

NASSAU COUNTY SHERIFF
Nassau County, Florida

**Financial Statements and
Auditor's Reports**

September 30, 2017



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INDEPENDENT AUDITOR'S REPORT

The Honorable Bill Leeper
Nassau County Sheriff
Nassau County, Florida

Report on the Financial Statements

We have audited the accompanying 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, 2017, and the related notes to the financial statements, which collectively comprise the Sheriff'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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financials statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Sheriff as of September 30, 2017, and the respective changes in financial position, where applicable, and budgetary comparison 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 and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Nassau County, Florida that is attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of Nassau County, Florida as of September 30, 2017, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's special purpose financial statements. The other financial information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements.

The other financial 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. Such information (except for the *Other Supplemental 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 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 other financial information (except for the *Other Supplemental Information*) is fairly stated in all material respects in relation to the financial statements as a whole.

The *Other Supplemental Information* has not been subjected to the auditing procedures applied in the audit of the financial statements referred to above, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 16, 2018, on our consideration of the Nassau County Sheriff'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 Nassau County Sheriff's internal control over financial reporting and compliance.

Caru, Riggs & Ingram, L.L.C.

April 16, 2018
Jacksonville, Florida

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Nassau County Sheriff
Balance Sheet - Governmental Funds
September 30, 2017

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General Fund	Inmate Commissary	Federal Inmate		
ASSETS					
Cash in banks	\$ 354,718	\$ 504,091	\$ 276,132	\$ 317,958	\$ 1,452,899
Cash on hand	500	-	-	1,633	2,133
Accounts receivable	13,373	-	-	-	13,373
Due from other funds	2,262	8,749	-	-	11,011
Due from Board of County Commissioners	27,654	-	-	-	27,654
Due from other governments	3,419	-	98,855	134	102,408
TOTAL ASSETS	\$ 401,926	\$ 512,840	\$ 374,987	\$ 319,725	\$ 1,609,478
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 329,832	\$ 3,736	\$ -	\$ 1,061	\$ 334,629
Due to other funds	-	166	-	-	166
Due to Board of County Commissioners	72,094	-	374,987	98,192	545,273
Total liabilities	401,926	3,902	374,987	99,253	880,068
Fund Balances					
Restricted:					
Law Enforcement	-	-	-	126,324	126,324
Inmate Welfare	-	508,938	-	-	508,938
Committed:					
Investigative	-	-	-	94,148	94,148
Total fund balances	-	508,938	-	220,472	729,410
TOTAL LIABILITIES AND FUND BALANCES	\$ 401,926	\$ 512,840	\$ 374,987	\$ 319,725	\$ 1,609,478

The accompanying notes are an integral part of these financial statements.

Nassau County Sheriff
Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
Year Ended September 30, 2017

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General Fund	Inmate Commissary	Federal Inmate		
Revenues					
Intergovernmental	\$ 38,102	\$ 547	\$ 1,045,894	\$ 73,404	\$ 1,157,947
Miscellaneous	269,248	299,093	-	11,446	579,787
Total revenues	307,350	299,640	1,045,894	84,850	1,737,734
Expenditures					
Current:					
Court-related:					
Personal services	807,916	-	-	-	807,916
Operating expenditures	22,970	-	-	-	22,970
Public Safety:					
Personal services	12,633,626	-	309,239	110,012	13,052,877
Operating expenditures	4,603,160	136,113	15,276	171,484	4,926,033
Capital Outlay	1,436,878	37,474	346,392	469	1,821,213
Debt Service:					
Principal	113,700	-	-	-	113,700
Interest	19,172	-	-	-	19,172
Total expenditures	19,637,422	173,587	670,907	281,965	20,763,881
(Deficiency) excess of revenues over (under) expenditures	(19,330,072)	126,053	374,987	(197,115)	(19,026,147)
Other financing sources (uses)					
Transfers in from Board of County Commissioners	19,392,314	-	-	355,000	19,747,314
Transfers out to Board of County Commissioners	(62,242)	-	(374,987)	(93,625)	(530,854)
Total other financing sources (uses)	19,330,072	-	(374,987)	261,375	19,216,460
Net change in fund balance	-	126,053	-	64,260	190,313
Fund balance, beginning of year	-	382,885	-	156,212	539,097
Fund balance, beginning of year	\$ -	\$ 508,938	\$ -	\$ 220,472	\$ 729,410

The accompanying notes are an integral part of these financial statements.

