

# 2022

Nassau County Sheriff  
Nassau County, Florida

Financial Statements and  
Independent Auditor's Report

September 30, 2022

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORTS**

**NASSAU COUNTY SHERIFF  
NASSAU COUNTY, FLORIDA**

**SEPTEMBER 30, 2022**

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Bill Leeper  
Nassau County Sheriff  
Nassau County, Florida

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited 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 fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements, as listed in the table of contents.

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, 2022, and the respective changes in financial position thereof, and the respective budgetary comparison for each major fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Sheriff and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Emphasis of Matter**

##### *Incomplete Presentation*

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 (the Rules). 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

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The Honorable Bill Leeper  
Nassau County Sheriff  
Nassau County, Florida

## INDEPENDENT AUDITOR'S REPORT

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, 2022, and the changes in its financial position for the fiscal 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.

### ***Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions of events, considered in the aggregate, that raise substantial doubt about the Sheriff's ability to continue as a going concern for twelve months beyond the financial statement date, including any known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the judgment made by a reasonable user made on the basis of these financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to these risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Sheriff's internal control. Accordingly, no such opinion is expressed.

The Honorable Bill Leeper  
Nassau County Sheriff  
Nassau County, Florida

## INDEPENDENT AUDITOR'S REPORT

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Sheriff's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Other Financial Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's basic 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.

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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the other financial information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2023 on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely 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 Sheriff's internal control over financial reporting and compliance.



March 13, 2023  
Gainesville, Florida

## **FINANCIAL STATEMENTS**

**NASSAU COUNTY SHERIFF  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2022**

	<b>Major Funds</b>				<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
	<b>General Fund</b>	<b>Inmate Commissary</b>	<b>Federal Inmate</b>	<b>Capital Projects</b>		
<b>Assets</b>						
Cash in Bank	\$ 1,898,670	\$ 1,414,851	\$ 246,870	\$ 396,116	\$ 35,107	\$ 3,991,614
Cash on Hand	500	-	-	-	3,942	4,442
Accounts Receivable	33,750	40,193	-	-	-	73,943
Due from Other Funds	188,453	8,033	-	-	2,386	198,872
Due from Board of County Commissioners	43,582	-	-	-	186,500	230,082
Due from Other Governments	974	-	43,244	-	-	44,218
Other Current Assets	100	-	-	-	-	100
<b>Total Assets</b>	<b>2,166,029</b>	<b>1,463,077</b>	<b>290,114</b>	<b>396,116</b>	<b>227,935</b>	<b>4,543,271</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts Payable	559,149	1,890	-	30,000	1,253	592,292
Due to Board of County Commissioners	124,331	-	283,044	-	-	407,375
Due to Other Funds	2,452	-	-	-	186,500	188,952
Other Current Liabilities	1,480,097	6,201	7,070	-	12,040	1,505,408
<b>Total Liabilities</b>	<b>2,166,029</b>	<b>8,091</b>	<b>290,114</b>	<b>30,000</b>	<b>199,793</b>	<b>2,694,027</b>
<b>Fund Balances</b>						
Restricted:						
Inmate Welfare	-	1,454,986	-	-	-	1,454,986
Capital Projects	-	-	-	366,116	-	366,116
Committed:						
Investigative	-	-	-	-	28,142	28,142
<b>Total Fund Balances</b>	<b>-</b>	<b>1,454,986</b>	<b>-</b>	<b>366,116</b>	<b>28,142</b>	<b>1,849,244</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,166,029</b>	<b>\$ 1,463,077</b>	<b>\$ 290,114</b>	<b>\$ 396,116</b>	<b>\$ 227,935</b>	<b>\$ 4,543,271</b>

See accompanying notes to financial statements.

