

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

**NASSAU COUNTY BOARD  
OF COUNTY COMMISSIONERS  
NASSAU COUNTY, FLORIDA**

**SEPTEMBER 30, 2008**

**SPECIAL PURPOSE  
FINANCIAL STATEMENTS  
AND  
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**NASSAU COUNTY BOARD  
OF COUNTY COMMISSIONERS  
NASSAU COUNTY, FLORIDA**

**SEPTEMBER 30, 2008**

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**NASSAU COUNTY BOARD  
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NASSAU COUNTY, FLORIDA**

**SEPTEMBER 30, 2008**

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## **INTRODUCTORY SECTION**

**NASSAU COUNTY, FLORIDA  
BOARD OF COUNTY COMMISSIONERS**

**LIST OF ELECTED AND APPOINTED**

**Serving as of September 30, 2008**

**ELECTED OFFICIALS**

<b>Commissioner – District 1, Chairman</b>	<b>Jim B. Higginbotham</b>
<b>Commissioner – District 2, Vice-Chairman</b>	<b>Michael H. Boyle</b>
<b>Commissioner – District 3</b>	<b>Stacy T. Johnson</b>
<b>Commissioner – District 4</b>	<b>Barry Holloway</b>
<b>Commissioner – District 5</b>	<b>Marianne Marshall</b>
<b>Clerk of the Circuit Court</b>	<b>John A. Crawford</b>
<b>Tax Collector</b>	<b>John M. Drew</b>
<b>Sheriff</b>	<b>Tommy Seagraves</b>
<b>Property Appraiser</b>	<b>Greg Haddock</b>
<b>Supervisor of Elections</b>	<b>Vicki P. Cannon</b>

**APPOINTED OFFICIALS**

<b>County Attorney</b>	<b>David A. Hallman</b>
<b>County Coordinator</b>	<b>Edward L. Sealover</b>

## **FINANCIAL SECTION**

## INDEPENDENT AUDITORS' REPORT

The Honorable Board of County Commissioners  
Nassau County, Florida

We have audited the accompanying special purpose financial statements of each major fund and aggregate remaining fund information of the Nassau County Board of County Commissioners, Nassau County, Florida, (the Board) as of and for the year ended September 30, 2008, as listed in the table of contents. These special purpose financial statements are the responsibility of the Board's management. Our responsibility is to express opinions on these special purpose 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in note 1 to the special purpose financial statements, the special purpose financial statements referred to above have been prepared for the purpose of complying with, and on the basis of accounting practices specified by, the *Rules of the Auditor General*, State of Florida, and present only the Board and are intended to present each major fund and the aggregate remaining fund information of Nassau County, Florida, that is attributable to the transactions of the Board. They do not purport to, and do not, present fairly the financial position of Nassau County, Florida, as of September 30, 2008, and the changes in its financial position and its cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the financial position of each major fund and the aggregate remaining fund information of the Board as of September 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof in conformity with accounting principles generally accepted in the United States of America.

The budgetary comparison information presented for the general fund and the major special revenue funds is not a required part of the special purpose financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion upon it.

### 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 Board of County Commissioners  
Nassau County, Florida

**INDEPENDENT AUDITORS' REPORT**  
*(Concluded)*

In accordance with *Government Auditing Standards*, we have also issued a report dated March 27, 2009, on our consideration of the Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

*Purvis, Gray and Company, LLP*

March 27, 2009  
Gainesville, Florida



**SPECIAL PURPOSE  
FINANCIAL STATEMENTS**

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2008**

	<b>General Fund</b>	<b>County Transportation Fund</b>	<b>Municipal Services</b>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 10,128,793	\$ 134,446	\$ 15,767
Equity in Pooled Investments	1,586,308	3,523,242	3,884,853
Accounts Receivable, Net of Allowance for Uncollectibles	582,433	43,307	6,664
Loans Receivable, Net of Allowance for Uncollectibles	0	0	0
Due from Other Funds	112,217	0	0
Due from Constitutional Officers	1,136,742	38,971	78,759
Due from Other Governments	831,873	441,687	131,673
Inventories	0	161,922	0
Prepaid Expenditures	38,177	13,392	108,715
Deposits	10,441	0	0
<b>Total Assets</b>	<b>14,426,984</b>	<b>4,356,967</b>	<b>4,226,431</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	1,333,012	661,449	42,851
Accrued Liabilities	825,669	3,990	0
Retainage Payable	0	0	0
Due to Other Funds	0	33,243	42,726
Due to Constitutional Officers	60,284	9,958	9,180
Due to Other Governments	11,115	0	0
Deferred Revenues	1,615,184	335,566	92,624
Deposits	110,510	1,000	10,401
<b>Total Liabilities</b>	<b>3,955,774</b>	<b>1,045,206</b>	<b>197,782</b>
<b>Fund Balances</b>			
Reserved for:			
Inventories	0	161,922	0
Prepaid Items	38,177	13,392	108,715
Grants and State Laws	122,070	0	0
Encumbrances	478,283	33,178	49,222
Unreserved - Designated for:			
Capital Purchases	0	0	0
Donations	0	0	0
Recreation	33,078	0	0
Professional Services	173,991	16,975	0
Road Projects	0	0	15,000
Retirement of Bonds	0	0	0
Capital Projects	1,987,417	0	0
Unreserved - Undesignated:			
General Fund	7,638,194	0	0
Special Revenue Funds	0	3,086,294	3,855,712
Debt Service Funds	0	0	0
Capital Projects Funds	0	0	0
<b>Total Fund Balances</b>	<b>10,471,210</b>	<b>3,311,761</b>	<b>4,028,649</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 14,426,984</b>	<b>\$ 4,356,967</b>	<b>\$ 4,226,431</b>

The notes to the financial statements are an integral part of this statement.

<b>One-Cent County Surtax</b>	<b>Impact Fee Ordinance Trust</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 332,947	\$ 3,651,268	\$ 4,143,752	\$ 18,406,973
5,554,394	11,787,911	21,537,310	47,874,018
905	801	52,747	686,857
0	0	227,105	227,105
0	0	0	112,217
0	0	62,740	1,317,212
881,873	337	1,113,952	3,401,395
0	0	0	161,922
0	0	1,146	161,430
0	0	0	10,441
<u>6,770,119</u>	<u>15,440,317</u>	<u>27,138,752</u>	<u>72,359,570</u>
4,000	16,194	1,948,777	4,006,283
0	0	0	829,659
0	0	432,974	432,974
0	0	27,550	103,519
0	19,375	1,253	100,050
0	350,281	30,176	391,572
436,114	0	1,440,166	3,919,654
0	0	0	121,911
<u>440,114</u>	<u>385,850</u>	<u>3,880,896</u>	<u>9,905,622</u>
0	0	0	161,922
0	0	1,146	161,430
0	0	0	122,070
0	20,000	2,083,965	2,664,648
0	1,029,663	0	1,029,663
0	0	21,347	21,347
0	924,708	0	957,786
0	0	67,901	258,867
0	11,773,729	5,898,257	17,686,986
0	0	1,533,120	1,533,120
299,505	1,305,364	2,280,982	5,873,268
0	0	0	7,638,194
6,030,500	1,003	10,913,683	23,887,192
0	0	96,433	96,433
0	0	361,022	361,022
<u>6,330,005</u>	<u>15,054,467</u>	<u>23,257,856</u>	<u>62,453,948</u>
<u>\$ 6,770,119</u>	<u>\$ 15,440,317</u>	<u>\$ 27,138,752</u>	<u>\$ 72,359,570</u>

The notes to the financial statements are an integral part of this statement.

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<b>General Fund</b>	<b>County Transportation Fund</b>	<b>Municipal Services</b>
<b>Revenues</b>			
Taxes	\$ 35,368,211	\$ 7,544,031	\$ 10,047,549
Licenses and Permits	3,754	44,847	45,186
Intergovernmental Revenues	5,386,372	923,563	633,738
Charges for Services	3,126,569	86,931	132,764
Fines and Forfeitures	87,030	0	11,370
Investment Earnings (Loss)	(70,898)	(65,739)	(96,754)
Miscellaneous	303,290	164,561	11,563
<b>Total Revenues</b>	<u>44,204,328</u>	<u>8,698,194</u>	<u>10,785,416</u>
<b>Expenditures</b>			
Current:			
General Government Services	7,406,274	0	808,940
Public Safety	8,970,464	0	5,759,602
Physical Environment	952,704	0	0
Transportation	0	6,797,022	0
Economic Environment	175	0	0
Human Services	1,850,654	0	266,510
Culture and Recreation	1,942,452	0	0
Court-related Expenditures	758,481	0	0
Capital Outlay	740,279	58,747	35,725
Debt Service:			
Principal Retirement	0	0	583,090
Interest and Fiscal Charges	0	0	28,698
<b>(Total Expenditures)</b>	<u>22,621,483</u>	<u>6,855,769</u>	<u>7,482,565</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>21,582,845</u>	<u>1,842,425</u>	<u>3,302,851</u>
<b>Other Financing Sources (Uses)</b>			
Transfers from Constitutional Officers	1,141,205	37,185	76,603
Transfers to Constitutional Officers	(16,234,567)	0	(3,100,605)
Transfers in	8,856	0	0
Transfers (out)	(9,165,273)	(1,670,842)	0
<b>Total Other Financing Sources (Uses)</b>	<u>(24,249,779)</u>	<u>(1,633,657)</u>	<u>(3,024,002)</u>
<b>Net Change in Fund Balances</b>	(2,666,934)	208,768	278,849
<b>Fund Balances at Beginning of Year</b>	13,138,144	3,079,334	3,749,800
<b>Change in Reserve for Inventory</b>	0	23,659	0
<b>Fund Balances at End of Year</b>	<u>\$ 10,471,210</u>	<u>\$ 3,311,761</u>	<u>\$ 4,028,649</u>

The notes to the financial statements are an integral part of this statement.

<b>One-Cent County Surtax</b>	<b>Impact Fee Ordinance Trust</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 6,724,112	\$ 0	\$ 3,394,489	\$ 63,078,392
0	0	1,253,529	1,347,316
0	0	4,601,216	11,544,889
0	0	631,587	3,977,851
0	0	181,549	279,949
(74,289)	423,045	614,862	730,227
0	1,457,962	1,678,452	3,615,828
<u>6,649,823</u>	<u>1,881,007</u>	<u>12,355,684</u>	<u>84,574,452</u>
0	7,440	1,794,020	10,016,674
0	9,187	769,634	15,508,887
350,000	0	531,198	1,833,902
0	49,257	1,517,120	8,363,399
2,500	0	1,834,803	1,837,478
481,443	0	142,399	2,741,006
0	7,700	0	1,950,152
0	0	84,181	842,662
63,021	94,956	4,175,430	5,168,158
0	0	7,158,150	7,741,240
0	0	2,254,351	2,283,049
<u>896,964</u>	<u>168,540</u>	<u>20,261,286</u>	<u>58,286,607</u>
<u>5,752,859</u>	<u>1,712,467</u>	<u>(7,905,602)</u>	<u>26,287,845</u>
0	0	111,276	1,366,269
0	0	(475,605)	(19,810,777)
0	0	12,323,454	12,332,310
(4,300,554)	(1,272,865)	(638,826)	(17,048,360)
<u>(4,300,554)</u>	<u>(1,272,865)</u>	<u>11,320,299</u>	<u>(23,160,558)</u>
1,452,305	439,602	3,414,697	3,127,287
4,877,700	14,614,865	19,843,159	59,303,002
0	0	0	23,659
<u>\$ 6,330,005</u>	<u>\$ 15,054,467</u>	<u>\$ 23,257,856</u>	<u>\$ 62,453,948</u>

The notes to the financial statements are an integral part of this statement.

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**STATEMENT OF NET ASSETS - PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2008**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Solid Waste Disposal</b>	<b>Water and Sewer</b>	<b>Totals</b>
<b>Assets</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 2,518,144	\$ 998,714	\$ 3,516,858
Equity in Pooled Investments	7,403,102	0	7,403,102
Accounts Receivable, Net	169,892	333,733	503,625
Assessments Receivable, Net	81,971	0	81,971
Due from Constitutional Officers	21,799	0	21,799
Due from Other Governments	121,362	10,784	132,146
Prepaid Expenses	18	750	768
Total Current Assets	10,316,288	1,343,981	11,660,269
Noncurrent Assets:			
Cash and Cash Equivalents - Restricted	151,189	2,613,510	2,764,699
Equity in Pooled Investments - Restricted	5,510,031	0	5,510,031
Deferred Charges - Bond Issuance Cost	0	642,294	642,294
Capital Assets (Net of Accumulated Depreciation Where Applicable)	6,904,588	14,738,811	21,643,399
Total Noncurrent Assets	12,565,808	17,994,615	30,560,423
<b>Total Assets</b>	<b>22,882,096</b>	<b>19,338,596</b>	<b>42,220,692</b>
<b>Liabilities</b>			
Current Liabilities:			
Accounts Payable	253,715	116,862	370,577
Other Current Liabilities	49,247	65,894	115,141
Due to Constitutional Officers	0	213	213
Due to Other Funds	4,426	4,272	8,698
Deposits	0	142,385	142,385
Bonds Payable	0	410,000	410,000
Compensated Absences	55,000	28,000	83,000
Total Current Liabilities	362,388	767,626	1,130,014
Noncurrent Liabilities:			
Compensated Absences	15,180	91,077	106,257
Bonds Payable Long-term (Net of Unamortized Discount)	0	16,633,395	16,633,395
Landfill Closure and Postclosure Liability (Payable from Restricted Assets)	17,093,510	0	17,093,510
Total Noncurrent Liabilities	17,108,690	16,724,472	33,833,162
<b>Total Liabilities</b>	<b>17,471,078</b>	<b>17,492,098</b>	<b>34,963,176</b>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	6,904,588	(1,662,290)	5,242,298
Restricted	0	3,413,123	3,413,123
Unrestricted	(1,493,570)	95,665	(1,397,905)
<b>Total Net Assets</b>	<b>\$ 5,411,018</b>	<b>\$ 1,846,498</b>	<b>\$ 7,257,516</b>

The notes to the financial statements are an integral part of this statement.

