

2023

Nassau County Tax Collector
Nassau County, Florida

Financial Statements and
Independent Auditor's Report

September 30, 2023

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

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

**NASSAU COUNTY TAX COLLECTOR
NASSAU COUNTY, FLORIDA**

SEPTEMBER 30, 2023

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the general fund and the aggregate remaining fund information of the Nassau County, Florida Tax Collector (the Tax Collector), as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Tax Collector's financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund and the aggregate remaining fund information for the Tax Collector as of September 30, 2023, and the respective changes in financial position thereof and the budgetary comparison for the general 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 Tax Collector 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

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 the general fund, only for that portion of the general fund, of Nassau County that is attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position of Nassau County as of September 30, 2023, 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.

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

INDEPENDENT AUDITOR'S REPORT

As discussed in Note 1 to the financial statements, the Tax Collector adopted Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs) as of October 1, 2022. Our opinions are not modified with respect to this matter.

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 Tax Collector'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 Tax Collector's internal control. Accordingly, no such opinion is expressed.
- 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.

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

INDEPENDENT AUDITOR'S REPORT

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Tax Collector'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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2024, on our consideration of the Tax Collector'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 Tax Collector's internal control over financial reporting and compliance.



March 7, 2024
Gainesville, Florida

FINANCIAL STATEMENTS

**NASSAU COUNTY TAX COLLECTOR
BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2023**

Assets	
Cash	\$ 917,421
Due from Custodial Fund	83,495
Total Assets	<u>1,000,916</u>
 Liabilities and Fund Balance	
Liabilities	
Accounts Payable	37,739
Other Current Liabilities	1,211
Due to Board of County Commissioners	853,331
Due to Other Governments	38,092
Unearned Revenue	70,543
Total Liabilities	<u>1,000,916</u>
 Fund Balance	 <u>-</u>
 Total Liabilities and Fund Balance	 <u>\$ 1,000,916</u>

See accompanying notes to financial statements.

**NASSAU COUNTY TAX COLLECTOR
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Revenues	
Charges for Services	\$ 1,328,274
Interest Income	10,957
Miscellaneous	6,418
Total Revenues	<u>1,345,649</u>
Expenditures	
Current:	
General Government:	
Personnel Services	3,226,866
Operating Expenditures	799,304
Debt Service Expenditures:	
Principal	219,675
Interest	11,740
Capital Outlay	147,480
(Total Expenditures)	<u>(4,405,065)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,059,416)</u>
Other Financing Sources (Uses)	
Transfers in from Board of County Commissioners	3,831,251
Transfers (out) to Board of County Commissioners	(837,811)
Lease Obligation	65,976
Total Other Financing Sources (Uses)	<u>3,059,416</u>
Net Change in Fund Balance	-
Fund Balance, Beginning of Year	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>

See accompanying notes to financial statements.

NASSAU COUNTY TAX COLLECTOR
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	General Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Charges for Services	\$ 838,330	\$ 838,330	\$ 1,328,274	\$ 489,944
Interest Income	2,500	2,500	10,957	8,457
Miscellaneous	-	-	6,418	6,418
Total Revenues	<u>840,830</u>	<u>840,830</u>	<u>1,345,649</u>	<u>504,819</u>
Expenditures				
Current:				
General Government:				
Personnel Services	3,360,765	3,313,765	3,226,866	86,899
Operating Expenditures	1,019,719	1,030,719	799,304	231,415
Debt Service Expenditures:				
Principal	-	-	219,675	(219,675)
Interest	-	-	11,740	(11,740)
Capital Outlay	66,656	102,656	147,480	(44,824)
(Total Expenditures)	<u>(4,447,140)</u>	<u>(4,447,140)</u>	<u>(4,405,065)</u>	<u>42,075</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,606,310)</u>	<u>(3,606,310)</u>	<u>(3,059,416)</u>	<u>546,894</u>
Other Financing Sources (Uses)				
Transfers in from Board of County Commissioners	4,474,242	4,474,242	3,831,251	(642,991)
Transfers (out) to Board of County Commissioners	(867,932)	(867,932)	(837,811)	30,121
Lease Obligation	-	-	65,976	65,976
Total Other Financing Sources (Uses)	<u>3,606,310</u>	<u>3,606,310</u>	<u>3,059,416</u>	<u>(546,894)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**NASSAU COUNTY TAX COLLECTOR
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
SEPTEMBER 30, 2023**

	Custodial Fund
Assets	
Cash	\$ 3,271,636
Due from Individuals	277,507
Total Assets	3,549,143
Liabilities	
Due to General Fund	83,495
Due to Board of County Commissioners	589
Due to Other Governments	340,386
Undistributed Collections	3,124,655
Total Liabilities	3,549,125
Net Position	
Restricted for:	
Individuals, Organizations, and Other Governments	\$ 18

See accompanying notes to financial statements.