Nassau County Sheriff

**Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - General Fund
Year Ended September 30, 2017**

	General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 38,102	\$ 38,102	\$ -
Miscellaneous	-	269,248	269,248	-
Total revenues	-	307,350	307,350	-
Expenditures				
Current:				
Court-related:				
Personal services	782,169	807,916	807,916	-
Operating expenditures	27,751	22,970	22,970	-
Public Safety:				
Personal services	12,860,368	12,633,626	12,633,626	-
Operating expenditures	4,295,067	4,603,160	4,603,160	-
Capital Outlay	636,330	1,436,878	1,436,878	-
Debt Service:				
Principal	108,166	113,700	113,700	-
Interest	24,706	19,172	19,172	-
Total expenditures	18,734,557	19,637,422	19,637,422	-
(Deficiency) of revenues over (under) expenditures	(18,734,557)	(19,330,072)	(19,330,072)	-
Other Financing Sources (Uses)				
Transfers in from Board of County Commissioners	18,814,796	19,392,314	19,392,314	-
Transfers out to Board of County Commissioners	(80,239)	(62,242)	(62,242)	-
Total other financing sources (uses)	18,734,557	19,330,072	19,330,072	-
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

Nassau County Sheriff

**Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - Inmate Commissary Fund
Year Ended September 30, 2017**

	Inmate Commissary Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 547	\$ 547	\$ -
Miscellaneous	192,000	299,093	299,093	-
Total revenues	192,000	299,640	299,640	-
Expenditures				
Current:				
Public Safety:				
Operating expenditures	487,916	582,122	136,113	446,009
Capital Outlay	25,000	37,474	37,474	-
Total expenditures	512,916	619,596	173,587	446,009
Net change in fund balance	(320,916)	(319,956)	126,053	446,009
Fund balance, beginning of year	414,720	262,937	382,885	119,948
Fund balance, end of year	\$ 93,804	\$ (57,019)	\$ 508,938	\$ 565,957

The accompanying notes are an integral part of these financial statements.

Nassau County Sheriff

**Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - Federal Inmate Fund
Year Ended September 30, 2017**

	Federal Inmate Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	\$ 511,000	\$ 1,045,894	\$ 1,045,894	\$ -
Total revenues	511,000	1,045,894	1,045,894	-
Expenditures				
Current:				
Public Safety:				
Personal services	409,993	309,239	309,239	-
Operating expenditures	11,529	15,276	15,276	-
Capital Outlay	-	346,392	346,392	-
Total expenditures	421,522	670,907	670,907	-
Excess of revenues over expenditures	89,478	374,987	374,987	-
Other Financing Sources (Uses)				
Transfers (out) to Board of County Commissioners	(89,478)	(374,987)	(374,987)	-
Total other financing sources (uses)	(89,478)	(374,987)	(374,987)	-
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

Nassau County Sheriff
Statement of Fiduciary Assets and Liabilities -
Agency Funds
September 30, 2017

ASSETS

Cash	\$ 50,857
Accounts Receivable	130
Due from Board of County Commissioners	640

TOTAL ASSETS **\$ 51,627**

LIABILITIES

Accounts payable	\$ 13,903
Deposits	19,601
Due to other funds	10,845
Due to other governments	1,709
Due to Board of County Commissioners	5,569

TOTAL LIABILITIES **\$ 51,627**

The accompanying notes are an integral part of these financial statements.

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Nassau County Sheriff Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

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

Basis of Presentation

The Sheriff’s financial statements are special purpose financial statements that have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the “Rules”). These special purpose financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund financial statements do not constitute a complete presentation because, in conformity with the Rules, the Sheriff has not presented reconciliations to the government-wide financial statements, the government-wide financial statements, or management’s discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County’s county-wide financial statements.