**NASSAU COUNTY SHERIFF**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<b>Major Funds</b>				<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
	<b>General Fund</b>	<b>Inmate Commissary</b>	<b>Federal Inmate</b>	<b>Capital Projects</b>		
<b>Revenues</b>						
Intergovernmental	\$ 54,093	\$ -	\$ 449,773	\$ -	\$ -	\$ 503,866
Miscellaneous	262,946	416,193	-	-	3,804	682,943
<b>Total Revenues</b>	<b>317,039</b>	<b>416,193</b>	<b>449,773</b>	<b>-</b>	<b>3,804</b>	<b>1,186,809</b>
<b>Expenditures</b>						
Current:						
Court-Related:						
Personal Services	1,362,515	-	-	-	-	1,362,515
Operating Expenditures	41,105	-	-	-	-	41,105
Public Safety:						
Personal Services	23,145,158	27,721	144,614	-	206,115	23,523,608
Operating Expenditures	6,791,660	140,417	17,271	-	226,009	7,175,357
Capital Outlay	1,749,552	-	4,844	3,039,845	330,361	5,124,602
Debt Service:						
Principal	248,192	-	-	-	-	248,192
Interest	11,305	-	-	-	-	11,305
<b>(Total Expenditures)</b>	<b>(33,349,487)</b>	<b>(168,138)</b>	<b>(166,729)</b>	<b>(3,039,845)</b>	<b>(762,485)</b>	<b>(37,486,684)</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(33,032,448)</b>	<b>248,055</b>	<b>283,044</b>	<b>(3,039,845)</b>	<b>(758,681)</b>	<b>(36,299,875)</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in from Board of County Commissioners	33,145,965	-	-	1,608,251	736,546	35,490,762
Transfers (out) to Board Board of County Commissioners	(113,517)	-	(283,044)	-	-	(396,561)
<b>Total Other Financing Sources (Uses)</b>	<b>33,032,448</b>	<b>-</b>	<b>(283,044)</b>	<b>1,608,251</b>	<b>736,546</b>	<b>35,094,201</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>248,055</b>	<b>-</b>	<b>(1,431,594)</b>	<b>(22,135)</b>	<b>(1,205,674)</b>
<b>Fund Balance, Beginning of Year</b>	<b>-</b>	<b>1,206,931</b>	<b>-</b>	<b>1,797,710</b>	<b>50,277</b>	<b>3,054,918</b>
<b>Fund Balance, End of Year</b>	<b>\$ -</b>	<b>\$ 1,454,986</b>	<b>\$ -</b>	<b>\$ 366,116</b>	<b>\$ 28,142</b>	<b>\$ 1,849,244</b>

See accompanying notes to financial statements.



**NASSAU COUNTY SHERIFF**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	General Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 54,093	\$ 54,093	\$ -
Miscellaneous	-	262,946	262,946	-
<b>Total Revenues</b>	<u>-</u>	<u>317,039</u>	<u>317,039</u>	<u>-</u>
<b>Expenditures</b>				
Current:				
Court-Related:				
Personal Services	1,399,160	1,362,515	1,362,515	-
Operating Expenditures	43,811	41,105	41,105	-
Public Safety:				
Personal Services	24,521,963	23,145,158	23,145,158	-
Operating Expenditures	5,690,113	6,791,660	6,791,660	-
Capital Outlay	739,307	1,749,552	1,749,552	-
Debt Service:				
Principal	247,214	248,192	248,192	-
Interest	12,284	11,305	11,305	-
<b>(Total Expenditures)</b>	<u>(32,653,852)</u>	<u>(33,349,487)</u>	<u>(33,349,487)</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(32,653,852)</u>	<u>(33,032,448)</u>	<u>(33,032,448)</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in from Board of County Commissioners	32,808,852	33,145,965	33,145,965	-
Transfers (out) to Board of County Commissioners	(155,000)	(113,517)	(113,517)	-
<b>Total Other Financing Sources (Uses)</b>	<u>32,653,852</u>	<u>33,032,448</u>	<u>33,032,448</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	-	-	-	-
<b>Fund Balance, Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**NASSAU COUNTY SHERIFF  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL - INMATE COMMISSARY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>Inmate Commissary Fund</u>			<b>Variance With Final Budget Positive (Negative)</b>
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Miscellaneous	\$ 348,000	\$ 416,193	\$ 416,193	\$ -
<b>Total Revenues</b>	<u>348,000</u>	<u>416,193</u>	<u>416,193</u>	<u>-</u>
<b>Expenditures</b>				
Current:				
Public Safety:				
Personal Services	-	27,721	27,721	-
Operating Expenditures	-	140,417	140,417	-
Contingency	<u>1,554,931</u>	<u>1,454,986</u>	<u>-</u>	<u>1,454,986</u>
<b>(Total Expenditures)</b>	<u>(1,554,931)</u>	<u>(1,623,124)</u>	<u>(168,138)</u>	<u>1,454,986</u>
<b>Net Change in Fund Balance</b>	(1,206,931)	(1,206,931)	248,055	1,454,986
<b>Fund Balance, Beginning of Year</b>	<u>1,206,931</u>	<u>1,206,931</u>	<u>1,206,931</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,454,986</u>	<u>\$ 1,454,986</u>

See accompanying notes to financial statements.

