

NASSAU COUNTY SUPERVISOR OF ELECTIONS
Nassau County, Florida

Financial Statements and
Auditor's Reports

September 30, 2017



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September 30, 2017**

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INDEPENDENT AUDITOR'S REPORT

The Honorable Vicki Cannon
Supervisor of Elections
Nassau County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the office of the Nassau County Supervisor of Elections (the "Office") as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Office as of September 30, 2017, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Nassau County, Florida that is attributable to the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Nassau County as of September 30, 2017, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Matters

Other Information

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

The other financial information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other financial information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

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

Carly Riggs & Ingram, L.L.C.

Jacksonville, Florida

April 16, 2018

Nassau County Supervisor of Elections
Balance Sheet - General Fund
September 30, 2017

ASSETS	
Cash	\$ 187,418
<hr/>	
TOTAL ASSETS	\$ 187,418
<hr/>	
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable	\$ 11,865
Due to Board of County Commissioners	175,553
<hr/>	
Total liabilities	187,418
Fund balance	-
<hr/>	
TOTAL LIABILITIES AND FUND BALANCE	\$ 187,418
<hr/>	

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

Nassau County Supervisor of Elections
Statement of Revenues, Expenditures and Changes in Fund Balance -
General Fund
Year Ended September 30, 2017

REVENUES	
Intergovernmental	\$ 14,620
Miscellaneous	4,053
Total revenues	18,673
EXPENDITURES	
Current:	
General Government:	
Personal services	811,960
Operating expenditures	377,604
Capital Outlay	5,620
Total expenditures	1,195,184
(Deficiency) of revenues over (under) expenditures	(1,176,511)
OTHER FINANCING SOURCES (USES)	
Transfers in from Board of County Commissioners	1,342,796
Transfers (out) to Board of County Commissioners	(148,285)
Transfers (out) to Constitutional Officers	(18,000)
Total other financing sources (uses)	1,176,511
 Net change in fund balance	 -
 Fund balance, beginning of year	 -
 Fund balance, beginning of year	 \$ -

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

Nassau County Supervisor of Elections
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund
Year Ended September 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 14,620	\$ 14,620	\$ -
Miscellaneous	-	-	4,053	4,053
Total revenues	-	14,620	18,673	4,053
EXPENDITURES				
Current:				
General Government:				
Personal services	824,170	830,195	811,960	18,235
Operating expenditures	476,626	455,315	377,604	77,711
Capital Outlay	124,000	5,621	5,620	1
Total expenditures	1,424,796	1,291,131	1,195,184	95,947
(Deficiency) of revenues over (under) expenditures	(1,424,796)	(1,276,511)	(1,176,511)	100,000
OTHER FINANCING SOURCES (USES)				
Transfers in from Board of County Commissioners	1,442,796	1,442,796	1,342,796	(100,000)
Transfers (out) to Board of County Commissioners	-	(148,285)	(148,285)	-
Transfers (out) to Constitutional Officers	(18,000)	(18,000)	(18,000)	-
Total other financing sources (uses)	1,424,796	1,276,511	1,176,511	(100,000)
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

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

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Nassau County Supervisor of Elections Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the office of the Nassau County Supervisor of Elections (the “Office”) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

The Supervisor of Elections is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law.

The Office is an integral part of Nassau County, which is the primary government for financial reporting purposes.

Basis of Presentation

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

Fund Accounting

Accounts are organized on the basis of funds which are considered separate accounting entities. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The focus of fund financial statements is on major funds, each displayed in a separate column. All nonmajor funds are aggregated and displayed in a single column. The Office has no nonmajor funds.

The Office reports the following major governmental fund:

General Fund - The General Fund is the primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

Fund Balance

The Office follows the provisions of 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 Office is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.



Nassau County Supervisor of Elections Notes to Financial Statements

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

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

Nonspendable 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 Office's highest level of decision-making authority, which is a policy of the Office. Committed amounts cannot be used for any other purpose unless the Office removes those constraints by taking the same type of action.

Assigned Fund Balance – Assigned fund balances are amounts that are constrained by the Office's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the constitutional officer or (b) a body or official to which the constitutional officer 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 Office's policy is to expend resources in the following order: restricted, committed, assigned and unassigned.

Measurement Focus/Basis of Accounting

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

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

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



Nassau County Supervisor of Elections Notes to Financial Statements

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

Capital Assets and Long-term Liabilities

Capital assets used by the Office are recorded and accounted for by the Nassau County Board of County Commissioners.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the government-wide financial statements of the County.

Use of Estimates

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

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits

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

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

NOTE 3 - RISK MANAGEMENT

Workers' Compensation and Group Health Insurance

The Board provides the Supervisor of Elections and her employees with workers' compensation and group health insurance coverages. The premiums for such coverages are paid by the Board and recorded on its records and, consequently, are not recorded on the Supervisor of Elections' records.

**Nassau County Supervisor of Elections
Notes to Financial Statements**

NOTE 3 - RISK MANAGEMENT (concluded)

Risk Management

The Office is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Office carries commercial insurance. There were no significant reductions in insurance coverage from prior years. Settled claims resulting from the risks described above have not exceeded the insurance coverage during the previous three years.

NOTE 4: PENSION AND POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Florida Retirement System (FRS) Pension Benefits

The Office participates in the Florida Retirement System for Pension Benefits. A detailed plan description and any liability for employees of the Office is included in the financial statements of the County.

Post-employment Benefits other than Pension Benefits

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

NOTE 5 - LEASE COMMITMENTS

The Office leases certain equipment through operating leases with maturity dates ranging from September 2017 to August 2019. Rent expense incurred under the operating leases totaled \$5,274 for the year ended September 30, 2017.

The following is a schedule of future minimum rental payments required under the above operating leases:

<i>Year Ending September 30,</i>	Amount
2018	\$ 5,189
2019	4,757
Totals	\$ 9,946

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**Additional Elements Required by the
Rules of the Auditor General**

INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Vicki Cannon
Supervisor of Elections
Nassau County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the office of the Nassau County Supervisor of Elections (the “Office”), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Office’s special purpose financial statements, and have issued our report thereon dated April 16, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Office’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 Office’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Office’s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

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

Jacksonville, Florida

April 16, 2018

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

The Honorable Vicki Cannon
Supervisor of Elections
Nassau County, Florida

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

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

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

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

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

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

Jacksonville, Florida
April 16, 2018



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MANAGEMENT LETTER

The Honorable Vicki Cannon
Supervisor of Elections
Nassau County, Florida

Report on the Financial Statements

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

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in accordance with *Government Auditing Standards*; and Independent Accountant's Report on our examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated April 16, 2018, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Management

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

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Office and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

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

Cary Riggs & Ingram, L.L.C.

Jacksonville, Florida
April 16, 2018