**NASSAU COUNTY TAX COLLECTOR
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Custodial Fund
Additions	
Licenses and Tag Fees Collected	\$ 17,729,929
Property Taxes and Fees Collected	114,924,613
Refunds, Unclaimed Funds, Redeposits, and Credit Card Payments Collected	71,543,376
Tourist Development Fees Collected	11,444,202
Total Additions	215,642,120
 Deductions	
Licenses and Tag Fees Disbursed	17,729,929
Property Taxes and Fees Disbursed	114,924,613
Refunds, Unclaimed Funds, Redeposits, and Credit Card Payments Disbursed	71,543,746
Tourist Development Fees Disbursed	11,444,202
Total Deductions	215,642,490
 Change in Net Position	 (370)
 Net Position, Beginning	 388
 Net Position, Ending	 \$ 18

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

**NASSAU COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS**

Note 1 - Summary of Significant Accounting Policies

The accounting policies of the office of the Nassau County, Florida Tax Collector (the Tax Collector) 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 the accompanying financial statements.

Reporting Entity

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

The Tax Collector is an elected official of the County pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Tax Collector. The Tax Collector is a part of the primary government of the County. The Florida Department of Revenue approves the Tax Collector's operating budget, the Tax Collector is responsible for the administration and operation of the Tax Collector's office, and the Tax Collector's financial statements do not include the financial statements of the Board or the other Constitutional Officers of Nassau County, Florida.

The Tax Collector operates as a Fee Officer. Upon approval of the operating budget, revenues are collected from fees and from commissions earned for the collection of taxes and special assessments for the various Nassau County taxing authorities pursuant to Section 192.091(2), Florida Statutes. Any excess revenues received over expenditures made are remitted at year-end to the taxing districts.

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

Basis of Presentation

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

The financial transactions of the Tax Collector 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.

The Tax Collector reports the following fund types:

■ **Governmental Fund**

● **Major Fund**

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

**NASSAU COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS**

■ **Fiduciary Fund**

- **Custodial Fund**—The custodial fund is used to account for assets held by the Tax Collector as an agent for individuals, private organizations, and other governments. Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds.

Fund Balance

The Tax Collector follows the provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the Tax Collector is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

The fund balance classifications specified in GASB Statement No. 54 are as follows:

Non-Spendable Fund Balance—Non-spendable fund balances are amounts that cannot be spent because they are either: (a) not in spendable form; or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance—Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance—Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the Tax Collector’s highest level of decision making authority, which is a policy of the Tax Collector. Committed amounts cannot be used for any other purpose unless the Tax Collector removes those constraints by taking the same type of action.

Assigned Fund Balance—Assigned fund balances are amounts that are constrained by the Tax Collector’s intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by: (a) the Tax Collector; or (b) a body or official to which the Tax Collector has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance—Unassigned fund balance is the residual classification for the general fund. The Tax Collector’s policy is to expend resources in the following order: unassigned, restricted, committed, and assigned.

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.

**NASSAU COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS**

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 collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Tax Collector considered revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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 Fund is 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 Tax Collector 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 or not by the beneficiary to release the assets.

Budgetary Requirement

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

Budgets are prepared on the modified accrual basis of accounting.

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

Capital Assets

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

Leases and Subscription-Based Information Technology Agreements (SBITAs)

The Tax Collector enters into leases and SBITAs, as needed, for various vehicles, equipment, and software. At the commencement of a lease or SBITA, the Tax Collector initially measures the present value of payments expected to be made during the term of the agreement and records this amount as capital outlay expenditures and other finance source revenues. Subsequently, payments under the agreements are recorded as debt service principal and interest expenditures based on the discount rate that was used to measure the present value. Because of the current financial resources management focus, the accompanying fund financial statements do not report related right-of-use assets or long-term liabilities, and such amounts are instead reported in the government-wide financial statements of the County.

