements of the Nassau County Board of County Commissioners, Nassau County, Florida (the Board), as of and for the fiscal year ended September 30, 2011, and have issued our report thereon dated March 8, 2012.

We conducted our audit in accordance with auditing standards generally accepted 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 independent auditors' report on internal control over financial reporting and compliance and other matters. Disclosures in those reports and schedule, which are dated March 8, 2012, 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 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 findings and recommendations made in the preceding annual financial audit report. There were no recommendations in the preceding annual financial 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 County 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.

Current Year Findings and Recommendations

■ **Utility Billing**

It was noted during the testing of utility billing that there were several commercial irrigation accounts that were being billed at commercial water rates. As of April 1, 2010, the irrigation rates changed to an inclining rate structure, prior to that time the commercial water rate and irrigation rates were the same. This change in rate structure has caused these irrigation accounts to be under billed. Management has estimated the total amount of under billing to be approximately \$110,000. We recommend that the County review all of their utility accounts to determine if they are properly classified in their billing system.

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
(Concluded)

Current Year Findings and Recommendations *(Concluded)*

■ **Rescue Billing Segregation of Duties**

It was noted during the audit that the Billing Supervisor has the ability to make billing adjustments, perform monthly reconciliations of the billing system, and has access of cash receipts. In addition, the Billing Clerks are responsible for collecting cash receipts, preparing the deposit and posting charges to the billing system. Proper segregation of incompatible duties involves separating job functions so that ideally no one individual is able to authorize a transaction, record the transaction, and has access to the assets resulting from that transaction. We recommend that the County review the duties of these individuals to determine if incompatible duties can be reassigned or if compensating controls can be implemented to reduce risk.

- 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 occurred, or are likely to have occurred, that have an effect on the financial statement 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 upon professional judgment, report the following matters that have an inconsequential effect on the financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contraction or grant agreements, fraud, illegal acts, or abuse; and (2) deficiencies in internal control 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 Board was established by the Constitution of the State of Florida, Article VIII, Section 1(d). The Board includes component units as described in Note 1 of the financial statements.

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

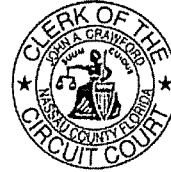
We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

Purvis, Gray and Company, LLP

March 8, 2012
Gainesville, Florida



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



March 8, 2012

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

Dear Sir/Madam,

The audit report of the Office of the Board of County Commissioners, 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 Board at September 30, 2011, 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 two recommendations to improve financial management. The responses are provided below:

- 1.) Condition – Utility Billing – It was noted during the testing of utility billing that there were several commercial irrigation accounts that were being billed at commercial water rates. As of April 1, 2010, the irrigation rates changed to an inclining rate structure. Prior to that time the commercial water rate and the irrigation rates were the same. This change in rate structure has caused these irrigation accounts to be under billed. Management has estimated the total amount of under billing to be approximately \$110,000. We recommend that the County review all of their utility accounts to determine if they are properly classified in their billing system.

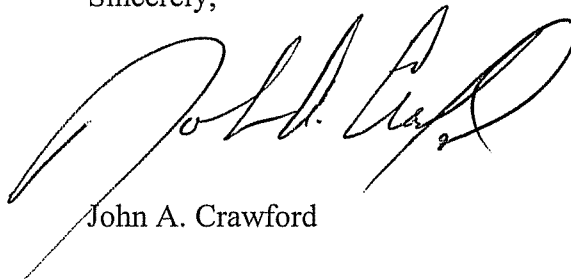
Response - The commercial water accounts were imported into the billing system when the utility system was purchased from Florida Water. When questioned in December, work orders were sent to the plant for verification of services. It was determined that 20 of the 81 commercial water accounts should have actually been coded and billed as commercial irrigation accounts. The accounts determined to be

coded inaccurately have been properly classified and the customers were notified of the corrections in writing.

- 2.) Condition – Rescue Billing Segregation of Duties – It was noted during the audit that the Billing Supervisor has the ability to make billing adjustments, perform monthly reconciliations of the billing system, and has access to cash receipts. In addition, the Billing Clerks are responsible for collecting cash receipts, preparing the deposit and posting charges to the billing system. Proper segregation of incompatible duties involves separating job functions so that ideally no one individual is able to authorize a transaction, record the transaction, and have access to the assets resulting from that transaction. We recommend that the County review the duties of these individuals to determine if incompatible duties can be reassigned, or if compensating controls can be implemented to reduce risk.

