

**SPECIAL PURPOSE
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

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

SEPTEMBER 30, 2013

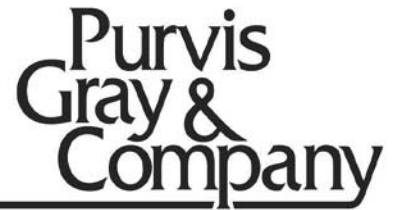
**SPECIAL PURPOSE
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**NASSAU COUNTY PROPERTY APPRAISER
NASSAU COUNTY, FLORIDA**

SEPTEMBER 30, 2013

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying special purpose financial statements of the general fund of the Nassau County, Florida, Property Appraiser (the Property Appraiser), as of and for the year ended September 30, 2013, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the State of Florida Auditor General. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to error or fraud.

Auditors' Responsibility

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

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

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

Certified Public Accountants

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

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

INDEPENDENT AUDITORS' REPORT
(Concluded)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund of the Property Appraiser as of September 30, 2013, and the changes in financial position of its general fund and the respective budgetary comparison for the general fund, for the year then ended in accordance with the financial reporting provisions of the State of Florida Auditor General, as described in Note 1 to the financial statements.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the basis of the financial reporting provisions of the State of Florida Auditor General, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the State of Florida Auditor General. Our opinion is not modified with respect to that matter.

Emphasis of Matter

As discussed in Note 1, these financial statements of the Property Appraiser are intended to present the financial position, the changes in financial position, and the budgetary comparisons of only that portion of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Nassau County, Florida, that is attributable to the transactions of the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Nassau County, Florida as of September 30, 2013, the changes in financial position or budgetary comparisons, or where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 18, 2014, on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Property Appraiser's internal control over financial reporting and compliance.

Restriction of Use

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

Purvis, Gray and Company, LLP

February 18, 2014
Gainesville, Florida

**SPECIAL PURPOSE
FINANCIAL STATEMENTS**

**NASSAU COUNTY PROPERTY APPRAISER
BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2013**

| | |
|---|-------------------|
| Assets | |
| Cash | \$ 148,022 |
| Prepaid Expense | 2,000 |
| Total Assets | <u>150,022</u> |
| | |
| Liabilities and Fund Balance | |
| | |
| Liabilities | |
| Accounts Payable | 609 |
| Due to Board of County Commissioners | 145,416 |
| Due to Other Governments | 3,997 |
| Total Liabilities | <u>150,022</u> |
| | |
| Fund Balance | <u>0</u> |
| | |
| Total Liabilities and Fund Balance | <u>\$ 150,022</u> |

See accompanying notes to financial statements.

**NASSAU COUNTY PROPERTY APPRAISER
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

| | |
|--|--------------------|
| Revenues | |
| Charges for Services | \$ 44,828 |
| Interest | 493 |
| Miscellaneous | 18,078 |
| Total Revenues | <u>63,399</u> |
| Expenditures | |
| Current: | |
| General Government: | |
| Personal Services | 1,385,447 |
| Operating Expenditures | 260,210 |
| Capital Outlay | 33,713 |
| (Total Expenditures) | <u>(1,679,370)</u> |
| (Deficiency) of Revenues (Under) Expenditures | <u>(1,615,971)</u> |
| Other Financing Sources (Uses) | |
| Transfers in from Board of County Commissioners | 1,776,387 |
| Transfers in from Constitutional Officers | 18,000 |
| Transfers (out) to Board of County Commissioners | (145,416) |
| Transfers (out) to Constitutional Officers | (33,000) |
| Total Other Financing Sources (Uses) | <u>1,615,971</u> |
| Net Change in Fund Balance | 0 |
| Fund Balance, Beginning of Year | <u>0</u> |
| Fund Balance, End of Year | <u><u>\$ 0</u></u> |

See accompanying notes to financial statements.

**NASSAU COUNTY PROPERTY APPRAISER
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance With Final Budget Positive (Negative)</u> |
|--|-------------------------|--------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Charges for Services | \$ 48,825 | \$ 48,825 | \$ 44,828 | \$ (3,997) |
| Interest | 0 | 0 | 493 | 493 |
| Miscellaneous | 0 | 0 | 18,078 | 18,078 |
| Total Revenues | <u>48,825</u> | <u>48,825</u> | <u>63,399</u> | <u>14,574</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government: | | | | |
| Personal Services | 1,461,482 | 1,475,955 | 1,385,447 | 90,508 |
| Operating Expenditures | 313,612 | 271,264 | 260,210 | 11,054 |
| Capital Outlay | 0 | 33,713 | 33,713 | 0 |
| Reserve for Contingency | 50,000 | 11,279 | 0 | 11,279 |
| (Total Expenditures) | <u>(1,825,094)</u> | <u>(1,792,211)</u> | <u>(1,679,370)</u> | <u>112,841</u> |
| (Deficiency) of Revenues (Under) Expenditures | <u>(1,776,269)</u> | <u>(1,743,386)</u> | <u>(1,615,971)</u> | <u>127,415</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers in from Board of County Commissioners | 1,776,269 | 1,776,386 | 1,776,387 | 1 |
| Transfers in from Constitutional Officers | 0 | 0 | 18,000 | 18,000 |
| Transfers (out) to Board of County Commissioners | 0 | 0 | (145,416) | (145,416) |
| Transfers (out) to Constitutional Officers | 0 | (33,000) | (33,000) | 0 |
| Total Other Financing Sources (Uses) | <u>1,776,269</u> | <u>1,743,386</u> | <u>1,615,971</u> | <u>(127,415)</u> |
| Net Change in Fund Balance | 0 | 0 | 0 | 0 |
| Fund Balance, Beginning of Year | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Fund Balance, End of Year | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |

See accompanying notes to financial statements.

**NOTES TO SPECIAL PURPOSE
FINANCIAL STATEMENTS**

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

Note 1 - Summary of Significant Accounting Policies

The following is a summary of significant accounting principles and policies used in the preparation of the accompanying special purpose financial statements.

Reporting Entity

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

The Nassau County, Florida, Property Appraiser (the Property Appraiser), is an elected official of the County pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d). The Property Appraiser is a part of the primary government of the County. The Florida Department of Revenue approves the Property Appraiser's total operating budget, the Property Appraiser is responsible for the administration and operation of the Property Appraiser's office, and the Property Appraiser's special purpose financial statements do not include the financial statements of the Board or the other Constitutional Officers of Nassau County, Florida.

The operations of the Property Appraiser are funded by the Board of County Commissioners, the St. Johns River Water Management District, the Amelia Island Mosquito Control District, and the Florida Inland Navigation District. The receipts from the Board are recorded as other financing sources on the Property Appraiser's special purpose financial statements.

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

Basis of Presentation

The accompanying financial statements include all funds and accounts of the Property Appraiser's office, but are not a complete presentation of the County as a whole. The accompanying financial statements are special purpose financial statements because they were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(3), *Rules of the Auditor General—Local Governmental Entity Audits*.

Section 10.556(4), *Rules of the Auditor General—Local Governmental Entity Audits* requires the Property Appraiser to only present fund financial statements. Accordingly, due to the omission of entity-wide, full-accrual financial statements and related disclosures, including a management's discussion and analysis, these financial statements do not constitute a complete presentation of the financial position of the Property Appraiser as of September 30, 2013, and the changes in its financial position for the year then ended, in conformity with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, but otherwise constitute financial statements prepared in conformity with U.S. generally accepted accounting principles (GAAP).

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

NASSAU COUNTY PROPERTY APPRAISER
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
(Continued)

Note 1 - Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Concluded)

The Property Appraiser reports the following fund type:

■ **Governmental Fund**

● **Major Fund**

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

Basis of Accounting

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

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

Measurement Focus

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. The general fund is accounted for on a spending or "financial flow" measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. General fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of "available spendable resources" during a period.

Budgetary Requirement

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

Budgets are prepared on the modified accrual basis of accounting.

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

NASSAU COUNTY PROPERTY APPRAISER
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
(Continued)

Note 1 - Summary of Significant Accounting Policies (Concluded)

Capital Assets

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

Compensated Absences

The Property Appraiser maintains a policy of granting employees annual leave based upon the number of years of employment. An employee can receive payment for such accumulated annual leave upon termination of employment in good standing up to a maximum of 360 hours. In addition, the Property Appraiser maintains the following policy for sick leave. Sick leave is accumulated at the rate of one day per month. Upon either appointment or election to county-wide office, death or retirement, an employee is entitled to be paid for his/her accumulated sick leave at the staff rate of pay, calculated up to a maximum payout of 720 hours.

Note 2 - Cash

At September 30, 2013, the carrying amount of the Property Appraiser's deposits was \$148,022 and the bank balance was \$229,372. Deposits in banks and savings and loan institutions are collateralized as public funds through a state procedure provided for in Chapter 280, Florida Statutes. Financial institutions qualifying as public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. All of the cash deposits of the Property Appraiser are placed with qualified financial institutions, which means they are insured or collateralized.

Note 3 - Employee Benefits

Defined Benefit Pension Plan

The Property Appraiser and all full-time employees are eligible to participate in the Florida Retirement System (the System). This System was created by the Florida Legislature and is a cost-sharing, multiple-employer defined benefit public retirement plan available to governmental units within the State of Florida. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or by calling (850) 488-5706.