Compensated Absences

The Tax Collector maintains a policy of granting employees annual leave based upon the number of years of employment. Unused annual leave expires at the end of each fiscal year.

**NASSAU COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS**

In addition, the Tax Collector maintains the following policy for sick leave. Sick leave is accumulated at the rate of four hours per pay period. Upon making application to draw benefits through the Florida Retirement System, an eligible employee is entitled to be paid for accumulated sick leave at the current rate of pay, not to exceed 720 hours.

Property Tax Collections

Chapter 197, Florida Statutes, governs property tax collections.

- *Current Taxes*—All property taxes become due and payable on November 1, and are delinquent on April 1 of the following year. Discounts of 4%, 3%, 2%, and 1% are allowed for early payment in November through February, respectively.
- *Unpaid Taxes - Sale of Tax Certificates*—The Tax Collector advertises, as required by Florida Statutes, then sells tax certificates on all real property for unpaid taxes. Certificates not purchased are issued to the County. Any person owning real property upon which a tax certificate has been sold may reacquire the real property by paying the Tax Collector the face amount of the tax certificate plus interest and other costs.
- *Tax Deeds*—The owner of a tax certificate may, after two years when the taxes have been delinquent (after April 1), file an application for tax deed sale. The County, as a certificate owner, may exercise similar procedures two years after taxes have been delinquent (after April 1). Tax deeds are issued to the highest bidder for the property, which is sold at public auction. The Clerk of the Circuit Court administers these sales.

Unearned Revenue

Unearned revenue represents the biennial service fees attributable to future years.

Use of Estimates

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

Implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs)

During the year ended September 30, 2023, the Tax Collector adopted new accounting guidance by implementing the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs) (GASB 96), which established criteria for identifying and reporting SBITAs. SBITAs with an initial term of one year or less are recorded in Operating Expenses when incurred. SBITAs with non-cancellable terms greater than one year are evaluated based on materiality levels established by the County. SBITAs 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 SBITA. Subsequent payments on the SBITAs are reported as debt service expenditures. A right-to-use asset and associated SBITA liability are recorded on the County-wide financial statements at the present value of the future SBITA 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 Tax Collector's SBITAs is included in Note 8. GASB 96 implementation required assessment of SBITAs as of October 1, 2022. Therefore, no restatement of prior periods was required as a result of implementation.

**NASSAU COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS**

Note 2 - Cash

At September 30, 2023, the carrying amount of the Tax Collector's cash on hand and on deposit was \$4,189,057 and the bank balances were \$4,453,839. Deposits in banks and savings and loan institutions are collateralized as public funds through a state procedure provided for in Chapter 280, Florida Statutes. Financial institutions qualifying as public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. All of the cash deposits of the Tax Collector are placed with qualified financial institutions and are considered to be fully insured.

The Tax Collector's investment practices are governed by Sections 219.075 and 218.415, Florida Statutes. The Tax Collector was authorized to invest in certificates of deposit, obligations of the U.S. Treasury, money market funds, and repurchase agreements.

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 Tax Collector 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. 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).

FRS Pension Plan

Plan Description. The FRS Pension Plan (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 Tax Collector 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.

**NASSAU COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS**

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. 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. 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 96 months after electing to participate, except that certain instructional personnel may participate for up to 120 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:

Class, Initial Enrollment, and Retirement Age/Years of Service	Percent Value
<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 TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS**

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 2022-2023 fiscal year were as follows:

<u>Class</u>	<u>Year Ended June 30, 2023</u>		<u>Year Ended June 30, 2024</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 (3)</u>
FRS, Regular	3.00	10.19	3.00	11.51
FRS, Elected County Officers	3.00	55.28	3.00	56.62
FRS, Senior Management Service	3.00	29.85	3.00	32.46
DROP – Applicable to Members from all of the Above Classes	0.00	16.94	3.00	19.13
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 Retiree Health Insurance Subsidy of 1.66% and the fee of 0.06% for administration of the FRS Investment Plan and provision of education tools for both plans.

(3) These rates include the normal cost and unfunded actuarial liability contributions but do not include the contribution for Retiree Health Insurance Subsidy of 2.00% and the fee of 0.06% for administration of the FRS Investment Plan and provision of education tools for both plans.