Fund Accounting

Accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The focus of fund financial statements is on major funds, each displayed in a separate column. All nonmajor governmental funds are aggregated and displayed in a single column.



Nassau County Sheriff Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

The Sheriff reports the following major governmental funds:

- **General Fund** - The general fund is the primary operating fund of the Sheriff. It is used to account for all financial resources, except for those required to be accounted for in another fund. During the previous fiscal year ended September 30, 2016, the Sheriff took over operations of the County Emergency Operations Center, which is accounted for in the general fund.
- **Inmate Commissary Fund** - This fund accounts for commissions received from pay telephones and commissary profits used for the benefit of inmates.
- **Federal Inmate Fund** - This fund accounts for the revenues and associated expenditures of housing federal inmates at the Nassau County Jail.

The Sheriff also reports the following nonmajor governmental funds:

- **Special Revenue Funds** - Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The Sheriff reports three special revenue funds in the financial statements under the following titles: Sheriff's Investigative Fund, 911 Operations Fund, and the Equitable Sharing Fund. The Sheriff's Investigative Fund accounts for monies used in accordance with Section 925.055, *Florida Statutes*. The 911 Operations Fund accounts for the proceeds of telephone charges collected for the operation of the 911 emergency response system. The Equitable Sharing Fund accounts for monies received from forfeiture of assets.

Additionally, the Sheriff reports the following fiduciary funds:

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

Measurement Focus/Basis of Accounting

All governmental funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of "available spendable resources" during a period.



Nassau County Sheriff Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

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

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on long-term debt are recognized when due.

Agency fund assets and liabilities are accounted for on the accrual basis of accounting.

Budgetary Requirement

Governmental fund revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the *Florida Statutes*. The Inmate Commissary fund and the 911 Operations fund expenditures are restricted by statute; therefore, these budgets are not approved by the Board. All budget amounts presented for the general fund 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 Sheriff's annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year-end.

Fund Balance Reporting

The Sheriff has implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB 54"), 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 in the funds can be spent. Fund balances are described below:

- ***Nonspendable Fund Balance*** - 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 Sheriff does not have any nonspendable funds.



Nassau County Sheriff Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

- **Restricted Fund Balance** - 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 Fund Balance** - 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 Fund Balance** - This component of fund balance consists of amounts that are constrained by a less than formal action of the Sheriff, or by an individual or body to whom the Sheriff 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 Fund Balance** - 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.

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

Capital Assets and Long-Term Liabilities

Because of the current financial resources measurement focus, the accompanying fund financial special purpose statements do not report capital assets or long-term liabilities. Such amounts are instead reported in the government-wide financial statements of the County.

Accrued Compensated Absences

The Sheriff maintains a policy of granting employees annual leave at the rate of eight hours per month. An employee can receive payment for such accumulated annual leave upon termination of employment. In addition, the Sheriff maintains a policy for sick leave. Sick leave is accumulated at the rate of eight hours per month. An employee will not be paid out any sick time upon termination of employment.



Nassau County Sheriff Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*concluded*)

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

NOTE 2: DEPOSITS AND INVESTMENTS

Deposits

All deposits of the Office are placed in a bank that qualifies as a public depository pursuant to the provisions of the Florida Security for Public Deposits Act. Every qualified public depository is required by this law to deposit with the Chief Financial Officer eligible collateral equal to, or in excess of, an amount to be determined by the Chief Financial Officer. The Chief Financial Officer is required to ensure that all funds are entirely collateralized throughout the fiscal year.

Financial institutions qualifying as public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, *Florida Statutes*, no public depositor shall be liable for any loss thereof. All of the cash funds of the Sheriff are deposited in accordance with *Florida Statutes* 280 and 218.415, and *Nassau County Resolution* 95-144.