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

Note 3 - Employee Benefits (Concluded)

Defined Benefit Pension Plan (Concluded)

The Property Appraiser and all full-time employees are eligible to participate in the System. Employees participating in the Pension Plan are entitled to a retirement benefit, payable monthly for life. If employed prior to July 1, 2011, the System provides for vesting of benefits after six years of creditable service. The vesting requirement changes to eight years of creditable service for those employed on or after July 1, 2011. For those employed prior to July 1, 2011, normal retirement is after 30 years of service or age 62. If employed on or after July 1, 2011, normal retirement is after 33 years of service or age 65. The monthly benefit received is based on: (1) average monthly compensation in the highest five years of creditable service; (2) creditable service during the appropriate period; and (3) the appropriate benefit percentage. Vested employees may retire early and receive reduced retirement benefits. Employees participating in the Investment Plan are vested after one year of service with no age requirement. The System also provides death benefits, disability benefits and cost of living adjustments. Benefits are established by Florida Statute.

The Florida Legislature has established a uniform contribution rate system for the System covering both the Pension Plan and the Investment Plan. Prior to July 1, 2011, members were not required to make employee contributions. Effective July 1, 2011, all System members (except those in DROP) are required to contribute 3% of their gross compensation on a pretax basis. The current contribution rates by member class are as follows: regular members 6.95%, DROP employees 12.84%, senior management 18.31%, and elected officials 33.03%. The Property Appraiser's contributions to the plan for the years ended September 30, 2013, 2012, and 2011, were \$81,694, \$59,535, and \$107,236, respectively, equal to the required contributions for each year.

Note 4 - Changes in Long-term Debt

The following is a summary of the changes in accumulated compensated absences of the Property Appraiser for the year ended September 30, 2013:

| | Balance October 1, 2012 | Additions | (Deletions) | Balance September 30, 2013 |
|-------------------------------|--|-------------------|---------------------|---|
| Accrued Compensated Absences | \$ 132,428 | \$ 97,646 | \$ (115,501) | \$ 114,573 |
| Other Postemployment Benefits | <u>257,883</u> | <u>31,419</u> | <u>0</u> | <u>289,302</u> |
| Total Long-term Debt | <u>\$ 390,311</u> | <u>\$ 129,065</u> | <u>\$ (115,501)</u> | <u>\$ 403,875</u> |

Accrued compensated absences represent the vested portion of accrued leave. See Note 1 for a summary of the Property Appraiser's accumulated compensated absences policy.

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

The Property Appraiser's long-term debt is not recorded in the accompanying special purpose financial statements but is recorded in the statement of net assets as part of the basic financial statements of the County.

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

Note 5 - Other Postemployment Benefits

The OPEB plan is a single-employer benefit plan administered by the County. Retirees are charged whatever the insurance company charges for the type of coverage elected. However, the premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees. GASB Statement No. 45 calls this the “implicit rate subsidy.”

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

Percent of Direct Subsidy up to “Subsidy Base Maximum” of \$438.55

| 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 Property appraiser has 22 active employees and 5 retired employees who are considered participants in the plan for purposes of computing the OPEB obligation. The Property Appraiser’s portion of the OPEB obligation at September 30, 2013, totaled \$289,302. 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 - Operating Lease

The Property Appraiser’s office entered into an operating lease agreement with Pitney Bowes on February 18, 2009, for the lease of a postage meter, scale, and printer. The lease provides for 21 quarterly payments of \$242. The lease is for 63 months ending in 2014. Total lease payments of \$968 were made during the fiscal year ended September 30, 2013, for the mail processing machine.

The future minimum lease payments for the mail processing machine are as follows:

| Year Ending September 30 | Amount |
|-------------------------------------|---------------|
| 2014 | \$ 242 |

OTHER REPORTS

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

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

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the special purpose financial statements of the general fund of the Nassau County, Florida, Property Appraiser (the Property Appraiser), as of and for the year ended September 30, 2013, and the related notes to the special purpose financial statements and have issued our report thereon dated February 18, 2014, which was modified to refer to a basis of accounting required for compliance with state filing requirements, and for other reasons.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Property Appraiser's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Certified Public Accountants

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Purvis, Gray and Company, LLP

February 18, 2014
Gainesville, Florida

MANAGEMENT LETTER

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

We have audited the special purpose financial statements of the general fund of the Nassau County, Florida, Property Appraiser (the Property Appraiser), as of and for the fiscal year ended September 30, 2013, and have issued our report thereon dated February 18, 2014, which was modified to refer to a basis of accounting required for compliance with state filing requirements, and for other reasons.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated February 18, 2014, should be considered in conjunction with this management letter.

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

- Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding annual financial audit report.
- Section 10.554(1)(i)2., *Rules of the Auditor General*, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Property Appraiser complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Certified Public Accountants

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

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

MANAGEMENT LETTER
(Concluded)

- Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)5., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the special purpose financial statements. The Property Appraiser was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Property Appraiser.

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, 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.

Purvis, Gray and Company, LLP

February 18, 2014
Gainesville, Florida