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Solid Waste Disposal</b>	<b>Water and Sewer</b>	<b>Totals</b>
<b>Operating Revenues</b>			
Charges for Services	\$ 2,011,677	\$ 3,217,403	\$ 5,229,080
Special Assessments	43,493	0	43,493
Other Income	16,397	750	17,147
<b>Total Operating Revenues</b>	<u>2,071,567</u>	<u>3,218,153</u>	<u>5,289,720</u>
<b>Operating Expenses</b>			
Contractual Services	25,175	27,055	52,230
Professional Services	849,057	87,534	936,591
Landfill Closure and Postclosure	1,568,412	0	1,568,412
Salaries and Benefits	770,864	643,011	1,413,875
Rentals and Leases	223,139	9,600	232,739
Repairs and Maintenance	101,506	136,019	237,525
Fees - Constitutional Officers	51,901	140,000	191,901
Gas and Oil	119,276	19,294	138,570
Materials	375,726	75,605	451,331
Depreciation	579,933	625,021	1,204,954
Other Expenses	211,047	350,454	561,501
<b>(Total Operating Expenses)</b>	<u>4,876,036</u>	<u>2,113,593</u>	<u>6,989,629</u>
<b>Operating (Loss) Income</b>	<u>(2,804,469)</u>	<u>1,104,560</u>	<u>(1,699,909)</u>
<b>Nonoperating Revenues (Expenses)</b>			
Interest Earnings	353,322	57,593	410,915
Grant Revenues	277,316	0	277,316
Interest and Other Debt Service Costs	0	(835,198)	(835,198)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>630,638</u>	<u>(777,605)</u>	<u>(146,967)</u>
<b>(Loss) Income Before Operating Transfers</b>	<u>(2,173,831)</u>	<u>326,955</u>	<u>(1,846,876)</u>
<b>Transfers in</b>	<u>4,718,418</u>	<u>0</u>	<u>4,718,418</u>
<b>Transfers (out)</b>	<u>(2,368)</u>	<u>0</u>	<u>(2,368)</u>
<b>Transfer in from Constitutional Officer</b>	<u>17,232</u>	<u>0</u>	<u>17,232</u>
<b>Change in Net Assets</b>	<u>2,559,451</u>	<u>326,955</u>	<u>2,886,406</u>
<b>Total Net Assets, Beginning of Year</b>	<u>2,851,567</u>	<u>1,519,543</u>	<u>4,371,110</u>
<b>Total Net Assets, End of Year</b>	<u>\$ 5,411,018</u>	<u>\$ 1,846,498</u>	<u>\$ 7,257,516</u>

The notes to the financial statements are an integral part of this statement.

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Solid Waste</b>	<b>Water and Sewer</b>	<b>Total</b>
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$ 3,337,239	\$ 3,253,299	\$ 6,590,538
Cash Payments to Vendors for Goods and Services	(4,046,963)	(815,368)	(4,862,331)
Cash Payments to Employees	(767,946)	(615,572)	(1,383,518)
Cash Received from Other Sources	16,397	0	16,397
Cash Received for Deposits	0	(13,002)	(13,002)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(1,461,273)</b>	<b>1,809,357</b>	<b>348,084</b>
<b>Noncapital Financing Activities</b>			
Cash Received from Grant Revenues	277,316	0	277,316
Transfers from Other Funds	4,718,418	0	4,718,418
Transfers from Constitutional Officers	17,232	0	17,232
Transfers to Other Funds	(2,368)	0	(2,368)
<b>Net Cash Provided by (Used in) Noncapital Financing Activities</b>	<b>5,010,598</b>	<b>0</b>	<b>5,010,598</b>
<b>Capital and Related Financing Activities</b>			
Acquisition of Property, Plant, and Equipment	(148,706)	(123,801)	(272,507)
Principal Payments on Bonds	0	(400,000)	(400,000)
Payment of Interest and Other Debt Costs	0	(800,642)	(800,642)
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>	<b>(148,706)</b>	<b>(1,324,443)</b>	<b>(1,473,149)</b>
<b>Investing Activities</b>			
Interest Received	353,322	57,593	410,915
Sales of Investments	101,885	0	101,885
Purchase of Investments	(3,150,000)	0	(3,150,000)
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>(2,694,793)</b>	<b>57,593</b>	<b>(2,637,200)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>705,826</b>	<b>542,507</b>	<b>1,248,333</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>1,963,507</b>	<b>3,069,717</b>	<b>5,033,224</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 2,669,333</b>	<b>\$ 3,612,224</b>	<b>\$ 6,281,557</b>
<b><u>Reported in Statement of Net Assets as</u></b>			
Cash and Cash Equivalents	\$ 2,669,333	\$ 998,714	\$ 3,668,047
Cash and Cash Equivalents - Restricted	0	2,613,510	2,613,510
<b>Total</b>	<b>\$ 2,669,333</b>	<b>\$ 3,612,224</b>	<b>\$ 6,281,557</b>

The notes to the financial statements are an integral part of this statement.



**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**  
*(Concluded)*

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Solid Waste</b>	<b>Water and Sewer</b>	<b>Total</b>
<b><u>Reconciliation of Operating Income (Loss)</u></b> <b><u>to Net Cash Provided by Operating Activities</u></b>			
Operating Income (Loss)	\$ (2,804,469)	\$ 1,104,560	\$ (1,699,909)
Adjustments to Reconcile Net Income (Loss) to Net Cash			
Provided by Operating Activities:			
Depreciation and Amortization	579,933	625,021	1,204,954
Provision for Closure and Postclosure Costs	1,364,967	0	1,364,967
Changes in Assets - Decrease (Increase):			
Decrease (Increase) in Accounts Receivable	(108,938)	63,207	(45,731)
Decrease in Assessments Receivable	41,490	0	41,490
Decrease in Due from Constitutional Officers	26,872	0	26,872
Increase in Due from Other Governments	(18,141)	(10,784)	(28,925)
Decrease in Prepaid Expense	193	0	193
Changes in Liabilities - Increase (Decrease):			
Increase (Decrease) in Accounts Payable	(521,917)	29,981	(491,936)
Increase in Due to Constitutional Officers	0	213	213
Decrease in Due to Other Funds	(24,181)	(17,278)	(41,459)
Decrease in Deposits	0	(13,002)	(13,002)
Increase in Compensated Absences	2,918	27,439	30,357
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>\$ (1,461,273)</b>	<b>\$ 1,809,357</b>	<b>\$ 348,084</b>

The notes to the financial statements are an integral part of this statement.

## **NOTES TO FINANCIAL STATEMENTS**

**NOTES TO FINANCIAL STATEMENTS**  
**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**NASSAU COUNTY, FLORIDA**

**Note 1 - Summary of Significant Accounting Policies**

The accounting policies of the Nassau County Board of County Commissioners (the Board) conform to accounting principles generally accepted in the United States of America as applied to governmental units. The significant accounting policies followed by the Board are described below to enhance the usefulness of the special purpose fund financial statements to the reader.

**Reporting Entity**

Nassau County (County) is a political subdivision of the State of Florida. It is composed of an elected Board of County Commissioners (Board) and elected Constitutional Officers, who are governed by federal and state statutes, regulations and County ordinances. The Board is operated as a separate County agency in accordance with applicable provisions of Florida Statutes. The Nassau County Clerk of the Circuit Court is the clerk and accountant of the Board in accordance with the provisions of Section 125.17, Florida Statutes.

The Nassau County Housing Finance Authority (NCHFA) is a dependent special district, which functions for the benefit of the citizens of the County. The NCHFA had no revenues or expenditures during the fiscal year ended September 30, 2008. In addition, the NCHFA did not issue any bonds during the audit period, nor were there any bonds outstanding at year-end. Therefore, financial statements were not prepared for NCHFA and, accordingly, no financial data for NCHFA is presented in these financial statements.

**Basis of Presentation**

These special purpose financial statements are financial statements that have been prepared in conformity with the accounting principles and reporting guidelines established by Governmental Accounting Standards Board (GASB) and accounting practices prescribed by the Auditor General, State of Florida. The basic financial statements for the County as a whole, which includes the funds of the Board, were prepared in conformity with generally accepted accounting principles (GAAP).

**Fund Accounting**

The accounts of the Board are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund balances or net assets, as appropriate, revenues and expenditures or expenses, as appropriate. 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 following funds are used by the Board:

■ **Governmental Funds**

● **Major Governmental Funds**

- ▶ The **General Fund**—is used to account for all revenues and expenditures applicable to the general operations of the Board, which are not properly accounted for in other funds.
- ▶ The **County Transportation Trust Fund**—is used to account for the operation of the Road and Bridge Department. Financing is provided principally by ad valorem taxes and the County's share of State gasoline taxes.

**NOTES TO FINANCIAL STATEMENTS**  
**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**NASSAU COUNTY, FLORIDA**  
*(Continued)*

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Fund Accounting (Concluded)**

■ **Governmental Funds (Concluded)**

● **Major Governmental Funds (Concluded)**

- ▶ The **Municipal Services Fund**— is used to account for activities benefiting only the unincorporated areas of the County. Financing is provided principally by ad valorem taxes, the half-cent sales tax and State Revenue Sharing.
- ▶ The **One Cent Small County Surtax Fund**— is used to account for operational expenses of any infrastructure and for any other purpose, excluding debt. Financing is provided by a one-cent sales tax on all transactions occurring in the County that are subject to imposed state tax on sales, use, services, rentals and admissions.
- ▶ The **Impact Fee Ordinance Trust Fund**—is used to account for district expenditures associated with capital expansion. Funding is provided from impact fees on new construction.

● **Nonmajor Governmental Funds**

- ▶ **Special Revenue Funds**—are used to account for the proceeds of specific revenue sources other than major capital projects or to finance specified activities as required by law.
- ▶ **Debt Service Funds**—are used to account for the accumulation of resources for, and the payment of, interest, principal and related costs on general long-term debt.
- ▶ **Capital Projects Funds**—are used to account for all financial resources used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds.

■ **Major Proprietary Funds**

- **The Solid Waste Disposal and the Water and Sewer Enterprise Funds**—are used to account for operations either (1) that are financed and operated in a manner similar to private business enterprises where the intent of Board is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the Board has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Solid Waste Disposal Fund accounts for the collection of solid waste services provided to the County on all improved County property. The Water and Sewer Fund accounts for water and wastewater services provided to approximately 3,000 customers on 4,800 acres located entirely in the County, situated north of the Duval County line and south of the City of Fernandina Beach.

**NOTES TO FINANCIAL STATEMENTS**  
**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**NASSAU COUNTY, FLORIDA**  
*(Continued)*

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Measurement Focus**

- **Governmental Funds**—general, special revenue, debt service and capital projects funds are accounted for on a "current financial resources" measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. Accordingly, the reported fund balances (assets less liabilities) are considered a measure of available, spendable or appropriable resources. Governmental funds operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balances.
- **Proprietary Funds**—The enterprise funds are accounted for on an "economic resources" measurement focus. Accordingly, all assets and liabilities are included on their balance sheets, and the reported net assets (total reported assets less total reported liabilities) provide an indication of the economic net worth of the funds. The operating statements for the proprietary funds report increases (revenues) and decreases (expenses) in total net assets.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges for services. Operating expenses include cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Board consistently applies Financial Accounting Standards Board (FASB) pronouncements issued subsequent to November 30, 1989, for its proprietary funds, except for those that conflict with or contradict GASB pronouncements.

**Basis of Accounting**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the special purpose fund financial statements. In addition, 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. Under this method, revenues are recognized in the accounting period when they become susceptible to accrual (i.e., when they become "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Board considers revenues to be 'available' if they are collected within 30 days after year-end.

Primary revenues, including special assessments, intergovernmental revenues, charges for services, rents and interest, are treated as susceptible to accrual under the modified accrual basis. Other revenue sources are not considered measurable and available, and are not treated as susceptible to accrual. Expenditures are generally recognized under the accrual basis of

**NOTES TO FINANCIAL STATEMENTS**  
**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**NASSAU COUNTY, FLORIDA**  
*(Continued)*

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Basis of Accounting (Concluded)**

accounting when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

The proprietary funds are accounted for using the accrual basis of accounting. Under this method, revenues are recognized when they are earned and expenses are recognized when they are incurred.

**Encumbrance Procedures**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed by the Board, as an extension of the statutorily required budgetary process under Florida Statutes. The Board maintained a computerized encumbrance system, which is a part of the computerized accounting system. All appropriations lapse at year-end, except those that the Board intends to honor. These amounts are reported as a reservation of fund balance.

**Cash and Cash Equivalents**

For purposes of these financial statements, cash and cash equivalents are considered cash in bank, demand deposits and short-term investments with maturities of less than three months.

For purposes of the statement of cash flows, the enterprise funds consider all highly liquid investments, including restricted assets, with a maturity of three months or less when purchased to be cash equivalents.

**Deposits and Investments**

The Board is allowed to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) other obligations, the principal of and interest on, which are unconditionally guaranteed or insured by the United States; (3) certificates of deposit issued by state or national banks domiciled in Florida that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor; (4) interest-bearing demand deposits; (5) fully collateralized direct repurchase agreements, secured by obligations described in subdivisions (1) and (2) above, and pledged with third parties selected or approved by the Board; (6) commercial paper; (7) corporate bonds; (8) derivative securities limited to those types authorized in (1) through (7) above; and (9) the Local Government Surplus Funds Trust Fund (the Florida State Board of Administration).