The Tax Collector contributions (employer) to the FRS Pension Plan totaled \$369,684 for the fiscal year ended September 30, 2023. This excludes the HIS defined benefit pension plan contributions.

Pension Liabilities. At September 30, 2023, the Tax Collector’s proportionate share of the FRS net pension liability was \$2,960,631. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023.

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

**NASSAU COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS**

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. Eligible retirees and beneficiaries receive a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 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, 2024 and 2023, the contribution rates were 2.00% and 1.66% of payroll respectively, pursuant to Section 112.363, Florida Statutes. The Tax Collector 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 Tax Collector's contributions to the HIS Plan totaled \$38,300 for the fiscal year ended September 30, 2023.

Pension Liabilities. At September 30, 2023, the Tax Collector's proportionate share of the HIS net pension liability was \$864,712. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The Tax Collector's proportionate share of the net pension liability was based on the Tax Collector's 2022-23 fiscal year contributions of all participating members.

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

FRS - Defined Contribution Pension Plan

The Tax Collector 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.

**NASSAU COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS**

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. Tax Collector 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 Officer, 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 2.00% and 1.66%, through June 30, 2024 and June 30, 2023, respectively, 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 fiscal year were as follows:

Class	Year Ended June 30, 2023		Year Ended June 30, 2024	
	Percent of Gross Salary		Percent of Gross Salary	
	Employee	Employer	Employee	Employer
FRS, Regular	3.00	6.30	3.00	8.30
FRS, Elected County Officers	3.00	11.34	3.00	13.34
FRS, Senior Management Service	3.00	7.67	3.00	9.67
FRS, Special Risk Regular	3.00	14.00	3.00	16.00

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, 2023, 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 Tax Collector.

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.

**NASSAU COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS**

The Tax Collector’s contributions to the Investment Plan totaled \$59,588 for the fiscal year ended September 30, 2023.

Note 4 - Changes in Long-Term Debt

The following is a summary of the changes in long-term debt of the Tax Collector for the year ended September 30, 2023:

	<u>Balance October 1, 2022</u>	<u>Additions</u>	<u>(Deletions)</u>	<u>Balance September 30, 2023</u>
Liabilities Under Leases	\$ 34,147	\$ 65,976	\$ (38,303)	\$ 61,820
Liabilities Under SBITAs	364,719	-	(181,372)	183,347
Accrued Compensated Absences	82,049	119,623	(111,425)	90,247
Net Pension Liabilities:				
FRS Plan	2,516,591	444,040	-	2,960,631
HIS Plan	538,723	325,989	-	864,712
Other Postemployment Benefits	<u>913,859</u>	<u>-</u>	<u>(14,669)</u>	<u>899,190</u>
Total Long-Term Debt	<u>\$ 4,450,088</u>	<u>\$ 955,628</u>	<u>\$ (345,769)</u>	<u>\$ 5,059,947</u>

Liabilities under leases represent the net present value of payments due under leasing arrangements. See Note 7 for a description of the Tax Collector’s leasing arrangements.

Liabilities under SBITAs represent the net present value of payments due under subscription-based information technology arrangements. See Note 8 for a description of the Tax Collector’s SBITAs.

Accrued compensated absences represent the vested portion of accrued vacation and sick leave. See Note 1 for a summary of the Tax Collector’s compensated absences policy.

See Note 3 for more information on the Net Pension Liabilities related to the FRS and HIS Pension Plans.

Other Postemployment Benefits (OPEB) represents the portion of the liability based upon current and retired employees of the Tax Collector. See Note 5 for a description of OPEB.

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

Note 5 - 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.

**NASSAU COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS**

Retirees and their dependents (except for life insurance) are permitted to remain covered under the County’s respective medical and insurance plans as long as they pay a full premium applicable to coverage elected, subject to the direct subsidy in the following table. This conforms to the minimum required of Florida governmental employers per Chapter 112.08, Florida Statutes.

Percent of Direct Subsidy up to “Subsidy Base Maximum”

Years of Service with Nassau County	Hired Before 10/1/05	Hired on or After 10/1/05
At Least 6	100%	0%
15 Years	100%	50%
20 Years	100%	65%
25 Years	100%	80%
30 or More Years	100%	100%

Currently, the Tax Collector has 35 active employees and no retired employees who are considered participants in the plan for purposes of computing the OPEB obligation. The Tax Collector’s portion of the OPEB obligation at September 30, 2023, totaled \$899,190. This liability will be included in long-term liabilities in the County-wide financial statements. Details of the annual cost, the accrued obligation, and the other required disclosures can be found in the County-wide annual financial report.