**NASSAU COUNTY SHERIFF**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL - FEDERAL INMATE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Federal Inmate Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 511,000	\$ 449,773	\$ 449,773	\$ -
<b>Total Revenues</b>	<u>511,000</u>	<u>449,773</u>	<u>449,773</u>	<u>-</u>
<b>Expenditures</b>				
Current:				
Public Safety:				
Personal Services	249,312	144,614	144,614	-
Operating Expenditures	38,850	17,271	17,271	-
Capital Outlay	80,000	4,844	4,844	-
<b>(Total Expenditures)</b>	<u>(368,162)</u>	<u>(166,729)</u>	<u>(166,729)</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>142,838</u>	<u>283,044</u>	<u>283,044</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>				
Transfers (out) to Board of County Commissioners	(142,838)	(283,044)	(283,044)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(142,838)</u>	<u>(283,044)</u>	<u>(283,044)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	-	-	-	-
<b>Fund Balance, Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**NASSAU COUNTY SHERIFF  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2022**

	<b>Custodial Funds</b>
<b>Assets</b>	
Cash	\$ 84,269
Due from Other Funds	4
<b>Total Assets</b>	<b>84,273</b>
<b>Liabilities</b>	
Accounts Payable	48,589
Due to Other Funds	9,924
Due to Board of County Commissioners	5,686
<b>Total Liabilities</b>	<b>64,199</b>
<b>Net Position</b>	<b>\$ 20,074</b>

See accompanying notes to financial statements.

**NASSAU COUNTY SHERIFF  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR YEAR ENDED SEPTEMBER 30, 2022**

	<b>Custodial Funds</b>
<b>Additions</b>	
Inmate Funds Collected	\$ 1,310,432
Fines, Forfeitures, and Fees Collected	125,256
<b>Total Additions</b>	1,435,688
 <b>Deductions</b>	
Inmate Funds Disbursed	1,323,988
Fines, Forfeitures, and Fees Disbursed	125,256
<b>Total Deductions</b>	1,449,244
 <b>Change in Net Position</b>	(13,556)
 <b>Net Position, Beginning of Year</b>	33,630
Prior Period Adjustment	-
<b>Net Position, Beginning of Year, Restated</b>	33,630
 <b>Net Position, End of Year</b>	\$ 20,074

See accompanying notes to financial statements.

## **NOTES TO FINANCIAL STATEMENTS**

**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 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 a part of the primary government of the County. The Sheriff is responsible for the administration and operation of the Sheriff's office, and the Sheriff's 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 accompanying financial statements include all the funds and accounts of the Sheriff's office, but are not a complete presentation of the County as a whole. Except for this matter, they are otherwise in conformity with GAAP. The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557, *Rules of the Auditor General, Local Governmental Entity Audits*.

The financial transactions of the Sheriff are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. These funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. GAAP sets forth minimum criteria (percentage of assets, liabilities, revenues, and expenditures of each fund category) for the determination of major funds. Major funds are reported separately in the basic financial statements of the Sheriff.

■ **Governmental Funds**

● **Major Funds**

- ▶ **General Fund**—The general fund is the general 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.
- ▶ **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.
- ▶ **Capital Projects Fund**—This fund accounts for the transfers from the Board of County Commissioners related to the construction of facilities for the benefit of the Sheriff's Office operations.

**NASSAU COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS**

- **Other 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 non-major special revenue funds in the financial statements under the following titles: Sheriff’s Investigative Fund, Equitable Sharing Fund, and 911 Operations Fund. The Sheriff’s Investigative Fund accounts for monies used in accordance with Section 925.055, Florida Statutes. The Equitable Sharing fund accounts for monies received from the forfeiture of assets through the Department of Justice’s Federal Equitable Sharing Program and administered by the Nassau County Board of County Commissioners. The 911 Operations Fund accounts for the proceeds of telephone charges collected for the operation of the 911 emergency response system.