NOTE 3: RISK MANAGEMENT

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

The Sheriff participates in two Florida Sheriffs' self-insurance funds for risks related to professional liability and automobile risks. The funding agreements provide that each fund will be self-sustaining through member premiums and that the Sheriff's liability fund will reinsure through commercial companies. Aggregate coverage provided by the liability fund is \$10,000,000 for professional liability and \$10,000,000 for public officials' coverage. Coverage limits for automobile risks are \$200,000 per accident for bodily injury and \$100,000 per accident for property damage. In addition, the Sheriff has obtained an excess loss reimbursement policy to cover catastrophic inmate medical claims.

**Nassau County Sheriff
Notes to Financial Statements**

NOTE 4: PENSION AND POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Florida Retirement System (FRS) Pension Benefits

The Sheriff participates in the Florida Retirement System for pension benefits. A detailed plan description and any liability for employees of the Sheriff are included in the financial statements of the County.

Postemployment Benefits other than Pension Benefits

The Sheriff participates in the plan established by the Board of County Commissioners to provide other post-employment benefits to retirees of the Board and Constitutional Officers. A detailed plan description and any liability for employees of the Sheriff are included in the financial statements of the County.

NOTE 5: INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables at September 30, 2017, are as follows:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 2,262	\$ -
Special Revenue Funds:		
Inmate Commissary	8,749	166
Agency Funds:		
Inmate Trust	-	10,845
Totals	\$ 11,011	\$ 11,011

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SUPPLEMENTARY INFORMATION

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**Nassau County Sheriff
Combining Balance Sheet - Nonmajor Governmental Funds
Special Revenue Funds
September 30, 2017**

	Sheriff Investigative	911 Operations	Equitable Sharing	Total Other Governmental Funds
ASSETS				
Cash in banks	\$ 92,381	\$ 94,686	\$ 130,891	\$ 317,958
Cash on hand	1,633	-	-	1,633
Due from other governments	134	-	-	134
TOTAL ASSETS	\$ 94,148	\$ 94,686	\$ 130,891	\$ 319,725
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ 1,061	\$ -	\$ 1,061
Due to Board of County Commissioners	-	93,625	4,567	98,192
Total liabilities	-	94,686	4,567	99,253
Fund Balances				
Restricted:				
Law Enforcement	-	-	126,324	126,324
Committed:				
Investigative	94,148	-	-	94,148
Total fund balances	94,148	-	126,324	220,472
TOTAL LIABILITIES AND FUND BALANCES	\$ 94,148	\$ 94,686	\$ 130,891	\$ 319,725

Nassau County Sheriff
Combining Statement of Revenues, Expenditures and
Changes In Fund Balance - Nonmajor Governmental Funds
Special Revenue Funds
Year Ended September 30, 2017

	Sheriff Investigative	911 Operations	Equitable Sharing	Total Other Governmental Funds
Revenues				
Intergovernmental	\$ -	\$ -	\$ 73,404	\$ 73,404
Miscellaneous	11,446	-	-	11,446
Total revenues	11,446	-	73,404	84,850
Expenditures				
Current:				
Public Safety:				
Personal services	-	110,012	-	110,012
Operating expenditures	20,590	150,894	-	171,484
Capital Outlay	-	469	-	469
Total expenditures	20,590	261,375	-	281,965
(Deficiency) excess of revenues over (under) expenditures	(9,144)	(261,375)	73,404	(197,115)
Other financing sources (uses)				
Transfers in from Board of County Commissioners	-	355,000	-	355,000
Transfers (out) to Board of County Commissioners	-	(93,625)	-	(93,625)
Total other financing sources (uses)	-	261,375	-	261,375
Net change in fund balance	(9,144)	-	73,404	64,260
Fund balance, beginning of year	103,292	-	52,920	156,212
Fund balance, beginning of year	\$ 94,148	\$ -	\$ 126,324	\$ 220,472



**Nassau County Sheriff
Description of Agency Funds
September 30, 2017**

AGENCY FUNDS

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

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

Abandoned Property - Accounts for funds received from the conversion of abandoned property to cash. These funds are required to be submitted to the Nassau County School Board.