All investments are stated at fair value. Investment fair values are based on quoted market prices. Investments in mutual funds and Local Government Surplus Funds Trust Fund, which are external 2a-7-like investment pools, are stated at share price which is substantially the same as fair value.

**Accounts Receivable**

Accounts receivable for ambulance and commercial haulers' fees are reported net of the allowance for uncollectibles on the balance sheet - governmental funds and statement of net assets - proprietary funds, respectively. The allowances for uncollectible accounts for the above receivables are based upon aging schedules of the Board's ambulance and the

**NOTES TO FINANCIAL STATEMENTS**  
**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**NASSAU COUNTY, FLORIDA**  
*(Continued)*

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Accounts Receivable (Concluded)**

commercial haulers' receivables and the related collection experiences of such receivables by the Board.

**Loans Receivable**

The Board, in pursuing community improvement, economic development and job creation within the County, applied for and received a SHIP Affordable Housing Grant through the Florida Department of Community Affairs. Pursuant to the grant agreement, the Board is to loan money to qualified recipients at substantially reduced interest rates to meet housing needs. The outstanding balances of all such loans and related allowance for uncollectible loans, made as of September 30, 2008, were \$751,105 and \$524,000, respectively. The amount reported on the balance sheet - governmental funds of \$227,105 is the net of the above amounts and is offset by a deferral of the same amount, as these amounts are not considered 'available' under the modified accrual basis.

**Interfund Balances**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as 'due to/from other funds' in the fund financial statements.

**Inventories and Prepaid Items**

Inventories, consisting principally of expendable items held for consumption, are determined by physical count and are stated at cost based on the average-cost method. The costs of inventories in governmental fund types are recorded as expenditures when purchased (purchases method); therefore, the inventory asset amount is not available for appropriation. The change in inventories from one period to another is reported as an increase (decrease) in reserve for inventory on the statement of revenues, expenditures, and changes in fund balances - governmental funds.

Prepaid items are certain payments to vendors that reflect costs applicable to future accounting periods and are recorded as prepaid items in fund financial statements.

**Restricted Assets**

Certain resources in the solid waste disposal and water and sewer enterprise funds are set-aside for payment of the landfill closure, postclosure and monitoring costs, capital reserves, renewal and replacement, and the utility system. These resources are classified as restricted cash and investments on the statement of net assets - proprietary funds because their use is limited. All cash and investments classified as restricted is the result of various bond indenture or other legal requirements. When both restricted and unrestricted resources are available for use, the Board's practice is to use restricted resources first, then unrestricted resources as they are needed.

**Capital Assets and Long-term Liabilities**

■ **Governmental Funds**

Purchases of capital assets are recorded as expenditures in the governmental funds when the assets are acquired. At year-end, the assets are capitalized at cost by the Board in the

**NOTES TO FINANCIAL STATEMENTS**  
**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**NASSAU COUNTY, FLORIDA**  
*(Continued)*

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Capital Assets and Long-term Liabilities (Continued)**

■ **Governmental Funds (Continued)**

statement of net assets as part of the basic financial statements of the County.

The capital assets used in the operations of the Board, Clerk of the Circuit Court, Tax Collector, Property Appraiser, and Supervisor of Elections, are accounted for by the Board because the Board holds legal title and is accountable for them under Florida law. In accordance with Florida Statutes, the Board also holds title and maintains all land and buildings used by the Sheriff.

The Sheriff, pursuant to Chapter 274, Florida Statutes, is accountable for, and thus maintains capital asset records pertaining to equipment used in operations; therefore, those assets are not presented in these special purpose fund financial statements.

The Board capitalizes all capital assets which have a cost of \$750 or more and a useful life in excess of one year with the following exceptions:

<b>Capital Asset Category</b>	<b>Capitalization Threshold</b>
Buildings	\$25,000
Building Improvements	Greater of \$25,000 or 10% of Original Value
Improvements to Land Other than Buildings	\$10,000
Land	All
Easements or Right-of-Way	\$10,000
Infrastructure:	
Roads	\$250,000
Subdivisions	\$250,000
Bridges	\$50,000
Sidewalks	\$10,000
Street Lighting System	\$25,000
Drainage Systems	\$50,000
Additions or Improvements to Infrastructure	Greater of \$100,000 or 10% of Original Cost

Such assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated. Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Buildings and Infrastructure	15-40 Years
Machinery and Equipment	5-20 Years
Computer Equipment	2-5 Years

Governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while



**NOTES TO FINANCIAL STATEMENTS**  
**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**NASSAU COUNTY, FLORIDA**  
*(Continued)*

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Capital Assets and Long-term Liabilities (Concluded)**

■ **Governmental Funds (Concluded)**

discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Proprietary Enterprise Funds**

Property and equipment purchased by the enterprise funds are capitalized by those funds. Depreciation on such assets is charged as an expense against each fund's operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings	15-40 Years
Equipment	3-20 Years

The open West Nassau landfill is depreciated based on the usage of the landfill. The closed landfills are fully depreciated.

**Unamortized Bond Issuance Costs**

Bond issuance costs are amortized over the life of the bonds by the straight-line method, which does not result in a material difference from the effective interest method.

**Capitalization of Interest Costs**

When applicable the Board follows the guidelines of FASB Statement Nos. 34 and 62 to determine if interest costs related to construction of capital assets should be capitalized. For fiscal year ended September 30, 2008, no interest was capitalized.

**Deferred Revenue**

Deferred revenues reported in the governmental fund financial statements represent unearned revenues or revenues that are measurable but not available.

**Compensated Absences**

Annual, sick, bonus and compensatory leave amounts accumulate and vest in accordance with the policies of the Board and negotiated union contracts. Provisions of these policies and the union contracts specify how benefits are earned, accumulate, and when and to what extent they vest.

**Fund Equity Reservations and Designations**

In the accompanying financial statements, use of the terms "reserved" and "restricted" is limited to indicating that a portion of reported fund equity is legally restricted to a specific future use more narrow than the fund designation or is not available for appropriation of expenditure.

"Designated" portions of fund equity represent management's tentative spending plan. Such designations should clearly be distinguished from reserves, since managerial plans are subject to change and may never be legally authorized or result in actual expenditures.

**NOTES TO FINANCIAL STATEMENTS**  
**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**NASSAU COUNTY, FLORIDA**  
*(Continued)*

**Note 1 - Summary of Significant Accounting Policies (Concluded)**

**Property Taxes**

Real property and tangible personal property are assessed by the Property Appraiser according to the property's just value on January 1st of each year. Section 200.071, Florida Statutes, authorizes the Board to levy ad valorem tax millage against real property and tangible personal property for the County, including dependent districts, not to exceed 10 mills, except for voted levies. The Board shall determine the amount of millage to be levied and shall certify such millage to the Property Appraiser. For the year ended September 30, 2008, the Board levied 5.3115 mills, which included .2103 mills for the County health unit. An additional 1.5906 mills was levied for the benefit of the Nassau County Municipal Services Taxing Unit.

Property taxes are due and payable on November 1st of each year or as soon thereafter as the assessment rolls are charged to the Tax Collector by the Property Appraiser. Taxes on real property may be prepaid in four quarterly installments beginning not later than June 30th of the year in which assessed. Discounts are allowed for payment of property taxes before March 1. Taxes become delinquent on April 1st following the year in which the taxes were assessed.

The Tax Collector collects taxes for the various taxing entities, including the Board. Delinquent taxes on real property are collected by selling tax certificates to individuals. If a tax certificate is not sold, the tax certificate is struck to the County. Attempts to collect delinquent taxes on tangible personal property are done by the issuance of warrants for the seizure and sale of such tangible personal property. Key dates in the property tax cycle (latest date where appropriate) are as follows:

January 1	Property Just Value Established for Assessment of Taxes.
July 1	Assessment Roll Certified, Unless Extension Granted by the Florida Department of Revenue.
93 Days Later	Millage Resolution Approved and Taxes Levied Thereafter as Tax Collector Received Tax Roll.
30 Days Thereafter	Property Taxes Become Due and Payable (Maximum Discount).
April 1	Taxes Become Delinquent.
Prior to June 1	Tax Certificates Sold.

**Note 2 - Cash and Investments**

**Deposits with Financial Institutions**

The carrying amount of the Board's deposits with financial institutions was \$24,687,115 and the bank balances were \$24,301,414 at September 30, 2008. Deposits are placed in banks that qualify as public depositories pursuant to the provisions of Chapter 280, Florida Statutes, the Florida Security for Public Deposits Act. Every qualified public depository is required by this law to deposit with the Florida State Treasurer eligible collateral equal to or in excess of the required collateral for the depository. The Florida State Treasurer, by rule, shall establish

**NOTES TO FINANCIAL STATEMENTS**  
**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**NASSAU COUNTY, FLORIDA**  
*(Continued)*

**Note 2 - Cash and Investments (Continued)**

**Deposits with Financial Institutions (Concluded)**

minimum required collateral pledging levels and shall notify each qualified public depository of its required pledging level. Each qualified public depository shall calculate the amount of its required collateral based upon certain formulas. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

**Investments**

The Board's investment practices are governed by Section 218.415, Florida Statutes, and County Ordinance 95-144. Authorized investments include the Local Government Surplus Funds Trust Fund (the State Pool) or similar intergovernmental investment pools, money market funds registered with the Securities and Exchange Commission, interest-bearing time deposits or savings accounts in qualified public depositories as defined in Section 280.02, Florida Statutes, direct obligations of the United States Treasury, federal agencies and instrumentalities, securities of, or interests in, any open-end or closed-end management-type investment company or investment trust, or other investments authorized by law or ordinance of the County.

For the fiscal year ended September 30, 2008, the Board invested in the State Board of Administration Local Government Surplus Funds Trust Fund (the State Pool). The State Pool is administered by the Florida State Board of Administration (SBA) who provides regulatory oversight. During the year, the SBA reported that the State Pool was exposed to potential risks due to indirect exposure in the subprime mortgage financial market. Consequently, the SBA placed some restrictions on how participants could access portions of their surplus funds and ultimately restructured the State Pool into two separate pools, LGIP and Fund B.

The SBA is not a registrant with the Securities and Exchange Commission; however, the LGIP adopted operating procedures consistent with the requirements for a 2a-7-like fund. The Board's investments in the LGIP is reported at amortized cost. The fair value of the position in the pool is equal to the value of the pool shares. The Fund B is reported at fair value, determined by the fair value per share of the pool's underlying portfolio.

At year-end, the Board's investment in the State Pool consisted of:

LGIP	\$ 33,744,610
Fund B	<u>1,959,418</u>
<b>Total</b>	<b><u>\$ 35,704,028</u></b>

The Board's investment in the State Pool exposes it to credit risk, and, for Fund B, interest rate risk. The Board does not have a formal investment policy relating to these risks, which are hereafter described.

*Credit Risk* — The risk that an issuer or other counterparty to an investment will not fulfill its obligations.

**NOTES TO FINANCIAL STATEMENTS**  
**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**NASSAU COUNTY, FLORIDA**  
*(Continued)*

**Note 2 - Cash and Investments (Continued)**

**Investments (Continued)**

The LGIP is rated by Standard & Poor's and has a rating at September 30, 2008 of AAAm. Fund B is not rated by a nationally recognized statistical rating agency.

*Interest Rate Risk* — The risk that changes in interest rates will adversely affect the fair value of an investment.

The weighted average life (WAL) of Fund B at September 30, 2008, was 9.36 years. A portfolio's WAL is the dollar weighted average length of time until securities held reach maturity.

The SBA is governed by Chapter 19-7 of the Florida Administrative Code, which identifies the rules of the State Board of Administration. These rules provide guidance and establish the general operating procedures for the administration of the pool. The powers and duties of the SBA are also defined in Florida Statute 218.40. Additionally, the office of the Auditor General performs an operational audit of the activities and investments of the SBA.

All interest earned pursuant to the banking agreement or from investments is generally allocated to the various funds based upon each fund's equity balance in the cash or the investment accounts.

In accordance with the provisions of Rule 62-701, Florida Administrative Code (FAC.), the Board has established escrow accounts to provide proof of financial responsibility for the postclosure costs associated with the Old West Nassau, the Bryceville and the Lofton Creek Landfills. In addition, an escrow account was established for the closure and postclosure costs associated with the New West Nassau Landfill. Furthermore, the Board has established an escrow account for financial responsibility for corrective actions for the West Nassau Landfill vertical expansion. The amounts in these escrow accounts are determined by engineering studies as required by the above rule, and are reported as restricted pooled investments.