- **Fiduciary Funds**

- **Custodial Funds**—The custodial funds are fiduciary funds, which are used to account for assets received and held by the Sheriff in the capacity of a trustee or as an agent for individuals, government agencies, and other public organizations.

**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. 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. Revenues are recognized when they become measurable and available as net current assets. Revenues are considered to be available when they are collectable within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considered revenues to be available if they are collected within 31 days of the end of the current fiscal period, except for grant revenues, which are considered to be available if collected within 60 days. 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.

The custodial funds are accounted for using an economic resource measurement focus and accrual basis of accounting requiring a resource flow statement. Liabilities are recognized when an event occurs that compels the Sheriff to disburse fiduciary resources, which is when a demand for resources has been made or when no further action, approval, or condition is required to be taken by the beneficiary to release the assets.



**NASSAU COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS**

**Budgetary Requirement**

Governmental fund revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with Florida Statutes. The Inmate Commissary Fund and the Sheriff's Investigative 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.

**Capital Assets**

Capital assets, which include vehicles and equipment, are recorded as capital outlay expenditures in the governmental funds at the time goods are received and a liability is incurred. These assets are then capitalized at cost in the statement of net position as part of the basic financial statements of the County (statement of net assets). Capital assets acquired under leases are capitalized at cost in the statement of net assets at the time the assets are received. Donated and confiscated capital assets are recorded in the statement of net assets at fair value at the time received. Capital assets are depreciated using the straight-line method over three to ten years. The depreciation expense is recorded in the statement of activities as part of the basic financial statements of the County.

**Accrued Compensated Absences**

The Sheriff maintains a policy of granting employees Paid Time Off Leave (PTO Leave), which is accrued bi-weekly at an hourly rate determined based upon months of service with the Sheriff. PTO Leave may be used for annual, personal, or sick leave purposes. An employee can receive payment for such accumulated PTO Leave, up to a limit determined based upon months of service with the Sheriff, upon termination of employment.

The Sheriff also allows employees to accumulate compensatory time earned. Compensatory time earned is calculated bi-weekly and is limited to an accrual of 40 hours. An employee can receive payment for unused compensatory time upon termination of employment or at the discretion of the Sheriff.

**Workers' Compensation and Group Health Insurance**

The Board provides the Sheriff and his employees with workers' compensation and group health insurance coverage. Accidental death coverage for Law Enforcement Officers is also provided by the Board. The premiums for such coverage are paid by the Board and recorded on its records and, consequently, are not recorded on the Sheriff's records.

**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.

**NASSAU COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS**

The Sheriff participates in two Florida Sheriff's Self-Insurance Funds for risk 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 a combined \$500,000 per accident for bodily injury and property damage.

In addition, the Sheriff has obtained an excess loss reimbursement policy to cover catastrophic inmate medical claims.

**Fund Balance Reporting**

The Sheriff 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 balance is reported in five components – non-spendable, restricted, committed, assigned, and unassigned.

- **Non-Spendable**—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 non-spendable funds.
- **Restricted**—This component of fund balance consists of amounts that are constrained either: (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments); or (b) by law through constitutional provisions or enabling legislation.
- **Committed**—This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., ordinance or resolution) of the County's governing board. These committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (e.g., ordinance or resolution) it employed previously to constrain those amounts.
- **Assigned**—This component of fund balance consists of amounts that are constrained by a less-than-formal action of the 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**—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.

**NASSAU COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS**

**Implementation of GASB Statement No. 87, Leases**

During the year ended September 30, 2022, the Sheriff adopted new accounting guidance by implementing the provisions of GASB Statement No. 87, *Leases* (GASB 87), which established criteria for identifying and reporting leases. Leases with an initial term of one year or less are recorded in Operating Expenses when incurred. Leases with non-cancellable terms greater than one year, are evaluated based on materiality levels established by the County. Leases that qualify for reporting under the new standard are initially recognized as a Capital Outlay Expense and Other Financing Source in the year of inception of the lease. Subsequent payments on the lease are reported as debt service expenditures. A right-to-use asset and associated lease liability are recorded on the County-wide financial statements at the present value of the future lease payments including any residual value guarantees that are reasonably certain of being required or purchase options that are reasonably certain of being exercised. A description of the Sheriff's leasing arrangements is included in Note 6. GASB 87 implementation required assessment of leases as of October 1, 2021. Therefore, no restatement of prior periods was required as a result of implementation.

