

**SINGLE AUDIT REPORTS
AND
MANAGEMENT LETTER
NASSAU COUNTY, FLORIDA
SEPTEMBER 30, 2010**

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**NASSAU COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

Federal Grantor/Pass-Through Grantor/ Grant Program	Grant ID Number	Federal CFDA Number	Federal Expenditures
United States Department of Agriculture			
Indirect:			
Passed Through Florida Department of Agriculture and Consumer Services ARRA - Forest Health Improvement Initiative Grant Program	10A-121	10.688	\$ 1,000
United States Department of Housing and Urban Development			
Indirect:			
Passed Through Florida Department of Community Affairs Community Development Block Grant (CDBG) Disaster Recovery	10-DB-K4-11-54-01-K25	14.228	3,671
United States Department of Justice			
Direct:			
State Criminal Alien Assistance Program	2009-AP-BX-0348	16.606	8,669
State Criminal Alien Assistance Program	2008-AP-BX-1177	16.606	4,081
State Criminal Alien Assistance Program	2008-AP-BX-0551	16.606	8,683
Subtotal Expenditures - CFDA No. 16.606			21,433
ARRA - Edward Byrne Memorial Justice Assistance Grant Program	2009-SB-B9-1543	16.804	190,244
Edward Byrne Memorial Justice Assistance Grant Program	2008-DJ-BX-0362	16.738	78,272
Edward Byrne Memorial Justice Assistance Grant Program	2008-DJ-BX-0362	16.738	16,378
Indirect:			
Passed Through Florida Department of Law Enforcement			
Edward Byrne Memorial Justice Assistance Grant Program	2010-JAGC-NASS-1-4X-133	16.738	78,861
Edward Byrne Memorial Justice Assistance Grant Program	2008-JAGC-NASS-1-Q9-228	16.738	13,130
Subtotal Expenditures - CFDA No. 16.738			186,641
ARRA - Edward Byrne Memorial Justice Assistance Grant Program	2010-ARRC-NASS-1-W7-172	16.803	343,328
Passed Through Office of the Attorney General of Florida Victims of Crimes Act (VOCA)	V-09132	16.575	32,038
Total United States Department of Justice			773,684
National Endowment for the Arts			
Direct:			
The Big Read	52575	45.024	10,000
United States Election Assistance Commission			
Indirect:			
Passed Through Florida Division of Elections Military and Overseas Empowerment (MOVE) Act Implementation	None	90.401	1,821
United States Department of Health and Human Services			
Indirect:			
Passed Through Florida Department of Revenue Child Support Enforcement	CSP45	93.563	4,864
United States Department of Homeland Security			
Indirect:			
Passed Through Florida Division of Emergency Management Emergency Management Performance Grant	09-BG-03-04-55-01-226	97.042	19,839
Federal Communications Commission			
Direct:			
Universal Discount for Schools and Libraries (E-Rate)	2009-4yr12	None	17,047
Total Federal Expenditures			\$ 831,926

NASSAU COUNTY FLORIDA
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

<u>Grant Agency/Grant Title</u>	<u>State CSFA Number</u>	<u>Contract/Grant Number</u>	<u>Expenditures</u>
State Courts System			
Small County Courthouse Facilities	22.004	CFGIA	\$ 14,760
Small County Courthouse Facilities	22.004	GIA08	227,800
Subtotal Expenditures - CSFA No. 22.004			<u>242,560</u>
Florida Department of Environmental Protection			
Small County Consolidated Solid Waste Grants	37.012	024SC	<u>78,787</u>
Florida Department of State			
State Aid to Libraries Grant Program	45.030	10-ST-38	<u>229,410</u>
Florida Department of Community Affairs			
Emergency Management Programs	52.008	10-BG-25-04-55-01-123	<u>102,024</u>
Florida Housing Finance Corporation			
State Housing Initiatives Partnership Program	52.901	09/10	271,378
State Housing Initiatives Partnership Program	52.901	08/09	246,573
State Housing Initiatives Partnership Program	52.901	07/08	444,705
Subtotal Expenditures - CSFA No. 52.901			<u>962,656</u>
Florida Department of Transportation			
Small County Road Outreach Program	55.009	212604-2-58-01	248,676
Transportational Regional Incentive Program	55.026	425467-1-58-01 and 68-01	5,622
Total Florida Department of Transportation			<u>254,298</u>
Florida Department of Children and Families			
Community Forensic Beds and Competency			
Restoration Training	60.114	DH 677	183,179
Public Safety, Mental Health and Substance Abuse	60.115	MOU# LHZ07	166,533
Total Florida Department of Children and Families			<u>349,712</u>
Florida Department of Health			
Emergency Medical Services Matching Awards	64.003	M9027	80,924
Emergency Medical Services County Grant	64.005	C9045	32,772
Total Florida Department of Health			<u>113,696</u>
Florida Department of Management Services			
Wireless 911 Emergency Telephone System	72.001	10-03-13	6,500
Wireless 911 Emergency Telephone System	72.001	09-10-32	77,005
Wireless 911 Emergency Telephone System	72.001	09-10-24	41,875
Subtotal Expenditures - CSFA No. 72.001			<u>125,380</u>
Total State Expenditures			<u>\$ 2,458,523</u>

**NASSAU COUNTY, FLORIDA
NOTE TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance projects includes the federal and state award activity of Nassau County, Florida, and is presented on the modified accrual basis of accounting.