Note 6 - Interfund Receivables and Payables

Interfund receivables and payables at September 30, 2023, are as follows:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 83,495	\$ -
Fiduciary:		
Custodial Fund	-	83,495
Totals	\$ 83,495	\$ 83,495

Interfund balances primarily comprise the statutory fee portion of collections within the fiduciary fund to be distributed to the general fund as revenues to support operations.

Note 7 - Lease Agreements

Equipment Leases

The Tax Collector is party to a lease agreement with Pitney Bowes for a letter opener and associated mail metering equipment. The lease period is for 58 months through fiscal year 2026. The quarterly payments due under the lease are \$1,361 due at the beginning of each quarter. There are no variable payment components, escalation provisions, or residual value guarantees by the lessee associated with this agreement.

**NASSAU COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS**

Assets associated with equipment leases and related amortization for the year ended September 30, 2023 are:

	<u>October 1, 2022</u>	<u>Additions</u>	<u>(Deletions)</u>	<u>September 30, 2023</u>
Assets Under Leases - Equipment	\$ 25,468	\$ -	\$ -	\$ 25,468
Accumulated Amortization	<u>(5,233)</u>	<u>(5,233)</u>	<u>-</u>	<u>(10,466)</u>
Net Assets Under Leases - Equipment	<u><u>\$ 20,235</u></u>	<u><u>(5,233)</u></u>	<u><u>-</u></u>	<u><u>\$ 15,002</u></u>

Equipment lease payments made under this agreement during the fiscal year ended September 30, 2023, were \$5,442. The principal and interest components of future minimum lease payments are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 5,361	\$ 81
2025	5,395	47
2026	<u>4,070</u>	<u>13</u>
Total	<u><u>\$ 14,826</u></u>	<u><u>\$ 141</u></u>

Building Leases

The Tax Collector leases office space for a branch location in Callahan, Florida. The lease on the building in effect at October 1, 2022 expired during the fiscal year ended September 30, 2023, and a new lease was entered into, with no lapse in rental term coverage. For the lease expired during the fiscal year ended September 30, 2023, the lease term was for 17 months through February 28, 2023. The term of the new lease is 24 months through February 28, 2025. The monthly payments due under the expired lease and the new lease were \$3,494 and \$3,515, respectively, due at the beginning of each month. The monthly payments for the expired and the new lease include a fixed non-lease component of \$674 and \$694, respectively, per month for shared maintenance, janitorial, etc. services provided to all tenants of the building, subject to an annual escalation of 3%, effective in March of each year. The lease component of each fixed monthly payment is adjusted annually by the amount of the change in the non-lease component. There are no variable payment components, escalation provisions on total monthly lease payments, or residual value guarantees by the lessee associated with this agreement.

Assets associated with building leases and related amortization for the year ended September 30, 2023 are:

	<u>October 1, 2022</u>	<u>Additions</u>	<u>(Deletions)</u>	<u>September 30, 2023</u>
Assets Under Leases - Buildings	\$ 47,636	\$ 65,976	\$ (47,636)	\$ 65,976
Accumulated Amortization	<u>(33,625)</u>	<u>(33,254)</u>	<u>47,636</u>	<u>(19,243)</u>
Net Assets Under Leases - Buildings	<u><u>\$ 14,011</u></u>	<u><u>\$ 32,722</u></u>	<u><u>-</u></u>	<u><u>\$ 46,733</u></u>

**NASSAU COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS**

Payments under these building leases totaled \$42,181 for the year ended September 30, 2023, which includes \$8,334 in non-lease shared cost allocation costs. The principal and interest components of future minimum lease payments under the building lease agreement described above are as follows:

Year Ending September 30,	Principal	Interest
2024	\$ 32,985	\$ 865
2025	14,009	95
Total	\$ 46,994	\$ 960

Note 8 - Subscription-Based Information Technology Arrangements

Effective October 1, 2022, the Tax Collector recognized a 24-month subscription for the use of TaxSys License-based software. An initial subscription liability was recorded in the amount of \$361,810. As of September 30, 2023, the value of the subscription liability is \$183,348. The Tax Collector is required to make annual fixed payments of \$189,227. The subscription has an interest rate of 3.2067%. The value of the right-of-use asset as of September 30, 2023, of \$361,810 with accumulated amortization of \$179,906 is included in the assets associated with SBITAs table found below.