**Note 2 - Cash**

**Cash Deposits**

At September 30, 2022, the carrying amount of the Sheriff's deposits was \$4,080,325 and the bank balance was \$4,705,697. Cash on hand was \$4,442. Deposits in banks are collateralized as public funds through a state procedure provided for in Chapter 280, Florida Statutes. Financial institutions qualifying as public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. All of the cash deposits of the Sheriff are placed with qualified financial institutions, which means they are insured or collateralized.

**Note 3 - Employee Retirement Plan**

**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 non-integrated programs.

**NASSAU COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS**

An annual comprehensive 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' website ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

**FRS Pension Plan**

*Plan Description.* The FRS Pension Plan (Plan) is a cost-sharing multiple-employer qualified defined benefit pension plan, with DROP available 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 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 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. 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. 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:

**NASSAU COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS**

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>Percent Value</u>
<b><i>Regular Class Members Initially Enrolled Before July 1, 2011:</i></b>	
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
<b><i>Regular Class Members Initially Enrolled on or After July 1, 2011:</i></b>	
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
<b><i>Elected County Officers</i></b>	3.00
<b><i>Senior Management Service Class</i></b>	2.00
<b><i>Special Risk Regular</i></b>	
Service from December 1, 1970 through September 30, 1974	2.00
Service on and after October 1, 1974	3.00

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 2021-2022 fiscal year were as follows:

<u>Class</u>	<u>Year Ended June 30, 2022</u>		<u>Year Ended June 30, 2023</u>	
	<u>Percent of Gross Salary</u>		<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (2)</u>	<u>Employee</u>	<u>Employer (2)</u>
FRS, Regular	3.00	9.10	3.00	10.19
FRS, Elected County Officers	3.00	49.70	3.00	55.28
FRS, Senior Management Service	3.00	27.29	3.00	29.85
FRS, Special Risk Regular	3.00	24.17	3.00	26.11
DROP - Applicable to Members from all of the Above Classes	3.00	16.68	3.00	16.94
FRS, Reemployed Retiree	(1)	(1)	(1)	(1)

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

(2) These rates include the normal cost and unfunded actuarial liability contributions but do not include the contribution for HIS of 1.66% and the fee of 0.06% for administration of the FRS Investment Plan and provision of education tools for both plans.

The Sheriff's contributions (employer) to the FRS Plan totaled \$3,673,300 for the fiscal year ended September 30, 2022. This excludes the HIS defined benefit pension plan contributions.

**NASSAU COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS**

Pension Liabilities. At September 30, 2022, the Sheriff's proportionate share of the FRS net pension liability was \$30,711,604. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. 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 information about the Sheriff's net pension liability, pension expense, actuarial assumptions, sensitivity analysis, and other required disclosures related to the FRS Plan can be found in the County-wide annual financial report.

**HIS Pension Plan**

Plan Description. The HIS Pension Plan (HIS Plan) is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The Florida Legislature established and amends the contribution requirements and benefit terms of the HIS Program. The benefit is a monthly payment to assist retirees of state-administered retirement systems in paying their health insurance costs.

Benefits Provided. For the fiscal year ended September 30, 2022, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under one of the State-administered retirement systems 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, 2023 and 2022, the contribution rates were 1.66% of payroll, 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 totaled \$316,387 for the fiscal year ended September 30, 2022 (modified accrual basis).

Pension Liabilities. At September 30, 2022, the Sheriff's proportionate share of the HIS net pension liability was \$5,421,854. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. 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 information about the Sheriff's net pension liability, pension expense, actuarial assumptions, sensitivity analysis, and other required disclosures related to the HIS Plan can be found at the County-wide level.

**NASSAU COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS**

**FRS – Defined Contribution Pension Plan**

The Sheriff contributes to the FRS Investment Plan (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 State Board of Administration (SBA), and is reported in the SBA’s annual financial statements and in the State of Florida Annual Comprehensive Financial Report. Service retirement benefits are based upon the value of the member’s account upon retirement.