The following are details of the cash and investments held by the Board at year-end:

<u>Description</u>	<u>Fair Value</u>
Cash and Cash Equivalents	\$ 24,688,530
SBA Local Government Surplus Funds Trust	35,704,028
Money Market Accounts	<u>25,083,123</u>
<b>Total Cash and Investments</b>	<b><u>\$ 85,475,681</u></b>

Reported in accompanying financial statements as follows:

<u>Account</u>	<u>Reported Amount</u>
Cash and Cash Equivalents - Governmental Activities	\$ 18,406,973
Cash and Cash Equivalents - Business-type Activities	3,516,858
Equity in Pooled Investments - Governmental Activities	47,874,018

**NOTES TO FINANCIAL STATEMENTS**  
**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**NASSAU COUNTY, FLORIDA**  
*(Continued)*

**Note 2 - Cash and Investments (Concluded)**

**Investments (Concluded)**

<u>Account</u>	<u>Reported Amount</u>
Equity in Pooled Investments - Business-type Activities	\$ 7,403,101
Restricted Cash and Cash Equivalents - Business-type Activities	2,764,699
Restricted Equity in Pooled Investments - Business-type Activities	<u>5,510,032</u>
<b>Total Cash and Investments</b>	<b><u>\$ 85,475,681</u></b>

**Note 3 - Accounts Receivable**

Accounts receivable (net of allowances for uncollectibles) at September 30, 2008, included the following:

	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>
<b>Governmental Funds</b>			
General Fund	\$ 3,020,392	\$ (2,437,959)	\$ 582,433
County Transportation	43,307	0	43,307
Municipal Services	6,664	0	6,664
One Cent County Surtax	905	0	905
Impact Fee Ordinance	801	0	801
Nonmajor Governmental Funds	<u>52,747</u>	<u>0</u>	<u>52,747</u>
<b>Total Governmental Funds</b>	<b><u>\$ 3,124,816</u></b>	<b><u>\$ (2,437,959)</u></b>	<b><u>\$ 686,857</u></b>
<b>Business-type Funds</b>			
Solid Waste Disposal	\$ 169,892	\$ 0	\$ 169,892
Water	<u>342,333</u>	<u>(8,600)</u>	<u>333,733</u>
<b>Total Business-type Funds</b>	<b><u>\$ 512,225</u></b>	<b><u>\$ (8,600)</u></b>	<b><u>\$ 503,625</u></b>

**Note 4 - Assessments Receivable**

Assessments receivable (net of allowances for uncollectibles) at September 30, 2008, included the following:

	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>
<b>Business-type Funds</b>			
Solid Waste Disposal	\$ 860,846	\$ (778,875)	\$ 81,971
<b>Total Business-type Funds</b>	<b><u>\$ 860,846</u></b>	<b><u>\$ (778,875)</u></b>	<b><u>\$ 81,971</u></b>

**Note 5 - Restricted Assets**

Restricted assets in the proprietary funds at September 30, 2008, represent monies required to be restricted for debt service and construction under terms of outstanding bond agreements and impact fees restricted to water and sewer system uses. Assets are also restricted in accordance with ordinances and Florida Statutes. Restricted assets for the proprietary funds at September 30, 2008, were restricted for the following purposes:

**NOTES TO FINANCIAL STATEMENTS**  
**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**NASSAU COUNTY, FLORIDA**  
*(Continued)*

**Note 5 - Restricted Assets (Concluded)**

Customer Deposits	\$ 156,949
Landfill Closure Costs	4,720,815
Landfill Postclosure Costs	201,534
Vertical Expansion	738,872
Renewal and Replacement (Water/Sewer)	621,345
Impact Fees	<u>1,835,215</u>
<b>Total</b>	<b><u>\$ 8,274,730</u></b>

Reported in accompanying financial statements as follows:

<u>Account</u>	<u>Reported Amount</u>
Restricted Cash and Cash Equivalents - Business-type Activities	\$ 2,764,699
Restricted Equity in Pooled Investments - Business-type Activities	<u>5,510,031</u>
<b>Total Restricted Assets</b>	<b><u>\$ 8,274,730</u></b>

**Note 6 - Capital Assets**

Capital assets of the governmental funds are not recorded on the accompanying financial statements; however, they will be recorded on the County-wide financial statements. The capital assets of the proprietary funds are recorded on the statement of net assets.

Capital asset activity for the year ended September 30, 2008, was as follows:

	<u>Balance 10/1/07</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Balance 9/30/08</u>
<b>Governmental Activities</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 73,683,812	\$ 1,440,624	\$ (17,500)	\$ 75,106,936
Construction Work in Progress	<u>18,647,989</u>	<u>3,639,887</u>	<u>(17,962,012)</u>	<u>4,325,864</u>
Total Capital Assets Not Being Depreciated	<u>92,331,801</u>	<u>5,080,511</u>	<u>(17,979,512)</u>	<u>79,432,800</u>
Capital Assets Being Depreciated:				
Building and Improvements	53,099,130	76,013	0	53,175,143
Machinery and Equipment	21,492,541	1,094,583	(1,828,899)	20,758,225
Leasehold Improvements	58,411	53,058	0	111,469
Infrastructure	<u>566,941,572</u>	<u>18,036,512</u>	<u>0</u>	<u>584,978,084</u>
Total Capital Assets Being Depreciated	<u>641,591,654</u>	<u>19,260,166</u>	<u>(1,828,899)</u>	<u>659,022,921</u>
Less Accumulated Depreciation:				
Buildings and Improvements	11,094,459	1,420,915	0	12,515,374
Machinery and Equipment	14,710,252	2,056,072	(1,787,979)	14,978,345
Leasehold Improvements	58,083	6,031	0	64,114
Infrastructure	<u>180,418,174</u>	<u>14,812,016</u>	<u>0</u>	<u>195,230,190</u>
Total Accumulated Depreciation	<u>206,280,968</u>	<u>18,295,034</u>	<u>(1,787,979)</u>	<u>222,788,023</u>
Total Capital Assets Being Depreciated, Net	<u>435,310,686</u>	<u>965,132</u>	<u>(40,920)</u>	<u>436,234,898</u>
<b>Total Governmental Activities</b>				
<b>Capital Assets, Net</b>	<b><u>\$ 527,642,487</u></b>	<b><u>\$ 6,045,643</u></b>	<b><u>\$ (18,020,432)</u></b>	<b><u>\$ 515,667,698</u></b>

**NOTES TO FINANCIAL STATEMENTS**  
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**NASSAU COUNTY, FLORIDA**  
*(Continued)*

**Note 6 - Capital Assets (Concluded)**

	<u>Balance</u> <u>10/1/07</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Balance</u> <u>9/30/08</u>
<b>Business-type Activities</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 808,434	\$ 0	\$ 0	\$ 808,434
Capital Assets, Being Depreciated:				
Building and Improvements	836,683	0	0	836,683
Equipment	20,176,661	260,925	(20,877)	20,416,709
Landfill	41,655,741	11,582	0	41,667,323
Total Capital Assets Being Depreciated	62,669,085	272,507	(20,877)	62,920,715
Less Accumulated Depreciation:				
Building and Improvements	108,159	22,014	0	130,173
Equipment	5,511,860	663,838	(20,877)	6,154,821
Landfill	35,281,654	519,102	0	35,800,756
Total Accumulated Depreciation	40,901,673	1,204,954	(20,877)	42,085,750
Total Capital Assets, Being Depreciated, Net	21,767,412	(932,447)	0	20,834,965
<b>Total Business-type Activities Capital Assets, Net</b>	<u>\$ 22,575,846</u>	<u>\$ (932,447)</u>	<u>\$ 0</u>	<u>\$ 21,643,399</u>

**Note 7 - Interfund Activity**

Interfund balances at September 30, 2008, consisted of the following:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Total</u>
General	County Transportation	\$ 33,243
	Municipal Service	42,726
	Nonmajor	27,550
	Solid Waste Disposal	4,426
	Water and Sewer	4,272
<b>Total</b>		<u>\$ 112,217</u>

The purpose for each of these interfund receivables and payables is to provide temporary loans for cash flow needs, primarily associated with reimbursable grant programs. In addition, to the interfund balances, there were also \$100,263 due to the Constitutional Officers and \$1,339,011 due from the Constitutional Officers.

**NOTES TO FINANCIAL STATEMENTS**  
**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**NASSAU COUNTY, FLORIDA**  
*(Continued)*

**Note 7 - Interfund Activity (Concluded)**

Interfund transfers:

<u>Transfers Out</u>	<u>Transfers In</u>			
	<u>General</u>	<u>Nonmajor Govern- mental</u>	<u>Solid Waste</u>	<u>Totals</u>
General	\$ 0	\$ 7,047,344	\$ 2,117,929	\$ 9,165,273
County Transportation	0	1,670,842	0	1,670,842
One Cent County Surtax	0	1,700,065	2,600,489	4,300,554
Nassau County Impact Fees	0	1,272,865	0	1,272,865
Nonmajor Governmental	6,488	632,338	0	638,826
Solid Waste Disposal	<u>2,368</u>	<u>0</u>	<u>0</u>	<u>2,368</u>
<b>Total</b>	<u>\$ 8,856</u>	<u>\$ 12,323,454</u>	<u>\$ 4,718,418</u>	<u>\$ 17,050,728</u>

In addition to the interfund transfers, there were transfers out to the Constitutional Officers of \$19,810,777 and transfers in from the Constitutional Officers of \$1,383,501.

The purposes for these interfund transfers include transfers to (a) constitutional officers; (b) match for special revenue grant requirements; (c) other funds based on budgetary requirements; and (d) funds that are required by statute or budgetary authority to expend revenues from another fund that by statute or budgetary authority must collect revenues.

**Note 8 - Operating Leases**

■ **Governmental Funds**

The Board is party to four operating leases during the period ended September 30, 2008, as follows:

- *Public Library Building*—the Board signed a five-year second amendment to the lease with Cal Plaza Holding Association, LTD, commencing June 1, 2005. Operating lease payments for the year ended September 30, 2008, were \$42,806.
- *Tower Site (14<sup>th</sup> Street)*—the Board entered into a five-year lease with Pinnacle Towers, LLC, commencing April 24, 2006. Operating lease payments for the year ended September 30, 2008, were \$21,357.
- *Two Tower Sites (Hilliard and Dahoma)*—the Board entered into two one-year leases (with renewal terms of four additional periods of one year each) with Tower Asset Sub, LLC, commencing April 24, 2006. Operating lease payments for the year ended September 30, 2008, were \$28,298.



**NOTES TO FINANCIAL STATEMENTS**  
**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**NASSAU COUNTY, FLORIDA**  
*(Continued)*

**Note 8 - Operating Leases (Concluded)**

■ **Governmental Funds (Concluded)**

Future minimum lease payments under these leases follow:

<b>Year Ending September 30</b>	<b>Public Library Building</b>	<b>Tower Lease Sites</b>	<b>Total</b>
2009	\$ 48,597	\$ 52,218	\$ 100,815
2010	32,865	54,604	87,469
2011	0	30,652	30,652
<b>Totals</b>	<b>\$ 81,462</b>	<b>\$ 137,474</b>	<b>\$ 218,936</b>

■ **Proprietary Funds**

The Board also is party to three operating leases for the year ended September 30, 2008, as follows:

- *Landfill Compactor*—the Board entered into a three-year lease with Ringpower Corporation, commencing July 26, 2006. Operating lease payments for the year ended September 30, 2008, were \$91,734.
- *Wheel Loader*—the Board entered into a three-year lease with Industrial Tractor Company, commencing July 31, 2006. Operating lease payments for the year ended September 30, 2008, were \$32,954.
- *Articulated Dump Truck*—the Board entered into a three-year lease with Industrial Tractor Company, commencing July 31, 2006. Operating lease payments for the year ended September 30, 2008, were \$48,910.

Future minimum lease payments under these leases follow:

<b>Year Ending September 30</b>	<b>Landfill Compactor</b>	<b>Wheel Loader</b>	<b>Articulated Dump Truck</b>	<b>Total</b>
2009	\$ 82,609	\$ 28,811	\$ 42,762	\$ 154,182
<b>Total</b>	<b>\$ 82,609</b>	<b>\$ 28,811</b>	<b>\$ 42,762</b>	<b>\$ 154,182</b>

**Note 9 - Long-term Obligations**

Long-term debt is not recorded in the governmental funds on the accompanying financial statements; however, it will be recorded on the County-wide financial statements. Long-term debt is recorded in the proprietary funds.

**NOTES TO FINANCIAL STATEMENTS**  
**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**NASSAU COUNTY, FLORIDA**  
*(Continued)*

**Note 9 - Long-term Obligations (Continued)**

The following is a summary of changes in long-term obligations for the year ended September 30, 2008:

	<u>Balance</u> <u>10/1/07</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>9/30/08</u>	<u>Due Within</u> <u>One Year</u>
<b>Governmental Activities</b>					
Bonds Payable	\$ 53,519,512	\$ 500,639	\$ (2,505,000)	\$ 51,515,151	\$ 2,450,000
Premium on Bonds Payable	1,781,958	0	(74,248)	1,707,710	74,248
Special Assessment Debt	3,693,637	0	(956,071)	2,737,566	409,620
Line of Credit/Loan Payable	<u>3,988,376</u>	<u>0</u>	<u>(3,988,376)</u>	<u>0</u>	<u>0</u>
Total Bonds and Notes					
Payable	62,983,483	500,639	(7,523,695)	55,960,427	2,933,868
Capital Lease Payable	393,318	0	(291,651)	101,667	101,667
Claims Payable	129,500	0	(6,543)	122,957	15,207
Compensated Absences	<u>4,346,039</u>	<u>2,280,032</u>	<u>(1,855,932)</u>	<u>4,770,139</u>	<u>1,860,000</u>
<b>Total Governmental Activities Long-term Liabilities</b>	<u>\$ 67,852,340</u>	<u>\$ 2,780,671</u>	<u>\$ (9,677,821)</u>	<u>\$ 60,955,190</u>	<u>\$ 4,910,742</u>
<b>Business-type Activities</b>					
Bonds Payable	\$ 17,665,000	\$ 0	\$ (400,000)	\$ 17,265,000	\$ 410,000
Unamortized Discount	(230,469)	0	8,864	(221,605)	8,864
Compensated Absences	158,900	117,755	(87,398)	189,257	83,000
Landfill Closure/ Postclosures	<u>15,728,543</u>	<u>1,524,821</u>	<u>(159,854)</u>	<u>17,093,510</u>	<u>0</u>
<b>Total Business-type Activities Long-term Liabilities</b>	<u>\$ 33,321,974</u>	<u>\$ 1,642,576</u>	<u>\$ (638,388)</u>	<u>\$ 34,326,162</u>	<u>\$ 501,864</u>

**Governmental Activities**

A brief synopsis of long-term debt existing at September 30, 2008, follows:

The Board, in December 2001, issued the 2001 Optional Gas Tax Revenue Refunding Bonds in the amount of \$5,630,000. The purposes of the Series 2001 bonds are to provide funds for financing the costs of (1) refunding the County's outstanding Optional Gas Tax Revenue Refunding Bond, Series 1992 (the refunded bonds) and (2) paying certain costs related to the issuance and sale of the Series 2001 bonds, including the premium for a municipal bond insurance policy.