Nassau County Sheriff
Combining Statement of Fiduciary Assets and Liabilities -
Agency Funds
September 30, 2017

	Individual Depositors/ Suspense	Inmate Trust	Abandoned Property	Total
ASSETS				
Cash	\$ 5,415	\$ 44,887	\$ 555	\$ 50,857
Accounts Receivable	130	-	-	130
Due from Board of County Commissioners	640	-	-	640
TOTAL ASSETS	\$ 6,185	\$ 44,887	\$ 555	\$ 51,627

LIABILITIES AND FUND BALANCES

Liabilities

Accounts payable	\$ 5	\$ 13,898	\$ -	\$ 13,903
Deposits	-	19,601	-	19,601
Due to other funds	-	10,845	-	10,845
Due to other governments	640	514	555	1,709
Due to Board of County Commissioners	5,540	29.00	-	5,569
TOTAL LIABILITIES	\$ 6,185	\$ 44,887	\$ 555	\$ 51,627

OTHER SUPPLEMENTAL INFORMATION

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EMPLOYEE RETIREMENT PLANS

General Information about the Florida Retirement System (FRS)

The FRS was created in Chapter 121, *Florida Statutes*, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, *Florida Statutes*, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any state-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the Sheriff are eligible to enroll as members of the State-administered FRS. Provisions relating to FRS are established by Chapters 121 and 122, *Florida Statutes*; Chapter 112 Part IV, *Florida Statutes*; Chapter 238, *Florida Statutes*; and FRS Rules, Chapter 60S, *Florida Administrative Code*; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer defined-benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' web site (www.dms.myflorida.com).

FRS Pension Plan

Plan Description. The FRS Pension Plan (the "Plan") is a cost-sharing multiple-employer defined benefit pension plan, with a DROP for eligible employees. The general classes of membership applicable to the Sheriff are as follows:

- *Regular Class* - Members of the Plan who do not qualify for membership in the other classes.
- *Elected County Officer Class* - Members who hold specified elective offices in local government.
- *Senior Management Service Class* - Members in senior management level positions.
- *Special Risk Class* - Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Members of the Plan may include up to four years of credit for military service toward creditable service.

EMPLOYEE RETIREMENT PLANS (continued)

The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, *Florida Statutes*, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Certain members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>Percent Value</u>
<i>Regular Class Members Initially Enrolled Before July 1, 2011:</i>	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
<i>Regular Class Members Initially Enrolled on or After July 1, 2011:</i>	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
<i>Elected County Officers</i>	3.00
<i>Senior Management Service Class</i>	2.00

**Nassau County Sheriff
Other Supplemental Information
September 30, 2017**

EMPLOYEE RETIREMENT PLANS (continued)

As provided in Section 121.101, *Florida Statutes*, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2016-2017 fiscal year were as follows:

<u>Class</u>	<u>Year Ended June 30, 2018</u>		<u>Year Ended June 30, 2017</u>	
	<u>Percent of Gross Salary</u>		<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>
FRS, Regular	3.00	6.20	3.00	5.80
FRS, Elected County Officers	3.00	43.78	3.00	40.75
FRS, Senior Management Service	3.00	20.99	3.00	20.05
FRS, Special Risk Regular	3.00	21.55	3.00	20.85
DROP - Applicable to Members from All of the Above Classes	0.00	11.60	0.00	11.33
FRS, Reemployed Retiree	(1)	(1)	(1)	(1)

Notes: (1) Contribution rates are dependent upon retirement class in which reemployed.

The Sheriff's contributions to the FRS Plan totaled \$1,642,400 for the fiscal year ended September 30, 2017. This amount excludes the HIS defined benefit pension plan contributions.

Pension Liabilities. At September 30, 2017, the Sheriff's proportionate share of the FRS net pension liability was \$15,335,492. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The Sheriff's proportionate share of the net pension liability was based on the Sheriff's contributions to the FRS Plan compared to the contributions of all participating members..

Further details of the FRS Plan net pension liability, annual pension expense, actuarial assumptions, sensitivity analysis, and the other required disclosures can be found in the County-wide annual financial report.