Response – The duties of the billing staff have been reallocated so the Billing Supervisor no longer has access to cash and the Billing Clerks rotate cash collection weekly. The Billing Supervisor generates a user activity report monthly and submits it to the Clerk's Office to ensure any revision to customer charges is valid. A fourth person has been assigned to make the deposit and send the required forms to Clerk Finance.

Sincerely,

A handwritten signature in black ink, appearing to read "John A. Crawford", is written over a horizontal line.

John A. Crawford

JAC/mnp

Cc: Nassau County Board of
County Commissioners

**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 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, 2011, and have issued our report thereon dated February 20, 2012, which was modified to refer to a basis of accounting required for compliance with state filing requirements, and for other reasons. 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.

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*.

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 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 (*Concluded*)

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

February 20, 2012
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 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 fiscal year ended September 30, 2011, and have issued our report thereon dated February 20, 2012, which was modified to refer to a basis of accounting required for compliance with state filing requirements, and for other reasons.

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 February 20, 2012, 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.

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

MANAGEMENT LETTER
(Continued)

- 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, and with the exception of the recommendations below, we determined that the Clerk complied with such requirements.

- **Article V Civil Traffic Assessments**

During Article V testing, it was noted that certain Civil Traffic citations were not included in the proper quarter on the quarterly assessment and collection reports submitted to Clerk of Courts Operations Corporation (CCOC). The CCOC's business rules state that a civil traffic citation be considered as assessed when it is received by the Clerk. The issue appears to be due to system limitations. Traffic tickets are currently only considered assessed at the time of payment or after thirty days of citation date (the period that the individual has to pay or protest).

We recommend the Clerk's office investigate the nature of the system limitations and record Civil Traffic citations accurately going forward.

- **Failure to Achieve Performance Measure Standards**

In accordance with Section 28.35(2)(d), Florida Statutes, the Clerk of Court Operations Corporation (CCOC) has developed and certified a uniform system of performance measures and standards for court-related functions. We noted that the Clerk did not meet the standards established by the CCOC for the period of October 2010 to September 2011 for the following court/case type collections:

- ▶ Civil Traffic – CCOC Standard is 90%; the Clerk did not meet this standard for the reporting period ending September 30, 2010 (July 1, 2010 through September 30, 2011).

We recommend that the Clerk continue to implement the Corrective Action Plan that has been submitted to the CCOC.

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.

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

MANAGEMENT LETTER
(Concluded)

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 20, 2012
Gainesville, Florida



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



February 10, 2012

Auditor General
Local Government Audits/342
Claude Pepper Building, Room 401
111 West Madison Street
Tallahassee, Florida 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, 2011, 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 two findings discovered pursuant to the Rules of the Auditor General for the year ending September 30, 2011. The responses to these finding are below.

- 1) Finding – It was noted that during the Article V testing certain Civil Traffic citations were not included in the proper quarter on the quarterly assessment and collection reports submitted to Clerk of Courts Operations Corporation (CCOC). The CCOC's business rules state that a civil traffic citation be considered as assessed when it is received by the Clerk. The issue appears to be due to system limitations. Traffic tickets are currently only considered assessed at the time of payment or after thirty days of citation dates (the period that the individual has to pay or protest).

Response – The current system does not have the ability to collect the dates in the stated format. We are under contract to switch to the Clericus system in June, 2012, which should rectify this issue. In the interim, we are taking steps to account for the Best Practices issued from CCOC.

Auditor General
February 10, 2012
Page 2

- 2) Finding – It was noted that in accordance with Section 28.35(2)(d), Florida Statutes, the Clerk of Court Operations (CCOC) has developed and certified a uniform system of performance measures and standards for court-related functions. The Clerk did not meet the standards established by the CCOC for the period of October 2010 to September 2011 for the following court/case type collections:

Civil Traffic – CCOC Standard is 90%: the Clerk did not meet this standard for the reporting period ending September 30, 2010 (July 1, 2010 through September 30, 2011).

Response – Our collection rate was 88.50%. We are continuing to implement the Corrective Action Plan that we submitted to CCOC. We are also sending these cases to collections.

Sincerely,

A handwritten signature in black ink, appearing to read "John A. Crawford", with a stylized, cursive script.