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. These blended rates include the applicable rates for the unfunded actuarial accrued liability of the FRS defined benefit plan, the 1.66% HIS contribution rate, and the .06% administrative fee. 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 2021-2022 fiscal year were as follows:

Class	Year Ended June 30, 2022		Year Ended June 30, 2023	
	Percent of Gross Salary		Percent of Gross Salary	
	Employee	Employer	Employee	Employer
FRS, Regular	3.00	3.30	3.00	6.30
FRS, Elected County Officers	3.00	8.34	3.00	11.34
FRS, Senior Management Service	3.00	4.67	3.00	7.67
FRS, Special Risk Regular	3.00	11.00	3.00	14.00

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. Non-vested 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, 2022, 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.

**NASSAU COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS**

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.

For the fiscal year ended September 30, 2022, the Sheriff's pension expense related to the Investment Plan totaled \$611,140.

**Note 4 - Other Postemployment Benefits (OPEB)**

The County offers certain postemployment health care benefits that are considered part of an OPEB plan for financial accounting purposes. The OPEB plan is a single-employer benefit plan administered by the County. Retirees are charged whatever the insurance company charges for the type of coverage elected. However, the premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees.

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.

Currently, the Sheriff has 267 active employees and 17 retired employees who are considered participants in the OPEB plan for purposes of computing the OPEB obligation. The Sheriff's portion of the OPEB obligation for the year totaled \$7,415,314. This liability will be included in long-term liabilities in the County-wide financial statements. Details of the annual cost, the accrued obligation, and the other required disclosures can be found in the County-wide annual financial report.

**Note 5 - Capital Assets**

The tangible personal property used by the Sheriff in its governmental fund operation 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:

	<u>Balance October 1, 2021</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance September 30, 2022</u>
<b>Capital Assets</b>				
Construction in Process	\$ 1,331,492	\$ 3,045,025	\$ (676,193)	\$ 3,700,324
Machinery and Equipment	22,708,834	2,129,333	(662,667)	24,175,500
Accumulated Depreciation	<u>(14,421,581)</u>	<u>(2,480,620)</u>	<u>698,226</u>	<u>(16,203,975)</u>
<b>Capital Assets, Net</b>	<u>\$ 9,618,745</u>	<u>\$ 2,693,738</u>	<u>\$ (640,634)</u>	<u>\$ 11,671,849</u>



**NASSAU COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS**

Depreciation expense was recorded in the County's government-wide financial statements in the amount of \$2,480,620.

**Note 6 - Changes in Long-Term Debt**

The Sheriff's long-term debt is not recorded in the accompanying financial statements but is recorded in the statement of net position as part of the basic financial statements of the County.

The following is a summary of the changes in long-term debt of the Sheriff for the year ended September 30, 2022:

	<u>Balance October 1, 2021</u>	<u>Additions</u>	<u>(Deletions)</u>	<u>Balance September 30, 2022</u>
Liability Under Leases	\$ 211,677	\$ -	\$ (105,839)	\$ 105,838
Note Payable	508,441	-	(142,353)	366,088
Accrued Compensated Absences	1,728,840	1,642,977	(1,533,820)	1,837,997
Other Postemployment Benefits	7,191,929	233,385	-	7,415,314
Net Pension Liabilities:				
FRS Plan	6,036,993	24,674,611	-	30,711,604
HIS Plan	<u>6,036,582</u>	-	<u>(614,728)</u>	<u>5,421,854</u>
<b>Totals</b>	<u>\$ 21,714,462</u>	<u>\$ 26,550,973</u>	<u>\$ (2,396,740)</u>	<u>\$ 45,858,695</u>

See Note 3 for more information on the net pension liabilities related to the FRS and HIS Pension Plans.

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 are described in Note 4.

**Leases**

In October of 2018, the Sheriff entered into a lease agreement with Axon for the purchase of taser equipment. The lease agreement requires annual installments of \$105,839 for five years until October of 2023 with no interest. There are no variable payment components, escalation provisions, or residual value guarantees by the lessee associated with this agreement.