**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

The Honorable Board of County Commissioners
Nassau County, Florida

Compliance

We have audited the compliance of Nassau County, Florida (the County), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* and the Florida Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of the County's major federal programs and state projects for the year ended September 30, 2010. The County's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs and state projects is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.550, *Rules of the Auditor General*. Those standards, OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state financial assistance project occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2010.

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

The Honorable Board of County Commissioners
Nassau County, Florida

**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL
(Concluded)**

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs and state financial assistance projects. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program or state financial assistance project in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state financial assistance project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state financial assistance project will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Pursuant to Chapter 119, Florida Statutes, this report is a public record and its distribution is not limited. Auditing standards accepted in the United States of America requires us to indicate that this report is intended solely for the information and use of the County's management, Board of County Commissioners, Constitutional Officers, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



February 21, 2011
Gainesville, Florida

**NASSAU COUNTY, FLORIDA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FEDERAL AWARDS AND STATE FINANCIAL
 ASSISTANCE PROJECTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2010**

Summary of Auditors' Results

1. The independent auditors' report expresses an unqualified opinion on the financial statements of Nassau County, Florida (the County).
2. *Significant deficiencies* identified during the audit of the financial statements are reported in the 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* for the Nassau County Sheriff and the Property Appraiser, some of which are reported as material weaknesses.
3. There were no instances of noncompliance identified during the audit of the financial statements reported in the 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*.
4. The audit disclosed no significant deficiencies and/or material weaknesses in internal control over major federal programs or state projects that are required to be reported in the schedule of findings and questioned costs.
5. The report on compliance for the major federal programs and state projects expresses an unqualified opinion.
6. The audit disclosed no findings that are required to be reported in accordance with OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*.
7. The programs tested as major federal awards programs and state financial assistance projects included:

Federal Program	<u>CFDA No.</u>
ARRA Edward Byrne Memorial Justice Assistance Grant Program	16.803
ARRA Edward Byrne Memorial Justice Assistance Grant Program	16.804
State Project	<u>CSFA No.</u>
State Housing Initiatives Partnership Program (SHIP)	52.901
Small County Outreach Program	55.009
Community Forensic Beds and Competency Restoration Training	60.114

8. The threshold for distinguishing Type A and B programs was \$300,000 for major federal program and state projects.
9. The entity was determined to not be a low-risk audit pursuant to OMB Circular A-133.

**NASSAU COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARDS AND STATE FINANCIAL
ASSISTANCE PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2010
(Concluded)**

Financial Statement Findings

Financial statement findings, if any, are reported in the individual reports of the Board and the Constitutional Officers.

Findings and Questioned Costs for Major Federal Programs and State Projects

The audit disclosed no findings for major federal programs or state projects to be reported under OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*.

Status of Prior Audit Findings

There were no prior year findings required to be reported in accordance with OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*.

**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 Board of County Commissioners
Nassau County, Florida

We have audited the special purpose financial statements of the Nassau County Board of County Commissioners, Nassau County, Florida (the Board), as of and for the year ended September 30, 2010, and have issued our report thereon dated February 21, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Board's internal control over financial reporting as a basis for designing our auditing procedures 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 Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over financial reporting.

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 Board's financial statement will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board'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*.

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The Honorable Board of County Commissioners
Nassau County, Florida

**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*)**

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

Purris, Gray and Company, LLP

February 21, 2011
Gainesville, Florida

MANAGEMENT LETTER

The Honorable Board of County Commissioners
Nassau County, Florida

We have audited the special purpose financial statements of the Nassau County Board of County Commissioners, Nassau County, Florida (the Board), as of and for the fiscal year ended September 30, 2010, and have issued our report thereon dated February 21, 2011.

We conducted our audit in accordance with auditing standards generally accepted 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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. We have issued our independent auditors' report on internal control over financial reporting and compliance and other matters, report on compliance with requirements applicable to each major federal program and state project and on internal control over compliance, and schedule of findings and questioned costs. Disclosures in those reports and schedule, which are dated February 21, 2011, 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 or schedules:

- 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. Corrective actions have been taken to address significant findings and 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 County 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. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial report.

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The Honorable Board of County Commissioners
Nassau County, Florida

MANAGEMENT LETTER
(Concluded)

- Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that we address violations of provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statement that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)5., *Rules of the Auditor General* provides that the auditor may, based upon professional judgment, report the following matters that have an inconsequential effect on the financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contraction or grant agreements, fraud, illegal acts, or abuse; and (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)6., *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 Board was established by the Constitution of the State of Florida, Article VIII, Section 1(d). The Board includes component units as described in Note 1 of the financial statements.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards accepted in the United States of America requires us to indicate that this letter is intended solely for the information and use of management, and the Florida Auditor General, 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.

Purris, Gray and Company, LLP

February 21, 2011
Gainesville, Florida