John A. Crawford

JAC/alv

cc: Nassau County Board of
County Commissioners

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

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

We have audited the special purpose financial statements of each major fund and the aggregate remaining fund information of the Nassau County, Florida, Sheriff (the Sheriff) as of and for the year ended September 30, 2011, and have issued our report thereon dated February 28, 2012 which was modified to refer to a basis of accounting required for compliance with state filing requirements, and for other reasons. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses, and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency listed below to be a material weakness:

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

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

Internal Control Over Financial Reporting (Concluded)

■ **Segregation of Duties**

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

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of the Sheriff in a separate letter dated February 28, 2012.

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

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

Purvis, Gray and Company, LLP

February 28, 2012
Gainesville, Florida

MANAGEMENT LETTER

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

We have audited the special purpose financial statements of each major fund and the aggregate remaining fund information of the Nassau County, Florida, Sheriff (the Sheriff) as of and for the fiscal year ended September 30, 2011, and have issued our report thereon dated February 28, 2012, which was modified to refer to a basis of accounting required for compliance with state filing requirements, and for other reasons.

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 independent auditors’ report on internal control over financial reporting and compliance and other matters. Disclosures in that report, which is dated February 28, 2012, should be considered in conjunction with this management letter.

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

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report except as noted under the heading prior year findings and recommendations.

Prior Year Findings and Recommendations

■ **Unclaimed Property**

During our review of bank reconciliations, we noted a significant number of outstanding checks over two years old in the inmate trust account and a few checks over one year old in the operating account.

We recommend that efforts be made to return these stale-dated checks to the appropriate payees, or, if unsuccessful, we recommend the Sheriff’s office review the provisions of Section 116.21, Florida Statutes, as it relates to unclaimed funds.

■ **Purchasing Policy**

The Sheriff’s purchasing policy does not currently require competitive bids to be obtained for significant purchases. In order to ensure the most cost-effective purchases, we recommend that the Sheriff’s office consider amending the purchasing policy to require competitive bids for purchases over certain dollar thresholds. The policy should also establish the procedures for obtaining the bids and the documentation that should be maintained for audit purposes.

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

MANAGEMENT LETTER
(Concluded)

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Sheriff complied with Section 218.415, Florida Statutes.

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address in the management letter any findings and recommendations to improve financial management. In connection with our audit, we had no such findings.

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 occurred, or are likely to have occurred, that have an effect on the determination of financial statement amounts that is less than material, but, more than inconsequential. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)5., *Rules of the Auditor General*, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on 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) deficiencies in internal control 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 Sheriff was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There was one component unit related to the Sheriff which is described in Note 1 of the special purpose financial statements.

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

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

Purvis, Gray and Company, LLP

February 28, 2012
Gainesville, Florida



Nassau County Sheriff's Office

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

January 23, 2012

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

To whom it may concern:

The purpose of this letter is to respond to the Internal Control Reportable Condition found in our 2010-2011 audit. Listed below is the individual reportable condition along with its corresponding response. If you have any further questions or comments, please don't hesitate to contact my office.

1.) Segregation of Duties

Response: The finance department at the Nassau County Sheriff's Office is very small which makes it difficult to have a complete segregation of all incompatible accounting functions. However, we have implemented new controls relating to purchasing and bank transfers since our audit field work was completed. We will continue to identify other areas in which we can improve and separate incompatible duties whenever possible.

Sincerely,

A handwritten signature in dark ink, appearing to be "T.L. Seagraves, Jr.", written over a horizontal line.

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



Nassau County Sheriff's Office

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

January 23, 2012

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

To whom it may concern:

The purpose of this letter is to respond to the 2010-2011 Management Letter. Listed below are the individual prior year and current year findings along with their corresponding responses. If you have any further questions or comments, please don't hesitate to contact my office.

1.) Unclaimed Property

Response: We will make every effort to return all stale-dated checks to the appropriate payees. In the event that our efforts are not successful, we will review Florida Statute 116.21 for guidance.

2.) Purchasing Policy

Response: The Sheriff's purchasing policy has been amended to include provisions for competitive bids for significant purchases. Dollar thresholds have been added to ensure cost-effective purchases. The finance department is in the process of upgrading our purchase order system as part of the change in procedures. The changes will greatly improve the purchasing and procurement process for the office.