Effective October 1, 2022, the Tax Collector recognized a 23-month subscription for the use of Trakstar Subscription-based software. An initial subscription liability was recorded in the amount of \$2,909. As of September 30, 2023, the value of the subscription liability is \$0.00. The Tax Collector is required to make annual fixed payments of \$2,999. The subscription has an interest rate of 3.2067%. The value of the right-of-use asset as of September 30, 2023, of \$2,908 with accumulated amortization of \$1,479 is included in the assets associated with SBITAs table found below.

Assets associated with SBITAs and related amortization for the year ended September 30, 2023, are:

	October 1, 2022	Additions	(Deletions)	September 30, 2023
Assets Under SBITAs - Software	\$ 364,719	\$ -	\$ -	\$ 364,719
Accumulated Amortization	-	(181,385)	-	(181,385)
Net Assets Under SBITAs - Software	\$ 364,719	\$ (181,385)	\$ -	\$ 183,334

Payments under these SBITAs totaled \$192,226 for the year ended September 30, 2023. The principal and interest components of future minimum SBITA payments under the agreements described above are as follows:

Year Ending September 30,	Principal	Interest
2024	\$ 183,347	\$ 5,879
Total	\$ 183,347	\$ 5,879

Note 9 - Risk Management

The Tax Collector is exposed to various risks of loss related to legal liability, theft of, damage to, and destruction of assets, accidental death and dismemberment, and on-the-job injury to employees. Many of these risks are transferred through various insurance coverage purchased by the Board of County Commissioners on behalf of the Tax Collector and other county-affiliated entities. Settled claims from these risks have not exceeded insurance coverage for the past three years.

**NASSAU COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS**

The financial liability of the Tax Collector is limited to premiums paid and losses exceeding or not covered by insurance. The premiums are paid from various funds based on coverage required.

There has been no reduction in insurance coverages from the previous year.

The Tax Collector is also protected under sovereign immunity up to a maximum of \$200,000 per person/\$300,000 per occurrence for claims against the Tax Collector involving negligence, including automobile and general liability. Negligence claims in excess of the statutory limits set forth in Section 768.28, Florida Statutes, can only be recovered through an act of the State of Florida Legislature.

Note 10 - Commitments and Contingencies

From time to time, the office of the Tax Collector is involved as a defendant in certain litigation and claims arising from the ordinary course of operations. In the opinion of management, the range of potential liabilities will not materially affect the operations of the Tax Collector's office or the combined financial position of the County, which would be required to fund any claim payments.

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 John Drew
Nassau County Tax Collector
Nassau County, Florida

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the general fund and the aggregate remaining fund information of the Nassau County, Florida Tax Collector (the Tax Collector), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Tax Collector's basic financial statements, and have issued our report thereon dated March 7, 2024.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Tax Collector'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 or significant deficiencies may exist that were not identified.

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The Honorable John Drew
Nassau County Tax Collector
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 Tax Collector's financial statements are free from 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 Tax Collector'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 Tax Collector's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



March 7, 2024
Gainesville, Florida

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

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

We have examined the Nassau County, Florida Tax Collector's (the Tax Collector's) compliance with Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2023. Management is responsible for the Tax Collector's compliance with those requirements. Our responsibility is to express an opinion on the Tax Collector'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 Tax Collector complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Tax Collector 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.

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

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

In our opinion, the Tax Collector complied, in all material respects, with the aforementioned requirements during the fiscal year ended September 30, 2023.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, the Tax Collector, 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 7, 2024
Gainesville, Florida

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MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the general fund and the aggregate remaining fund information of the Nassau County, Florida Tax Collector (the Tax Collector) as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Tax Collector's financial statements, and have issued our report thereon dated March 7, 2024.

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 an examination conducted in accordance with the American Institute of Certified Public Accountants *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 7, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Tax Collector was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Tax Collector.

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

MANAGEMENT LETTER

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.

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 Florida House of Representatives, the Florida Auditor General, the Tax Collector, its management, and the Board of County Commissioners of Nassau County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

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



March 7, 2024
Gainesville, Florida

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