Assets associated with equipment leases and related amortization for the year ended September 30, 2022 are:

	<u>October 1, 2021</u>	<u>Additions</u>	<u>(Deletions)</u>	<u>September 30, 2022</u>
Assets Under Leases - Equipment	\$ 211,677	\$ -	\$ -	\$ 211,677
Accumulated Amortization	-	(105,839)	-	(105,839)
<b>Net Assets Under Leases - Equipment</b>	<u>\$ 211,677</u>	<u>(105,839)</u>	<u>-</u>	<u>\$ 105,838</u>

**NASSAU COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS**

Lease payments made under this agreement during the fiscal year ended September 30, 2022, were \$105,839. Future minimum lease payments, which do not include an interest component, under this lease are as follows:

<b>Year Ending September 30,</b>	<b>Future Lease Payments (Principal Only)</b>
2023	\$ 105,838
<b>Total Future Minimum Lease Payments</b>	<b>\$ 105,838</b>

**Note Payable**

In July 2020, the Sheriff entered into a promissory note agreement with First Port City Bank to purchase Virtualization Infrastructure Equipment. The note is secured by the equipment as detailed in the promissory note documents and is due in monthly installments of \$12,804 at a stated interest rate of 2.5% per annum.

Maturities of note payables are as follows:

<b>Year Ending September 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 146,070	\$ 7,588	\$ 153,658
2024	149,816	3,842	153,658
2025	70,202	488	70,690
<b>Total</b>	<b>\$ 366,088</b>	<b>\$ 11,918</b>	<b>\$ 378,006</b>

**Note 7 - Inter Fund Receivables and Payables**

Inter Fund receivables and payables at September 30, 2022, are as follows:

	<b>Due from Other Funds</b>	<b>Due to Other Funds</b>
General Fund	\$ 188,453	\$ 2,452
Special Revenue Funds:		
Equitable Sharing Fund	-	186,500
Inmate Commissary	8,033	-
911 Operations Fund	2,386	-
Fiduciary Funds:		
Inmate Trust	4	9,924
<b>Totals</b>	<b>\$ 198,876</b>	<b>\$ 198,876</b>

Interfund balances generally result from funds being deposited in one fund but not remitted to another fund until the subsequent month. All interfund balances are expected to be liquidated within three months.

## **OTHER FINANCIAL INFORMATION**

**NASSAU COUNTY SHERIFF  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS  
SEPTEMBER 30, 2022**

	<u>Sheriff Investigative</u>	<u>Equitable Sharing</u>	<u>911 Operations</u>	<u>Total Other Governmental Funds</u>
<b>Assets</b>				
Cash in Bank	\$ 24,200	\$ -	\$ 10,907	\$ 35,107
Cash on Hand	3,942	-	-	3,942
Due from Other Funds	-	-	2,386	2,386
Due from Board of County Commissioners	-	186,500	-	186,500
<b>Total Assets</b>	<u>28,142</u>	<u>186,500</u>	<u>13,293</u>	<u>227,935</u>
<b>Liabilities and Fund Balances</b>				
Accounts Payable	-	-	1,253	1,253
Due to Other Funds	-	186,500	-	186,500
Other Current Liabilities	-	-	12,040	12,040
<b>Total Liabilities</b>	<u>-</u>	<u>186,500</u>	<u>13,293</u>	<u>199,793</u>
<b>Fund Balances</b>				
Committed:				
Investigative	<u>28,142</u>	<u>-</u>	<u>-</u>	<u>28,142</u>
<b>Total Fund Balances</b>	<u>28,142</u>	<u>-</u>	<u>-</u>	<u>28,142</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 28,142</u>	<u>\$ 186,500</u>	<u>\$ 13,293</u>	<u>\$ 227,935</u>

**NASSAU COUNTY SHERIFF  
COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>Sheriff Investigative</u>	<u>Equitable Sharing</u>	<u>911 Operations</u>	<u>Total Other Governmental Funds</u>
<b>Revenues</b>				
Miscellaneous	\$ 3,804	\$ -	\$ -	\$ 3,804
<b>Total Revenues</b>	<u>3,804</u>	<u>-</u>	<u>-</u>	<u>3,804</u>
<b>Expenditures</b>				
Current:				
Public Safety:				
Personal Services	-	-	206,115	206,115
Operating Expenditures	25,939	-	200,070	226,009
Capital Outlay	-	330,361	-	330,361
<b>(Total Expenditures)</b>	<u>(25,939)</u>	<u>(330,361)</u>	<u>(406,185)</u>	<u>(762,485)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(22,135)</u>	<u>(330,361)</u>	<u>(406,185)</u>	<u>(758,681)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in from Board of County Commissioners	-	330,361	406,185	736,546
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>330,361</u>	<u>406,185</u>	<u>736,546</u>
<b>Net Change in Fund Balance</b>	(22,135)	-	-	(22,135)
<b>Fund Balance, Beginning of Year</b>	<u>50,277</u>	<u>-</u>	<u>-</u>	<u>50,277</u>
<b>Fund Balance, End of Year</b>	<u>\$ 28,142</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,142</u>