EMPLOYEE RETIREMENT PLANS (continued)

HIS Pension Plan

Plan Description. The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, *Florida Statutes*, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Florida Department of Management Services.

Benefits Provided. For the fiscal year ended September 30, 2017, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, *Florida Statutes*. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal years ended June 30, 2018 and 2017, the contribution rates were 1.66% of payroll respectively, pursuant to Section 112.363, *Florida Statutes*. The Sheriff contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The Sheriff's contributions to the HIS Plan for the fiscal year ended September 30, 2017 totaled \$183,129.

Pension Liabilities. At September 30, 2017, the Sheriff's proportionate share of the HIS net pension liability was \$3,653,581. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The Sheriff's proportionate share of the net pension liability was based on the Sheriff's contributions to the HIS Plan compared to the contributions of all participating members.

Further details of the HIS Plan net pension liability, annual pension expense, actuarial assumptions, sensitivity analysis, and the other required disclosures can be found in the County-wide annual financial report.

FRS - Defined Contribution Pension Plan

The Sheriff contributes to the FRS Investment Plan (the "Investment Plan"), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the SBA, and is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report. Service retirement benefits are based upon the value of the member's account upon retirement.

EMPLOYEE RETIREMENT PLANS *(continued)*

As provided in Section 121.4501, *Florida Statutes*, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. The Sheriff employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member’s accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds.

Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices.

Allocations to the investment members’ accounts (employer and employee) during the 2016-17 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Compensation</u>
FRS, Regular	6.30
FRS, Elected County Officers	11.34
FRS, Senior Management Service	7.67
FRS, Special Risk Regular	14.00

FRS - Defined Contribution Pension Plan

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Plan is transferred to the Investment Plan, the member must have the years of service required for Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended September 30, 2017, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Sheriff.

EMPLOYEE RETIREMENT PLANS (*concluded*)

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Plan, or remain in the Investment Plan and rely upon that account balance for retirement income. The Sheriff's contributions to the Investment Plan totaled \$155,200 for the fiscal year ended September 30, 2017.

OTHER POSTEMPLOYMENT BENEFITS

The County offers certain postemployment health care benefits that are considered part of an Other Postemployment Benefit (OPEB) plan for financial accounting purposes. The OPEB is a single-employer benefit plan administered by the County. Retirees are charged whatever the insurance company charges for the type of coverage elected. However, the premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees. *GASB Statement No. 45* calls this the “implicit rate subsidy.”

Retirees and their dependents (except for life insurance) are permitted to remain covered under the County’s respective medical and insurance plans as long as they pay a full premium applicable to coverage elected. Special risk employees of the Sheriff’s office begin to receive a subsidy if they have obtained 25 years of service and become fully subsidized once they reach 30 years of service. All other employees of the Sheriff’s office receive a 100% subsidy if they have reached 30 years of service. This conforms to the minimum required of Florida governmental employers per Chapter 112.08, *Florida Statutes*.

The Sheriff’s portion of the OPEB obligation for the year totaled \$3,312,600. 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.

**Nassau County Sheriff
Other Supplemental Information
September 30, 2017**

CAPITAL ASSETS

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

Information on vehicles and equipment used in the operations of the Sheriff's office are presented below:

Capital Assets	Balance October 1, 2016	Additions	Deletions	Balance September 30, 2017
Machinery and equipment	\$ 13,322,322	\$ 2,056,585	\$ (806,039)	\$ 14,572,868
Accumulated depreciation	(7,428,582)	(1,765,428)	783,631	(8,410,379)
Total long-term debt	\$ 5,893,740	\$ 291,157	\$ (22,408)	\$ 6,162,489

Depreciation expense totaling \$1,765,428 was recorded in the government-wide financial statements for the year ended September 30, 2017.

**Nassau County Sheriff
Other Supplemental Information
September 30, 2017**

OPERATING LEASES

The Sheriff leases various copier equipment under operating lease agreements requiring monthly lease payments totaling \$2,385 with expiration dates ranging from September 2019 to February 2022. Lease expense totaled \$49,294 for the year ended September 30, 2017.