Sincerely,

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

**INDEPENDENT AUDITORS' 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 Drew
Nassau County Tax Collector
Nassau County, Florida

We have audited the special purpose financial statements of the Nassau County, Florida Tax Collector (the Tax Collector), as of and for the year ended September 30, 2011, and have issued our report thereon dated February 7, 2012, which was modified to refer to a basis of accounting required for state filing requirements, and for other reasons. 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 Tax Collector'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 Tax Collector's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Tax Collector'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 Tax Collector'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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tax Collector'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*.

Certified Public Accountants

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The Honorable John Drew
Nassau County Tax Collector
Nassau County, Florida

**INDEPENDENT AUDITORS' 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*)**

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

Purvis, Gray and Company, LLP

February 7, 2012
Gainesville, Florida

MANAGEMENT LETTER

The Honorable John Drew
Nassau County Tax Collector
Nassau County, Florida

We have audited the special purpose financial statements of the Nassau County, Florida Tax Collector (the Tax Collector), as of and for the fiscal year ended September 30, 2011, and have issued our report thereon dated February 7, 2012, which was modified to refer to a basis of accounting required for compliance with state filing requirements, and for other reasons.

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 independent auditors' report on internal control over financial reporting and compliance and other matters. Disclosures in that report, which is dated February 7, 2012, 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 significant 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.
- 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 Tax Collector 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 entity's financial management. In connection with our audit, we did not have any such recommendations.

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

The Honorable John Drew
Nassau County Tax Collector
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 occurred, or are likely to have occurred, 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 the financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse; and (2) deficiencies in internal control 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 the management letter, unless disclosed in the notes to the special purpose financial statements. The Tax Collector was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Tax Collector.

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

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

Purvis, Gray and Company, LLP

February 7, 2012
Gainesville, Florida

**INDEPENDENT AUDITORS' 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, 2011, and have issued our report thereon dated February 7, 2012, which was modified to refer to a basis of accounting required for state filing requirements, and for other reasons. 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.

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*.

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The Honorable Tammy C. Stiles
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 SPECIAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS
(Concluded)**

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

Purvis, Gray and Company, LLP

February 7, 2012
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, 2011, and have issued our report thereon dated February 7, 2012, which was modified to refer to a basis of accounting required for compliance with state filing requirements, and other reasons.

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 independent auditors' report on internal control over financial reporting and compliance and other matters. Disclosures in that report, which is dated February 7, 2012, 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 entity's financial management. In connection with our audit, we did not have any such recommendations.

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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 occurred, or are likely to have occurred, 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) deficiencies in internal control 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

February 7, 2012
Gainesville, Florida

**INDEPENDENT AUDITORS' 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 Vicki P. Cannon
Nassau County Supervisor of Elections
Nassau County, Florida

We have audited the special purpose financial statements of the Nassau County, Florida Supervisor of Elections (the Supervisor of Elections), as of and for the year ended September 30, 2011, and have issued our report thereon dated February 7, 2012, which was modified to refer to a basis of accounting required for compliance with state filing requirements, and for other reasons. 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 Supervisor of Elections' 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 Supervisor of Elections' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Supervisor of Elections' 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 Supervisor of Elections' 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.

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The Honorable Vicki P. Cannon
Nassau County Supervisor of Elections
Nassau County, Florida

**INDEPENDENT AUDITORS' 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 Supervisor of Elections' 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*.

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

Purvis, Gray and Company, LLP

February 7, 2012
Gainesville, Florida

MANAGEMENT LETTER

The Honorable Vicki P. Cannon
Nassau County Supervisor of Elections
Nassau County, Florida

We have audited the special purpose financial statements of the Nassau County, Florida Supervisor of Elections (the Supervisor of Elections), as of and for the fiscal year ended September 30, 2011, and have issued our report thereon dated February 7, 2012, which was modified to refer to a basis of accounting required for compliance with state filing requirements, and for other reasons.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our independent auditors' report on internal control over financial reporting and compliance and other matters. Disclosures in that report, which is dated February 7, 2012, 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 significant findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made in the preceding 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 Supervisor of Elections 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 entity's 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 in the management letter any violations of 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 more than inconsequential. In connection with our audit, we did not have any such findings.

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The Honorable Vicki P. Cannon
Nassau County Supervisor of Elections
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 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) deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.
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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 Supervisor of Elections and management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

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

Purvis, Gray and Company, LLP

February 7, 2012
Gainesville, Florida