## **CUSTODIAL FUNDS**

**Individual Depositors/Suspense**—Accounts for fees charged for the service of process in civil cases. These non-refundable fees are set by Section 30.231, Florida Statutes. On a monthly basis, these fees are deposited to the General Fund of the Board of County Commissioners. Accounts for the receipt and disbursement of funds received for various purposes, such as faulty equipment for inspection and purge money for child support. Disbursement of these 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.

**NASSAU COUNTY SHERIFF  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 CUSTODIAL FUNDS  
 SEPTEMBER 30, 2022**

	<u>Individual Depositors/ Suspense</u>	<u>Inmate Trust</u>	<u>Total</u>
<b>Assets</b>			
Cash	\$ 5,520	\$ 78,749	\$ 84,269
Other Receivables	-	4	4
	<u>5,520</u>	<u>78,753</u>	<u>84,273</u>
<b>Total Assets</b>	<u>5,520</u>	<u>78,753</u>	<u>84,273</u>
<b>Liabilities</b>			
Accounts Payable	-	48,589	48,589
Due to Other Funds	-	9,924	9,924
Due to Board of County Commissioners	5,520	166	5,686
	<u>5,520</u>	<u>58,679</u>	<u>64,199</u>
<b>Total Liabilities</b>	<u>5,520</u>	<u>58,679</u>	<u>64,199</u>
<b>Net Position</b>	<u>\$ -</u>	<u>\$ 20,074</u>	<u>\$ 20,074</u>

**NASSAU COUNTY SHERIFF  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
FOR YEAR ENDED SEPTEMBER 30, 2022**

	<u>Individual Depositors/ Suspense</u>	<u>Inmate Trust</u>	<u>Total</u>
<b>Additions</b>			
Inmate Funds Collected	\$ -	\$ 1,310,432	\$ 1,310,432
Fines, Forfeitures, and Fees Collected	125,256	-	125,256
<b>Total Additions</b>	<u>125,256</u>	<u>1,310,432</u>	<u>1,435,688</u>
<b>Deductions</b>			
Inmate Funds Disbursed	-	1,323,988	1,323,988
Fines, Forfeitures, and Fees Disbursed	125,256	-	125,256
<b>Total Deductions</b>	<u>125,256</u>	<u>1,323,988</u>	<u>1,449,244</u>
<b>Change in Net Position</b>	<u>-</u>	<u>(13,556)</u>	<u>(13,556)</u>
<b>Net Position, Beginning of Year</b>	-	33,630	33,630
Prior Period Adjustment	-	-	-
<b>Net Position, Beginning of Year, Restated</b>	<u>-</u>	<u>33,630</u>	<u>33,630</u>
<b>Net Position, End of Year</b>	<u>\$ -</u>	<u>\$ 20,074</u>	<u>\$ 20,074</u>



## **OTHER REPORTS**

**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 auditing standards generally accepted in the United States of America and the standards applicable to the 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, 2022, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements, and have issued our report thereon dated March 13, 2023.

**Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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.

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The Honorable Bill Leeper  
Nassau County Sheriff  
Nassau County, Florida

**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***

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the financial statements. 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 non-compliance 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 Sheriff'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.



March 13, 2023  
Gainesville, Florida

## 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, as of and for the year ended September 30, 2022, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Sheriff's compliance with those requirements. Our responsibility is to express an opinion on the Sheriff's compliance 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 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 non-compliance, 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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

In our opinion, the Sheriff complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

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



March 13, 2023  
Gainesville, Florida

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## MANAGEMENT LETTER

The Honorable Bill Leeper  
Nassau County Sheriff  
Nassau County, Florida

### Report on the Financial Statements

We have audited the financial statements of Nassau County, Florida Sheriff (the Sheriff) as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated March 13, 2023.

### 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 Auditor's 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 March 13, 2023, 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.

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The Honorable Bill Leeper  
Nassau County Sheriff  
Nassau County, Florida

## MANAGEMENT LETTER

### Financial Management

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

### Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance 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 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.



March 13, 2023  
Gainesville, Florida

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