The 2001 Optional Gas Tax Revenue Refunding Bonds, (serial bonds) are secured by a prior lien upon and pledge of revenues received by the Board from the six-cent optional gas taxes upon motor and other fuels in the County pursuant to a related bond resolution. Annual principal and interest on the bonds are expected to require approximately 52% of such tax revenue and are payable through 2009. Principal and interest payments for the current year totaled \$901,975 and optional gas tax revenues totaled \$1,738,206. At year-end, pledged future revenues totaled \$902,700, which was the amount of remaining principal and interest on the bonds. Other Board revenues are not available to finance this bond issue.

**NOTES TO FINANCIAL STATEMENTS**  
**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**NASSAU COUNTY, FLORIDA**  
*(Continued)*

**Note 9 - Long-term Obligations (Continued)**

**Governmental Activities (Continued)**

In addition, the bondholders do not have any authority to compel the Board to increase ad valorem taxes for financing this bond issue. Such bonds, bearing interest at rates between 2.0% and 4.0% per annum, are dated December 1, 2001, and are in denominations of \$5,000 each. A portion of such bonds mature annually with the final maturity date being March 1, 2009.

Future principal and interest payments for this bond issue are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 885,000	\$ 17,700	\$ 902,700
<b>Total</b>	<u>\$ 885,000</u>	<u>\$ 17,700</u>	<u>\$ 902,700</u>

The Board, in August 1998, issued the Gas Tax Revenue Refunding and Improvement Bonds in the amount of \$15,410,000. The proceeds of this 1998 refunding bond issue were used to currently refund the 1974 Nassau County Road Bonds, fund the purchase of a reserve account insurance policy, and pay certain costs associated with the issuance and delivery of the 1998 refunding bonds. In addition, certain proceeds were deposited into a construction account to fund certain transportation improvements within the County.

The 1998 Gas Tax Revenue Refunding and Improvement Bonds (serial bonds), are secured by a lien upon and pledge of the proceeds of the constitutional, County and ninth-cent gas taxes. Annual principal and interest on the bonds are expected to require approximately 63% of such tax revenue and are payable through 2018. Principal and interest payments for the current year totaled \$1,207,509 and gas tax revenues totaled \$1,930,589. At year-end, pledged future revenues totaled \$12,092,234, which was the amount of remaining principal and interest on the bonds. Other Board revenues are not available to finance this bond issue.

In addition, the bondholders do not have any authority to compel the Board to increase ad valorem taxes for financing this bond issue. Such bonds, bearing interest at rates between 3.6% and 5.0% per annum, are dated August 1, 1998, and are in denominations of \$5,000 each. A portion of such bonds mature annually with the final maturity date being October 1, 2018.

Future principal and interest payments for this bond issue are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 755,000	\$ 456,009	\$ 1,211,009
2010	785,000	422,034	1,207,034
2011	825,000	385,924	1,210,924
2012	860,000	347,148	1,207,148
2013	905,000	305,869	1,210,869
2014-2018	<u>5,235,000</u>	<u>810,250</u>	<u>6,045,250</u>
<b>Total</b>	<u>\$ 9,365,000</u>	<u>\$ 2,727,234</u>	<u>\$ 12,092,234</u>

**NOTES TO FINANCIAL STATEMENTS**  
**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**NASSAU COUNTY, FLORIDA**  
*(Continued)*

**Note 9 - Long-term Obligations (Continued)**

**Governmental Activities (Continued)**

The Board, in May 2001, issued the Public Improvement Revenue Bond, Series 2001, of Nassau County, Florida in the amount of \$35,610,000. The proceeds of the bond issue are being used to retire certain outstanding debts of the County, finance the acquisition and construction of certain capital improvements and pay certain costs and expenses related to issuance of the Series 2001 bonds.

The Series 2001 bonds are special obligations of the County, payable solely from amounts budgeted and appropriated by the County from non ad valorem tax funds in accordance with the terms of the Resolution. Annual principal and interest on the bonds are expected to require approximately 15% of such tax revenue and are payable through 2011. Principal and interest payments for the current year totaled \$847,064 and tax revenues totaled \$5,648,681. At year-end, pledged future revenues totaled \$2,539,197, which was the amount of remaining principal and interest on the bonds. Such appropriations shall be in amounts sufficient to pay principal and interest on the Series 2001 bonds when due and make all required deposits to the rebate fund.

The Series 2001 bonds bearing interest rates between 3.50% and 5.75% per annum are dated May 1, 2001, and are in denominations of \$5,000 each. A portion of such bonds mature annually starting May 2002 through May 2011 and May 2014 through 2019. There are term maturities in May of 2013, 2021, 2025 and 2031. Interest payments are made on November 1 and May 1 of each year and principal payments are made annually on May 1 of each year.

The Board, in June 2007, advanced refunded \$28,840,000 in aggregate principal amount of the Series 2001 maturing in years 2013 through 2031. Those amounts maturing in years 2008 through 2011 were noncallable and were therefore not subject to the refunding. Future principal and interest payments for this bond issue are as follows:

<b>Year Ending September 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2009	\$ 745,000	\$ 102,391	\$ 847,391
2010	775,000	70,356	845,356
2011	<u>810,000</u>	<u>36,450</u>	<u>846,450</u>
<b>Total</b>	<u>\$ 2,330,000</u>	<u>\$ 209,197</u>	<u>\$ 2,539,197</u>

The Board, in September 2000, issued the Optional Gas Tax Revenue Bond in the amount of \$6,167,580. The proceeds of the bond issue are to pay the cost of acquisition and construction of certain transportation capital improvements in the County and to pay certain costs related to the issuance and sale of the Series 2000 bonds. The 2000 bonds are capital appreciation bonds; additional capital appreciation through September 30, 2008 totaled \$3,357,570.

The Series 2000 bonds are special, limited obligations of the County payable solely from and secured by a prior lien upon and pledge of the proceeds of the six-cent local option gas tax and until expended, the monies on deposit in certain funds and accounts created by Resolution, on a parity with the County's \$5,630,000 principal amount of Optional Gas Tax Revenue Refunding Bond, Series 2001. Other Board revenues are not available to finance this bond issue. In

**NOTES TO FINANCIAL STATEMENTS**  
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**NASSAU COUNTY, FLORIDA**  
*(Continued)*

**Note 9 - Long-term Obligations (Continued)**

**Governmental Activities (Continued)**

addition, the bondholders do not have any authority to compel the Board to increase ad valorem taxes for financing this bond issue. Such bonds, bearing interest at a rate between 5.0% and 5.81% per annum, are dated August 30, 2000, and are in denominations of \$5,000 each. A portion of such bonds mature annually starting March 1, 2010, with final maturity being March 1, 2025.

This bond was issued on parity with the 1992 Local Option Gas Tax Bond issue, therefore, since the last payment for the 1992 bond is March 1, 2009, the 2000 bond principal and interest payments do not start until March 1, 2010.

Future principal and interest payments for this bond issue are as follows; capital appreciation amounts are included in future interest:

<b>Year Ending September 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2009	\$ 0	\$ 0	\$ 0
2010	592,014	352,986	945,000
2011	557,758	387,242	945,000
2012	524,465	420,535	945,000
2013	492,203	452,797	945,000
2014-2018	2,034,774	2,690,226	4,725,000
2019-2023	1,486,693	3,238,307	4,725,000
2024-2025	479,673	1,410,327	1,890,000
<b>Total</b>	<b>\$ 6,167,580</b>	<b>\$ 8,952,420</b>	<b>\$ 15,120,000</b>

The Board, in June 2007, issued the Public Improvement Revenue and Refunding Bonds, Series 2007, in the amount of \$29,630,000. The purposes of the Series 2007 bonds are to (1) acquire and construct certain public improvements, (2) partially advance refund the Board's outstanding Public Improvement Revenue Bonds, Series 2001, and (3) pay certain issuance costs of the Series 2007 bonds, including the municipal bond insurance premium.

The Series 2007 bonds are special obligations of the Board payable solely from amounts budgeted and appropriated by the Board from non ad valorem tax funds in accordance with the terms of the Resolution. Annual principal and interest on the bonds are expected to require approximately 26% of such tax revenue and are payable through 2031. Principal and interest payments for the current year totaled \$1,473,526 and tax revenues totaled \$5,648,681. At year-end, pledged future revenues totaled \$50,943,963, which was the amount of remaining principal and interest on the bonds. Other Board revenues are not available to finance this bond issue.

In addition, the bondholders do not have any authority to compel the Board to increase ad valorem taxes for financing this bond issue. Such bonds, bearing interest rates between 3.75% and 5.0% per annum, are dated June 12, 2007, and are in denominations of \$5,000 each. A portion of such bonds mature annually beginning May 2008, with term maturities in May of 2023, 2025, 2027, and 2031.

**NOTES TO FINANCIAL STATEMENTS**  
**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**NASSAU COUNTY, FLORIDA**  
*(Continued)*

**Note 9 - Long-term Obligations (Continued)**

**Governmental Activities (Continued)**

Future principal and interest payments for this bond issue are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 65,000	\$ 1,405,838	\$ 1,470,838
2010	70,000	1,403,400	1,473,400
2011	70,000	1,400,775	1,470,775
2012	920,000	1,398,150	2,318,150
2013	960,000	1,361,350	2,321,350
2014-2018	5,500,000	6,185,950	11,685,950
2019-2023	6,810,000	4,808,750	11,618,750
2024-2028	8,690,000	2,926,750	11,616,750
2029-2031	6,325,000	643,000	6,968,000
<b>Total</b>	<u>\$ 29,410,000</u>	<u>\$ 21,533,963</u>	<u>\$ 50,943,963</u>

Special Assessment Debt—payable at September 30, 2008, totaled \$2,737,566. These funds consist of one bond.

- Special Assessment Debt, Series 2004—in order to facilitate the construction of a 3.5 mile roadway through the Amelia Concourse Assessment Area, the Board authorized a \$6,487,372, Nassau County, Florida, Special Assessment Bond Series 2004. The bonds are collateralized by pledged funds from a special assessment upon property within said improvement area. Annual principal and interest on the bonds are expected to require approximately 87% of such assessment revenue and are payable through 2013. Principal and interest payments for the current year totaled \$748,111 and assessment revenues totaled \$863,732. At year-end, pledged future revenues totaled \$3,043,069, which was the amount of remaining principal and interest on the bonds.

The bonds bear interest at a rate of 4.30% per annum and are dated May 25, 2004. Such bonds are payable annually on October 1st of each year through and including October 1, 2014.

Future principal and interest payments for this bond issue are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 630,603	\$ 117,715	\$ 748,318
2010	657,719	90,599	748,318
2011	686,001	62,317	748,318
2012	715,499	32,819	748,318
2013	47,744	2,053	49,797
<b>Total</b>	<u>\$ 2,737,566</u>	<u>\$ 305,503</u>	<u>\$ 3,043,069</u>

**NOTES TO FINANCIAL STATEMENTS**  
**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**NASSAU COUNTY, FLORIDA**  
*(Continued)*

**Note 9 - Long-term Obligations (Continued)**

**Governmental Activities (Concluded)**

Capital Lease—The Board on October 9, 2002, entered into a lease with Emergency One, Inc. The lease in the amount of \$650,000 is being used to finance a 1995 Platform Side Stacker Fire Apparatus mounted on a Cyclone 114 Door Tilt-Cab Chassis. The lease is to be paid in seven annual payments at an interest rate of 4.89%. The balance at September 30, 2008, is \$101,667.

The assets acquired through capital lease are as follows:

<b>Asset</b>	<b>Governmental Activities</b>
Machinery and Equipment	\$ 649,000
(Accumulated Depreciation)	<u>(393,242)</u>
<b>Total</b>	<u><u>\$ 255,758</u></u>

The following is a schedule of the future minimum lease payments under the capital lease agreements together with the present value of the net minimum lease payments as of September 30, 2008:

<b>Year Ending September 30</b>	<b>Side Stacker Fire Apparatus</b>
2009	\$ 106,639
<b>Total Minimum Lease Payments</b>	106,639
<b>(Amount Representing Interest)</b>	<u>(4,972)</u>
<b>Total</b>	<u><u>\$ 101,667</u></u>

Compensated Absences—are not recorded on the accompanying governmental fund financial statements; however, it will be recorded on the County-wide financial statements. Following is a summary of annual, sick, bonus and compensatory leave benefits liabilities at September 30, 2008:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
Vacation Leave	\$ 2,072,577	\$ 1,344,885	\$ (1,246,633)	\$ 2,170,829
Sick Leave	2,217,359	836,709	(505,166)	2,548,902
Bonus Leave	48,957	87,671	(93,640)	42,988
Compensatory Leave	<u>7,146</u>	<u>10,767</u>	<u>(10,493)</u>	<u>7,420</u>
<b>Total</b>	<u><u>\$ 4,346,039</u></u>	<u><u>\$ 2,280,032</u></u>	<u><u>\$ (1,855,932)</u></u>	<u><u>\$ 4,770,13</u></u>

**NOTES TO FINANCIAL STATEMENTS**  
**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**NASSAU COUNTY, FLORIDA**  
*(Continued)*

**Note 9 - Long-term Obligations (Continued)**

**Defeased Bonds**

The Board has outstanding bonds that have been defeased by the purchase of qualifying governmental securities in irrevocable trusts. The scheduled maturities and interest earnings on the escrowed securities are sufficient to redeem the defeased bonds without further debt service costs to the Board. Both the defeased bonds and the escrowed securities are, as required by generally accepted accounting principles, omitted from the financial statements of the Board.