Future minimum lease payments under the operating leases are as follows:

<i>Year Ending September 30,</i>	Amount
2018	\$ 28,622
2019	28,622
2020	25,865
2021	25,865
2022	20,223
Totals	\$ 129,197

**Nassau County Sheriff
Other Supplemental Information
September 30, 2017**

CHANGES IN LONG-TERM DEBT

The following is a summary of the changes in long-term debt for the year ended September 30, 2017:

	Balance October 1, 2016	Additions	Deletions	Balance September 30, 2017
Capital lease	\$ 435,081	\$ -	\$ (113,700)	\$ 321,381
Accrued compensated absences	858,230	932,185	(791,710)	998,705
Other postemployment benefits	2,645,970	666,630	-	3,312,600
Net pension liabilities:				
FRS Plan	15,335,492	3,249,204	-	18,584,696
HIS Plan	3,793,948	-	(140,367)	3,653,581
Total long-term debt	\$ 23,068,721	\$ 4,848,019	\$ (1,045,777)	\$ 26,870,963

See Employee Retirement Plan note above for additional information on the Net Pension Liabilities related to the FRS and HIS Pension Plans.

Compensated Absences

Accrued compensated absences represent the vested portion of accrued leave, and are liquidated by the general fund and 911 operations fund. See Note 1 for a summary of the Sheriff's compensated absences policy.

A description of the Sheriff's policies on OPEB is described above. The Sheriff'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.

Capital Lease

In fiscal year 2015, the Sheriff entered into a capital lease agreement with Presidio Technology Capital, LLC to lease server equipment. The lease requires monthly payments of \$11,073 and matures May 1, 2020.

Future minimum lease payments under the capital lease are as follows:

<i>Year Ending September 30,</i>	Amount
2018	\$ 121,799
2019	132,872
2020	88,581
Total future minimum lease payments	343,252
Less amount representing interest	(21,871)
Present value of future minimum lease payments	\$ 321,381

**ADDITIONAL ELEMENTS REQUIRED BY
THE RULES OF THE AUDITOR GENERAL**

INDEPENDENT AUDITOR’S 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 Bill Leeper
Nassau County Sheriff
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 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, 2017, and the related notes to the financial statements, and have issued our report thereon dated April 16, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Sheriff’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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Sheriff’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 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. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sheriff's financial statements are free from 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 entity'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 Sheriff's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carly Riggs & Ingram, L.L.C.

Jacksonville, Florida

April 16, 2018

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

The Honorable Bill Leeper
Nassau County Sheriff
Nassau County, Florida

We have examined Nassau County, Florida Sheriff's (the "Sheriff") compliance with the requirements of Section 218.415, *Florida Statutes, Local Government Investment Policies*, during the year ended September 30, 2017. Management of the Sheriff is responsible for the Sheriff's compliance with those requirements. Our responsibility is to express an opinion on the Sheriff's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Sheriff complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Sheriff complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Sheriff's compliance with the specified requirements.

In our opinion, the Sheriff complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2017.

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

Carr, Riggs & Ingram, L.L.C.

Jacksonville, Florida
April 16, 2018

MANAGEMENT LETTER

The Honorable Bill Leeper
Nassau County Sheriff
Nassau County, Florida

Report on the Financial Statements

We have audited the financial statements of the Nassau County, Florida, Sheriff (the “Sheriff”), as of and for the year ended September 30, 2017, and have issued our report thereon dated April 16, 2018.

Auditor’s 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 Reporting Requirements

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 Accountant’s Report on our examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated April 16, 2018, 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 such findings or recommendations made in the preceding 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 Sheriff was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Sheriff.

Financial Management

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Other Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate noncompliance with 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 note 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, Federal and other granting agencies, the Sheriff and applicable management, 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 professional 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.

Caru, Riggs & Ingram, L.L.C.

April 16, 2018
Jacksonville, Florida