The following bonds have been defeased by the Board and are no longer included in the accompanying financial statements:

	<b>Balance</b> <b><u>09/30/08</u></b>
Public Improvement Revenue Bonds, Series 2001	<b><u>\$ 28,840,000</u></b>

**Business-type Activities**

On September 22, 2003, the Board issued \$19,160,000 Variable Rate Water and Sewer System Revenue Bonds with an interest rate that ranges from 2.000% to 4.250%. The net proceeds of \$18,756,550 were used to refund \$17,675,005 in principal amount of the Board's outstanding Revenue Note, Series 2000, to reimburse the Board for certain capital costs relating to the acquisition of the System, to fund the Renewal and Replacement Fund established pursuant to the Bond Ordinance, and to pay the issuance costs of the Series 2003 bonds.

The revenue bonds are secured by a pledge of and are payable solely from pledged revenues, which primarily consist of net revenues and impact fees which derive from the System. Annual principal and interest on the bonds are expected to require approximately 69% of such revenue and are payable through 2033. Principal and interest payments for the current year totaled \$1,200,725 and assessment revenues totaled \$1,729,581. At year-end, pledged future revenues totaled \$29,993,556, which was the amount of remaining principal and interest on the bonds. The Series 2003 bonds shall not be or constitute general obligations or indebtedness of the County.

**Rate Covenant**

The Board has covenanted to establish and collect fees from users of the Water and Sewer System (gross revenues of the System, as defined in the bond ordinance) sufficient to pay the costs of operation and maintenance of the System (as defined in the bond ordinance) plus 110% of the bond service requirements for that year. In addition, the rate covenant requires the Board to establish and collect fees from users of the System and impact fees sufficient to pay the costs of operation and maintenance of the System plus 125% of the bond service requirements for that year. The Board met the 125% and 110% requirements and, therefore, is in compliance with the rate covenant at year-end.



**NOTES TO FINANCIAL STATEMENTS**  
**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**NASSAU COUNTY, FLORIDA**  
*(Continued)*

**Note 9 - Long-term Obligations (Concluded)**

**Rate Covenant (Concluded)**

Future principal and interest payments for this bond issue are as follows:

<b>Year Ending September 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2009	\$ 410,000	\$ 790,725	\$ 1,200,725
2010	420,000	779,450	1,199,450
2011	435,000	766,325	1,201,325
2012	450,000	751,644	1,201,644
2013	465,000	735,331	1,200,331
2014-2018	2,605,000	3,391,194	5,996,194
2019-2023	3,235,000	2,767,956	6,002,956
2024-2028	4,070,000	1,923,881	5,993,881
2029-2033	<u>5,175,000</u>	<u>822,050</u>	<u>5,997,050</u>
<b>Total</b>	<b>\$ 17,265,000</b>	<b>\$ 12,728,556</b>	<b>\$ 29,993,556</b>

Compensated Absences—Following is a summary of annual, sick and bonus leave benefits liabilities at September 30, 2008, for the proprietary funds:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
Vacation Leave	\$ 60,965	\$ 66,250	\$ (52,272)	\$ 74,943
Sick Leave	95,591	43,842	(28,016)	111,417
Bonus Leave	<u>2,344</u>	<u>7,663</u>	<u>(7,110)</u>	<u>2,897</u>
<b>Total</b>	<b>\$ 158,900</b>	<b>\$ 117,755</b>	<b>\$ (87,398)</b>	<b>\$ 189,257</b>

**Note 10 - Bond Arbitrage Rebate**

The Board engaged an independent certified public accounting firm to compute the aggregate arbitrage rebate amount in accordance with the requirements of Section 148(f) of the Internal Revenue Code of 1986 for the following bond issues:

- \$6,167,580 Nassau County, Florida, Optional Gas Tax Revenue Bonds, Series 2000.
- \$35,610,000 Nassau County, Florida, Public Improvement Revenue Bonds, Series 2001.
- \$636,000 Nassau County, Florida, Special Assessment Bond, Series 2001A.
- \$19,160,000 Nassau County, Florida, Water and Sewer System Revenue Bonds, Series 2003.
- \$6,487,372 Nassau County, Florida, Special Assessment Bond, Series 2004.

The payment of arbitrage rebate is made sixty days after five years from the date of issuance of the bonds. Based on their calculations, the independent certified public accounting firm had determined that there is no rebate liability for the bond issues noted above.

**NOTES TO FINANCIAL STATEMENTS**  
**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**NASSAU COUNTY, FLORIDA**  
*(Continued)*

**Note 11 - Landfill Closure and Postclosure Care Costs**

State and federal laws require the Board to fund landfill closure care costs when a landfill site stops accepting waste and to perform certain maintenance and monitoring functions at the landfill site for twenty years if the landfill stopped receiving waste before October 9, 1993, and thirty years if the landfill stopped receiving waste after October 9, 1993. The Board has three landfills that stopped receiving waste before October 9, 1993, replacing them with a new landfill.

Although closure care costs will be paid only near or after the date that the new landfill stops accepting waste, the Board reports a portion of the closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Postclosure care costs for the new landfill will be funded annually for thirty years after closure. Regarding the three closed landfills, actual postclosure care cost incurred for each year is reported as a reduction of the liability, along with the change in required escrow balance until the required twenty-year postclosure care period is satisfied.

To match expenses with the flow of revenues, the Board accrues a portion of the estimated future closure care costs of the currently operating landfill each year. As of September 30, 2008, the Board has accrued a liability of \$6,058,502 for future closure care costs based on 79.22% landfill capacity used per engineering estimates. The Board will recognize the remaining estimated closure care cost of \$1,589,218 as the remaining estimated capacity (estimated to be 9.3 years) is filled.

Regarding the three closed landfills and the open landfill, the Board has accrued \$11,035,009 for postclosure care costs at September 30, 2008. This liability is based on engineering estimates of annual postclosure care costs. The Board will recognize the remaining estimated postclosure care cost of \$2,250,430 as the remaining estimated capacity (estimated to be 9.3 years) is filled.

These closure and postclosure care costs are based on estimates of what it would cost to perform all closure and postclosure care using 2008 dollars. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The Board is required by state law to escrow assets needed for the actual payout of closure costs on the current operating landfill, and one year of postclosure care costs on the three closed landfills. The Board is in compliance with these requirements with escrow balances that exceed the amounts required by state law. At September 30, 2008, the escrow balances are as follows:

	<u><b>Total</b></u>
<b>Landfills</b>	
Old West Nassau Postclosure	\$ 113,801
Bryceville Postclosure	48,829
Lofton Creek Postclosure	100,377
New West Nassau Closure	<u>7,891,708</u>
<b>Total Escrow Balances</b>	<u><u>\$ 8,154,715</u></u>

**NOTES TO FINANCIAL STATEMENTS**  
**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**NASSAU COUNTY, FLORIDA**  
*(Continued)*

**Note 12 - Retirement Plans**

The Board participates in the Florida Retirement System (the System) administered by the State of Florida Division of Retirement. Such a retirement system is a cost-sharing multiple-employer public employee retirement system established to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes, establishes the authority for participant eligibility, contribution requirements, vesting eligibility, and benefit provisions and amendments. The System issues a publicly available financial report that includes financial statements and required supplementary information for the plan. The 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.

The System provides for vesting of benefits after six years of creditable service. Normal retirement is after thirty years of service for full benefits. Normal retirement is also available for members who have ten years of service and attained the age of sixty-two. Early retirement may be taken after completing ten years of service with a 5% benefit reduction for each year prior to normal retirement. Generally, membership is compulsory for all full-time and part-time employees, except for elected Officials who may elect not to participate in the System. Retirement coverage is employee noncontributory.

The funding methods and determination of benefits payable are provided in various Acts of the State Legislature. These Acts provide that employers make required contributions actuarially determined at the following rates:

	<b>As of</b> <b><u>September 30, 2008</u></b>
Regular Employees	9.85%
Senior Management Service	13.12%
Elected County Officials	16.53%
Deferred Retirement Option Program	10.91%

The Board's contributions to the System for the years ended September 30, 2008, 2007, and 2006 were \$2,316,063, \$2,258,467, and \$1,896,610, respectively, equal to the required contributions for each year.

**Note 13 - Deferred Compensation Plan**

The Board, in accordance with Section 112.215, Florida Statutes, maintains a deferred compensation plan pursuant to the provisions of Internal Revenue Code Section 457. The plan, available to all employees of the Board, permits such employees to defer a portion of their salaries until future years. Participation in the plan is optional. The deferred compensation plan amount is not available for withdrawal by employee participants until termination, retirement, death or unforeseeable emergency of such participants.

Pursuant to GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code, Section 457, Deferred Compensation Plans*, the Board has contracted with a third party for the establishment of custodial accounts to administer these funds for the exclusive benefit of participants and their beneficiaries. The Board has no administrative involvement, and does not perform the investing function for this plan.

**NOTES TO FINANCIAL STATEMENTS**  
**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**NASSAU COUNTY, FLORIDA**  
*(Continued)*

**Note 14 - Other Postemployment Benefits**

Pursuant to the Nassau County Personnel, Policies and Procedures Manual, the Board allows retired employees and their spouses to remain members of the Board's health insurance program. The Board pays 100% of the single premium for former employees until age 65 that retire under the terms and conditions of the System. Retirees are responsible for 100% of their spouses' premium. Currently, the Board pays single coverage on sixty-four retirees. Expenditures for postemployment health care benefits are recognized as the Board pays the retirees' single premiums that amounted to \$337,156 during the year. The policy of paying retirees single premiums was effective October 1, 1996. For employees hired on or after October 1, 2005, the County pays the following insurance premium rates for single coverage for those that retire under the terms and conditions of the System:

<u>Years of Service</u> <u>With Nassau County</u>	<u>Benefits Received if Retiring</u> <u>From Nassau County</u>
15	50% of single coverage only until the age of 65
20	65% of single coverage only until the age of 65
25	80% of single coverage only until the age of 65
30+	100% of single coverage only until the age of 65

**Note 15 - Unrestricted Net Assets**

In accordance with GASB Statement No. 18, the County has accrued estimated closure and postclosure costs of its landfills as capacity is used. These liabilities are not required to be fully funded until later dates. As a result, the Solid Waste Disposal Fund has accumulated negative unrestricted net assets at September 30, 2008, as follows:

Prior Year Total Net Assets	\$ 2,851,567
Change in Net Assets for the Year Ended September 30, 2008	<u>2,559,451</u>
Total Net Assets for the Year Ended September 30, 2008	5,411,018
Invested in Capital Assets, Net of Related Debt	(6,904,588)
Restricted Net Assets	<u>0</u>
<b>Total Unrestricted Net Assets</b>	<b><u>\$ (1,493,570)</u></b>

**Note 16 - Deficit Fund Balance**

Expenditures for the Legal Aid Trust Fund are partially funded by Florida Statute 939.185 with an imposed Court Cost Fee. The fees collected through September 30, 2008, were insufficient to cover all the expenditures for the year and will be supplemented by the General Fund in the 2008-2009 fiscal year. As a result, the Legal Aid Trust fund has accumulated a deficit fund balance at September 30, 2008, as follows:

Fund Balance at Beginning of Year	\$ 0
Net Change in Fund Balance for the Year	
Ended September 30, 2008	<u>(15,358)</u>
<b>Total Deficit Fund Balance</b>	<b><u>\$ (15,358)</u></b>

**NOTES TO FINANCIAL STATEMENTS**  
**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**NASSAU COUNTY, FLORIDA**  
*(Continued)*

**Note 16 - Deficit Fund Balance (Concluded)**

Expenditures for the resurfacing of Ford Road were partially funded by a Florida Department of Transportation grant. However, a portion of grant revenues were not available as of September 30, 2008. As a result, the Road Projects fund has accumulated a deficit fund balance at September 30, 2008, as follows:

Fund Balance at Beginning of Year	\$ 1,114,436
Net Change in Fund Balance for the Year	
Ended September 30, 2008	<u>(1,422,868)</u>
<b>Total Deficit Fund Balance</b>	<b><u>\$ (308,432)</u></b>

**Note 17 - Risk Management**

The Board is exposed to various risks of loss related to theft of, damage to and destruction of assets; accidental death and dismemberment and injury on the job to employees. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial or workers' compensation insurance coverage for the past three years.

The Board is also exposed to various risks of loss related to general medical and civil liability, and errors and omissions. For these insurance coverages, the Board joined the Florida Association of Counties Trust (the Trust), a public entity risk pool currently operating as a common risk management and insurance program for twenty-three member counties. The financial liability of the Board is limited to premiums and surplus contributions paid to the Trust. The premiums are paid from various funds based on coverage required.

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

**Note 18 - Commitments and Contingencies**

The Board is a party to a number of lawsuits and claims arising out of the normal conduct of its activities. While the results of these lawsuits and claims against the Board cannot be predicted with certainty, management does not expect that these matters will have a material adverse effect on the financial position of the Board.

The Board had several outstanding projects as of September 30, 2008. These projects are evidenced by contractual commitments with contractors and include:

<u>Project</u>	<u>Source of Payment</u>	<u>Paid to Date</u>	<u>Commitment Remaining</u>
Amelia Concourse	Special Assessments	\$ 3,165,498	\$ 351,722
Old Dixie Highway	State Grant/Current Available Sources	242,662	2,572,463
CR 108 Design & Construction	State Grant/Current Available Sources	0	341,518
Goffinsville-Nassau River Park	State Grant/Current Available Sources	<u>183,067</u>	<u>2,007,227</u>
<b>Total</b>		<b><u>\$ 3,591,227</u></b>	<b><u>\$ 5,272,930</u></b>

**NOTES TO FINANCIAL STATEMENTS**  
**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**NASSAU COUNTY, FLORIDA**  
*(Continued)*

**Note 19 - Conduit Debt Obligations**

The Board has issued several series of industrial revenue bonds to furnish financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities considered to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities will transfer to the private sector entity served by the bond issuance. Neither the Board, the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of September 30, 2008, there were three series of such bonds outstanding, with an aggregate principal amount payable of \$57,560,000. The issue amount and the September 30, 2008, outstanding balance is as follows:

<u>Original Issuance</u>	<u>Year</u>	<u>9/30/08 Balance</u>	<u>Description</u>
\$ 23,300,000	1999	\$ 23,300,000	Rayonier-Pollution Control Refunding
23,110,000	2002	23,110,000	Rayonier-Pollution Control Refunding
<u>11,150,000</u>	2008	<u>11,150,000</u>	AICC, Inc. and Nassau Care Centers – 70 Bed Care Intermediate Care and Day Program Service Facilities
<u>\$ 57,560,000</u>		<u>\$ 57,560,000</u>	

**Note 20 - Subsequent Events**

**Local Government Surplus Funds Trust Funds Investment Pool**—At September 30, 2007, the Nassau County Board of County Commissioners had \$55,295,929 invested in the State Board of Administration's Local Government Surplus Funds Trust Fund Investment Pool (Pool). On November 29, 2007, the State Board of Administration implemented a temporary freeze on the assets held by the Pool due to an unprecedented amount of withdrawals from the fund coupled with the absence of market liquidity for certain securities within the Pool.

The significant amount of withdrawals followed reports that the Pool held asset-backed commercial paper that was subject to subprime mortgage risk. On December 4, 2007, based on recommendations from an outside financial advisor, the State Board of Administration restructured the Pool into two separate pools. *Pool A* consisted of all money market appropriate assets, which was approximately \$12 billion or 86% of Pool assets. *Pool B* consisted of assets that either defaulted on a payment, paid more slowly than expected, and/or had any significant credit and liquidity risk, which was approximately \$2 billion or 14% of Pool assets. At the time of the restructuring, all current pool participants had their existing balances proportionately allocated into Pool A and Pool B.

**NOTES TO FINANCIAL STATEMENTS**  
**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**NASSAU COUNTY, FLORIDA**  
*(Concluded)*

**Note 20 - Subsequent Events (Concluded)**

**Local Government Surplus Funds Trust Funds Investment Pool—(Concluded)**

As of December 23, 2008, withdrawal restrictions and redemption fees on Pool A have been eliminated, while withdrawals from Pool B continue to be prohibited. As Pool B securities are liquidated and become available for distribution they are moved to Pool A.

As of December 31, 2008, the Board has \$18,011,770 and \$2,336,793 invested in Pool A and B, respectively. Pool B has a potential \$780,899 unrealized loss as of December 31, 2008, due to liquidations of underlying securities and reduced market values of the securities held. Additional information regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration.

**Downgrading of Municipal Bond Insurer**—On June 19, 2008, Moody's Investor Service (Moody's) downgraded MBIA Insurance Corporation, the provider of the municipal bond insurance policy on the Board's Series 2000 Optional Gas Tax Revenue Bonds and Series 1998 Gas Tax Revenue Refunding and Improvement Bonds, from Aaa to A2. Pursuant to the bond covenants, if the rating of the bond insurer falls below Moody's Aaa, the County shall either (1) deposit cash to meet the reserve requirement to be paid over the ensuing five years in equal installments at least semiannually or (2) replace its existing policy with a surety bond, insurance policy, or letter of credit meeting the bond requirements. Subsequent to year-end, the Board approved depositing the required reserve of \$945,000 for the Series 2000 Optional Gas Tax Revenue Bonds and has approved refunding the Series 1998 Gas Tax Revenue Refunding and Improvement Bonds.

## **REQUIRED SUPPLEMENTARY INFORMATION**



**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues</b>				
Taxes	\$ 35,445,368	\$ 35,445,368	\$ 35,368,211	\$ (77,157)
Licenses and Permits	5,000	5,000	3,754	(1,246)
Intergovernmental Revenues	5,379,819	6,370,594	5,386,372	(984,222)
Charges for Services	2,877,348	2,932,899	3,126,569	193,670
Fines and Forfeitures	108,300	108,300	87,030	(21,270)
Interest Earnings	0	1,881	(70,898)	(72,779)
Miscellaneous	203,582	229,041	303,290	74,249
<b>Total Revenues</b>	<b>44,019,417</b>	<b>45,093,083</b>	<b>44,204,328</b>	<b>(888,755)</b>
<b>Expenditures</b>				
Current:				
General Government Services	9,022,465	7,227,816	7,406,274	(178,458)
Public Safety	10,524,201	11,861,741	8,970,464	2,891,277
Physical Environment	1,407,768	1,111,299	952,704	158,595
Economic Environment	175	175	175	0
Human Services	2,552,634	2,603,537	1,850,654	752,883
Culture and Recreation	2,173,307	2,039,230	1,942,452	96,778
Court-related Expenditures	1,008,556	942,512	758,481	184,031
Capital Outlay	2,796,916	3,358,587	740,279	2,618,308
<b>(Total Expenditures)</b>	<b>29,486,022</b>	<b>29,144,897</b>	<b>22,621,483</b>	<b>6,523,414</b>
<b>Excess of Revenues Over Expenditures</b>	<b>14,533,395</b>	<b>15,948,186</b>	<b>21,582,845</b>	<b>5,634,659</b>
<b>Other Financing Sources (Uses)</b>				
Transfers from Constitutional Officers	635,000	635,000	1,141,205	506,205
Transfers to Constitutional Officers	(14,756,724)	(16,496,393)	(16,234,567)	261,826
Operating Transfers in	1,576,197	2,211,197	8,856	(2,202,341)
Operating Transfers (out)	(3,480,634)	(9,290,681)	(9,165,273)	125,408
<b>Total Other Financing Sources (Uses)</b>	<b>(16,026,161)</b>	<b>(22,940,877)</b>	<b>(24,249,779)</b>	<b>(1,308,902)</b>
<b>Net Change in Fund Balances</b>	<b>(1,492,766)</b>	<b>(6,992,691)</b>	<b>(2,666,934)</b>	<b>4,325,757</b>
<b>Fund Balances at Beginning of Year</b>	<b>1,492,766</b>	<b>6,992,691</b>	<b>13,138,144</b>	<b>6,145,453</b>
<b>Fund Balances at End of Year</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 10,471,210</b>	<b>\$ 10,471,210</b>

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - COUNTY TRANSPORTATION FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues</b>				
Taxes	\$ 7,445,370	\$ 7,445,370	\$ 7,544,031	\$ 98,661
Licenses and Permits	122,500	122,500	44,847	(77,653)
Intergovernmental Revenues	959,325	1,009,325	923,563	(85,762)
Charges for Services	169,500	169,500	86,931	(82,569)
Interest Earnings	0	0	(65,739)	(65,739)
Miscellaneous	20,800	130,800	164,561	33,761
<b>Total Revenues</b>	<b>8,717,495</b>	<b>8,877,495</b>	<b>8,698,194</b>	<b>(179,301)</b>
<b>Expenditures</b>				
Current:				
Transportation	7,678,589	7,631,485	6,797,022	834,463
Capital Outlay	9,150	331,658	58,747	272,911
<b>(Total Expenditures)</b>	<b>7,687,739</b>	<b>7,963,143</b>	<b>6,855,769</b>	<b>1,107,374</b>
<b>Excess of Revenues Over Expenditures</b>	<b>1,029,756</b>	<b>914,352</b>	<b>1,842,425</b>	<b>928,073</b>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers in	168,950	168,950	0	(168,950)
Transfers from Constitutional Officers	0	0	37,185	37,185
Operating Transfers (out)	(1,670,842)	(1,670,842)	(1,670,842)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(1,501,892)</b>	<b>(1,501,892)</b>	<b>(1,633,657)</b>	<b>(131,765)</b>
<b>Net Change in Fund Balances</b>	<b>(472,136)</b>	<b>(587,540)</b>	<b>208,768</b>	<b>796,308</b>
<b>Fund Balances at Beginning of Year</b>	<b>472,136</b>	<b>587,540</b>	<b>3,079,334</b>	<b>2,491,794</b>
<b>Change in Reserve for Inventory</b>	<b>0</b>	<b>0</b>	<b>23,659</b>	<b>23,659</b>
<b>Fund Balances at End of Year</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 3,311,761</b>	<b>\$ 3,311,761</b>

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - MUNICIPAL SERVICES FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues</b>				
Taxes	\$ 9,999,662	\$ 9,999,662	\$ 10,047,549	\$ 47,887
Licenses and Permits	116,500	116,500	45,186	(71,314)
Intergovernmental Revenues	520,135	620,135	633,738	13,603
Charges for Services	140,900	140,900	132,764	(8,136)
Fines and Forfeitures	7,000	7,000	11,370	4,370
Interest Earnings	0	0	(96,754)	(96,754)
Miscellaneous	55,500	57,945	11,563	(46,382)
<b>Total Revenues</b>	<b>10,839,697</b>	<b>10,942,142</b>	<b>10,785,416</b>	<b>(156,726)</b>
<b>Expenditures</b>				
Current:				
General Government Services	954,923	1,054,923	808,940	245,983
Public Safety	6,027,896	6,081,073	5,759,602	321,471
Transportation	15,000	15,000	0	15,000
Human Services	519,532	292,247	266,510	25,737
Capital Outlay	102,878	114,552	35,725	78,827
Debt Service:				
Principal Retirement	296,267	583,092	583,090	2
Interest and Fiscal Charges	27,361	28,699	28,698	1
<b>(Total Expenditures)</b>	<b>7,943,857</b>	<b>8,169,586</b>	<b>7,482,565</b>	<b>687,021</b>
<b>Excess of Revenues Over Expenditures</b>	<b>2,895,840</b>	<b>2,772,556</b>	<b>3,302,851</b>	<b>530,295</b>
<b>Other Financing Sources (Uses)</b>				
Transfers from Constitutional Officers	0	0	76,603	76,603
Transfers to Constitutional Officers	(2,750,000)	(3,100,605)	(3,100,605)	0
Operating Transfers in	67,340	67,340	0	(67,340)
<b>Total Other Financing Sources (Uses)</b>	<b>(2,682,660)</b>	<b>(3,033,265)</b>	<b>(3,024,002)</b>	<b>9,263</b>
<b>Net Change in Fund Balances</b>	<b>213,180</b>	<b>(260,709)</b>	<b>278,849</b>	<b>539,558</b>
<b>Fund Balances at Beginning of Year</b>	<b>(213,180)</b>	<b>260,709</b>	<b>3,749,800</b>	<b>3,489,091</b>
<b>Fund Balances at End of Year</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 4,028,649</b>	<b>\$ 4,028,649</b>

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - ONE CENT COUNTY SURTAX FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues</b>				
Taxes	\$ 6,726,605	\$ 6,726,605	\$ 6,724,112	\$ (2,493)
Interest Earnings	130,000	130,000	(74,289)	(204,289)
<b>Total Revenues</b>	<u>6,856,605</u>	<u>6,856,605</u>	<u>6,649,823</u>	<u>(206,782)</u>
<b>Expenditures</b>				
Current:				
Physical Environment	350,000	350,000	350,000	0
Economic Environment	2,500	2,500	2,500	0
Human Services	468,443	486,443	481,443	5,000
Capital Outlay	1,090,224	1,164,225	63,021	1,101,204
<b>(Total Expenditures)</b>	<u>1,911,167</u>	<u>2,003,168</u>	<u>896,964</u>	<u>1,106,204</u>
<b>Excess of Revenues Over Expenditures</b>	<u>4,945,438</u>	<u>4,853,437</u>	<u>5,752,859</u>	<u>899,422</u>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers (out)	(4,487,976)	(6,158,586)	(4,300,554)	1,858,032
<b>Total Other Financing Sources (Uses)</b>	<u>(4,487,976)</u>	<u>(6,158,586)</u>	<u>(4,300,554)</u>	<u>1,858,032</u>
<b>Net Change in Fund Balances</b>	457,462	(1,305,149)	1,452,305	2,757,454
<b>Fund Balances at Beginning of Year</b>	<u>(457,462)</u>	<u>1,305,149</u>	<u>4,877,700</u>	<u>3,572,551</u>
<b>Fund Balances at End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,330,005</u>	<u>\$ 6,330,005</u>

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - IMPACT FEE ORDINANCE TRUST FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues</b>				
Interest Earnings	\$ 368,400	\$ 368,400	\$ 423,045	\$ 54,645
Miscellaneous	2,624,000	2,625,246	1,457,962	(1,167,284)
<b>Total Revenues</b>	<u>2,992,400</u>	<u>2,993,646</u>	<u>1,881,007</u>	<u>(1,112,639)</u>
<b>Expenditures</b>				
Current:				
General Government Services	22,553	17,163	7,440	9,723
Public Safety	16,100	21,315	9,187	12,128
Transportation	81,750	104,599	49,257	55,342
Culture and Recreation	10,350	23,150	7,700	15,450
Capital Outlay	15,806,850	15,590,500	94,956	15,495,544
<b>(Total Expenditures)</b>	<u>15,937,603</u>	<u>15,756,727</u>	<u>168,540</u>	<u>15,588,187</u>
<b>Excess of Revenues Over Expenditures</b>	<u>(12,945,203)</u>	<u>(12,763,081)</u>	<u>1,712,467</u>	<u>14,475,548</u>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers (out)	(131,700)	(1,851,782)	(1,272,865)	578,917
<b>Total Other Financing Sources (Uses)</b>	<u>(131,700)</u>	<u>(1,851,782)</u>	<u>(1,272,865)</u>	<u>578,917</u>
<b>Net Change in Fund Balances</b>	<u>(13,076,903)</u>	<u>(14,614,863)</u>	<u>439,602</u>	<u>15,054,465</u>
<b>Fund Balances at Beginning of Year</b>	<u>13,076,903</u>	<u>14,614,863</u>	<u>14,614,865</u>	<u>2</u>
<b>Fund Balances at End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 15,054,467</u>	<u>\$ 15,054,467</u>

**NASSAU COUNTY, FLORIDA**  
**NOTE TO SCHEDULES OF REVENUE, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES – BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

**Budgets and Budgetary Accounting**

Budgets were adopted by the Board for all Board funds. The Tax Collector and the Property Appraiser adopt budgets independently of the Board. The Sheriff, Supervisor of Elections and the Clerk of the Circuit Court (to the extent of his function as ex officio Clerk of the Board and amounts above his fee structure as Clerk of the Circuit Court) prepare budgets for their general operations, which are submitted to and approved by the Board.

Chapter 129, Florida Statutes, provides that it is unlawful to make expenditures that exceed the total amount budgeted for each fund. Chapter 129, Florida Statutes, also governs the manner in which the budget may be legally amended once it has been approved. Budget amendments greater than \$50,000 require Board approval.

Budgets are adopted on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America (GAAP). The only exception to the GAAP basis is in the enterprise funds where depreciation is not budgeted for capital assets; while capital outlay expenditures are budgeted and are reclassified into fixed assets. These are then eliminated from the results of operations for financial reporting purposes in the enterprise funds.

The annual budgets serve as legal authorization for expenditures. Expenditures cannot legally exceed the total amount budgeted for each fund. All budget amendments, which change the legally adopted total appropriation for a fund, are approved by the Board.

If during the fiscal year, additional revenues become available for appropriations in excess of those estimated in the budget, the Board, by resolution, may make supplemental appropriations for the year up to the amount of such excess. During the fiscal year ended September 30, 2008, various supplemental appropriations were approved by the Board in accordance with Florida Statutes. The following funds received supplemental appropriations during the year ended September 30, 2008:

<b>Governmental Funds</b>	
General Fund	\$ 9,092,049
Special Revenue Funds	14,874,657
Debt Service Funds	3,356,604
Capital Projects Funds	<u>7,685,789</u>
<b>Total</b>	<b><u>\$ 35,009,099</u></b>

All budget appropriations lapse at year-end except as described in note 1, "Encumbrance Procedures."

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

Special revenue funds are used to account for revenues derived from specific sources to be used for specific types of activities.

- **Law Enforcement Training**—to account for criminal justice education degree programs and training courses. Financing is provided by the imposition of a court cost surcharge.
- **Special Law Enforcement**—to account for undercover drug and alcohol investigations funded with investigative fines.
- **Sheriff Donations**—to account for law enforcement projects funded with donations.
- **Law Enforcement Trust**—to account for law enforcement related projects funded by the proceeds from confiscated property forfeitures.
- **School Crossing**—to account for the school crossing guard program, which is funded primarily from school crossing fines.
- **Nassau County Anti-Drug Enforcement**—to account for activities associated with the County's drug enforcement and drug education programs. Financing is provided principally by Federal drug grants.
- **Court Improvement**—to account for expenditures related to planning and providing a permanent court facility per Florida Statutes. Financing is provided by court service charges.
- **Court Facility Fees**—to account for the operation and maintenance of Nassau County court facilities. Financing is provided by a court service charge.
- **Law Library Trust**—to account for the costs associated with furnishing and maintaining Nassau County's law library. Funding is provided from a surcharge on civil court filings.
- **Criminal Justice Trust**—to account for the reimbursement of expenditures incurred by the County in providing for the services of the State Attorney and Public Defender. Funding is provided by a surcharge on felony, misdemeanor and criminal traffic cases.
- **Special Drug and Alcohol Rehabilitation**—to account for expenditures associated with Nassau County's drug and alcohol rehabilitative programs. Funding is provided by a fine imposed for alcohol/drug-related offenses.
- **Legal Aid Trust**—to account for expenditures incurred in providing legal aid to Nassau County residents. Funding is provided for by a service charge on the filing of circuit and county civil court proceedings.
- **Drivers Ed Safety Trust**—to account for driver education programs in public and nonpublic schools. Funding is provided by a surcharge on civil traffic penalties.
- **911 Operations and Maintenance**—to account for the expenditures associated with providing a uniform addressing system for 911 equipment. Funding is principally provided from telephone user charges.

## NONMAJOR GOVERNMENTAL FUNDS

*(Continued)*

### Special Revenue Funds

*(Concluded)*

- **EMS County Awards HRS**—to account for expenditures associated with EMS prehospital care. Funding is provided by Florida State grants.
- **DES Donations**—to account for EMS projects funded with donations.
- **Amelia Island Tourist Development**—to account for revenues and expenditures relating to development of tourism in the County through the assessment of a tourist tax.
- **Local Affordable Housing Trust (SHIP)** —to account for funds received from the State to be used to assist eligible low income individuals to buy or construct new housing or rehabilitate older homes.
- **South Amelia Island Shore Stabilization-** to account for revenues and expenditures relating to the Amelia Island Beach Restoration, local improvement and maintenance cost.
- **Nassau County Economic Development**—to account for expenditures related to funds contributed and donated for projects relating to the development of the County.
- **Building Department**—to account for funds received for various fees charged to be used to fund the building, zoning and planning department.
- **Community Based Care Program**—to account for child welfare services that are provided through a combination of staff and contracts with a network of providers.
- **Amelia Concourse MSBU**—to account for funds received from the Amelia Concourse assessment allocated to the administrative charges associated with the levy of the special assessments.
- **Firefighter Education Trust**—to account for surcharges on civil penalties for noncriminal, nonmoving traffic violations of Section 316.1945(1)(b)(2) or (5), Florida Statutes.

### Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of long-term debt principal and interest.

- **Other**—to account for debt service requirements to retire the promissory note used to finance the purchase of a communication system. The note is payable solely from non-ad valorem budgeted revenues. The note matures on October 1, 2012.
- **Optional Gas Tax 2000**—to account for debt service requirements to retire the local option gas tax revenue bonds, series 2000, dated September 12, 2000. The bonds are payable solely from and secured by a lien upon and a pledge of the County's local option gas tax. The bonds mature on March 1, 2025.
- **Bond Refunding 2001**—to account for debt service requirements to retire local option gas tax refunding revenue bonds, Series 2001, dated December 1, 2001. The bonds are payable solely from and secured by a lien upon a pledge of the County's local option gas tax. The bonds mature March 1, 2009.



## NONMAJOR GOVERNMENTAL FUNDS

*(Concluded)*

### Debt Service Funds

*(Concluded)*

- **Amelia Concourse**—to account for the debt service requirements to retire the Amelia Concourse Special Assessment Bond, Series 2004. The bonds are payable solely from a Special Assessment upon property within said area.
- **1998 Gas Tax Bonds**—to account for debt service requirements to retire gas tax revenue bonds, Series 1998, dated August 1, 1998. The bonds are payable solely from and secured by a lien upon and pledge of the proceeds of the constitutional, County and ninth-cent gas taxes. The bonds mature on October 1, 2018.
- **County Complex**—to account for debt service requirements to retire the public improvement revenue bonds, series 2001, of Nassau County, Florida, dated May 1, 2001. The bonds are payable solely from non-ad valorem budgeted revenues. The bonds mature on May 2031.
- **Special Assessment - Series 2001A**—to account for debt service requirements to retire the Pirates Wood Municipal Service Benefit Unit Special Assessment Bonds, Series 2001A, dated September 11, 2001. The bonds are collateralized by pledged funds from a special assessment upon property within said improvement area.

### Capital Projects Funds

The capital projects funds are used to accounts for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds and trust funds.

- **Grants**—to account for capital expenditures financed primarily by federal and/or state grants.
- **Road Projects**—to account for resources to be used for various road improvements throughout the County.
- **County Road 121**—to account for expenditures associated with the resurfacing and widening of County Road 121. Financing provided by a Florida Department of Transportation grant, County Transportation Trust funds, and One Cent County Surtax funds.
- **Transportation**—to account for resources to be used for various road construction throughout the County.
- **South Amelia Island Shore Stabilization**—to account for resources to be used for the South Amelia Island Beach Restoration Project. Financing was provided by the 2002 South Amelia Island shore stabilization special assessment line of credit.
- **County Complex**—to be used to account for the County's various capital projects. Financing is provided by the 2001 Public Improvement Revenue Bonds.
- **Amelia Concourse**—to be used to account for the construction of a 3.5 mile roadway through the Amelia Concourse Assessment Area. Financing is provided by 2004 Special Assessment Bonds
- **Other**—to account for resources to be used for the mobile radio communications project.
- **Sadler Road**—to account for resources to be used for the Goffinsville Park and Mizell projects.
- **CDBG**—to account for community development block grant income received after December 13, 1988.

**COMBINING NONMAJOR  
GOVERNMENTAL FUNDS**

**NASSAU COUNTY BOARD OF COUNTY COMMISISONERS**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2008**

	Special Revenue Funds			
	Law Enforcement Training	Special Law Enforcement	Sheriff Donations	Law Enforcement Trust
<b>Assets</b>				
Cash and Cash Equivalents	\$ 33,732	\$ 8,440	\$ 3,107	\$ 100,923
Equity in Pooled Investments	38,634	144,298	3,524	217,089
(Net of Allowance for Uncollectibles)	42	29	4	127
Loans Receivable				
(Net of Allowance for Uncollectibles)	0	0	0	0
Due from Constitutional Officers	0	0	0	0
Due from Other Governments	1,979	730	0	702
Prepaid Expenditures	0	0	0	0
<b>Total Assets</b>	<u>74,387</u>	<u>153,497</u>	<u>6,635</u>	<u>318,841</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	0	0	0	2,000
Retainage Payable	0	0	0	0
Due to Other Funds	0	0	0	0
Due to Constitutional Officers	0	0	0	0
Due to Other Governments	0	0	0	0
Deferred Revenues	0	0	0	0
<b>Total Liabilities</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,000</u>
<b>Fund Balances</b>				
Reserved for:				
Prepaid Items	0	0	0	0
Encumbrances	0	0	0	0
Unreserved - Designated for:				
Donations	0	0	6,635	12,000
Professional Services	0	0	0	0
Road Projects	0	0	0	0
Retirement of Bonds	0	0	0	0
Capital Projects	0	0	0	0
Unreserved - Undesignated				
Special Revenue Funds	74,387	153,497	0	304,841
Debt Service Funds	0	0	0	0
Capital Project Funds	0	0	0	0
<b>Total Fund Balances</b>	<u>74,387</u>	<u>153,497</u>	<u>6,635</u>	<u>316,841</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 74,387</u>	<u>\$ 153,497</u>	<u>\$ 6,635</u>	<u>\$ 318,841</u>

Special Revenue Funds

School Crossing	Nassau County Anti-Drug Enforcement	Court Improvement	Court Facility Fees	Law Library Trust	Criminal Justice Trust	Special Drug/Alcohol Rehab	Legal Aid Trust
\$ 0	\$ 0	\$ 15,059	\$ 2,350	\$ (182)	\$ 33,471	\$ 0	\$ 17,938
0	94,915	19,627	521,801	192,537	159,885	0	0
0	67	20	84	38	57	0	1
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	75,798	0	7,223	2,361	0	514	2,361
0	0	0	225	0	0	0	0
0	170,780	34,706	531,683	194,754	193,413	514	20,300
0	593	0	1,288	11,308	8,485	0	20,300
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	15,358
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	90,106	0	0	0	0	0	0
0	90,699	0	1,288	11,308	8,485	0	35,658
0	0	0	225	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	80,081	34,706	530,170	183,446	184,928	514	(15,358)
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	80,081	34,706	530,395	183,446	184,928	514	(15,358)
\$ 0	\$ 170,780	\$ 34,706	\$ 531,683	\$ 194,754	\$ 193,413	\$ 514	\$ 20,300

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2008**  
*(Continued)*

	Special Revenue Funds			
	911 Operations and Maintenance	EMS County Awards HRS	DES Donations	
	Drivers Ed Safety Trust			
<b>Assets</b>				
Cash and Cash Equivalents	\$ 0	\$ 110,767	\$ 10,082	\$ 3,846
Equity in Pooled Investments	31,899	355,538	12,978	5,013
(Net of Allowance for Uncollectibles)	20	1,069	13	5
Loans Receivable				
(Net of Allowance for Uncollectibles)	0	0	0	0
Due from Constitutional Officers	0	53,975	0	0
Due from Other Governments	2,546	32,306	0	0
Prepaid Expenditures	0	0	0	0
<b>Total Assets</b>	<b>34,465</b>	<b>553,655</b>	<b>23,073</b>	<b>8,864</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	0	0	0	0
Retainage Payable	0	0	0	0
Due to Other Funds	0	0	0	0
Due to Constitutional Officers	0	0	0	0
Due to Other Governments	0	0	0	0
Deferred Revenues	0	373,173	12,627	0
<b>Total Liabilities</b>	<b>0</b>	<b>373,173</b>	<b>12,627</b>	<b>0</b>
<b>Fund Balances</b>				
Reserved for:				
Prepaid Items	0	0	0	0
Encumbrances	0	0	0	0
Unreserved - Designated for:				
Donations	0	0	0	2,712
Professional Services	0	0	0	0
Road Projects	0	0	0	0
Retirement of Bonds	0	0	0	0
Capital Projects	0	0	0	0
Unreserved - Undesignated				
Special Revenue Funds	34,465	180,482	10,446	6,152
Debt Service Funds	0	0	0	0
Capital Project Funds	0	0	0	0
<b>Total Fund Balances</b>	<b>34,465</b>	<b>180,482</b>	<b>10,446</b>	<b>8,864</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 34,465</b>	<b>\$ 553,655</b>	<b>\$ 23,073</b>	<b>\$ 8,864</b>

Special Revenue Funds					
Amelia Island Tourist Development	Local Affordable Housing Trust (SHIP)	South Amelia Island Shore Stabilization	Nassau County Economic Development	Building Department	Community Based Care Program
\$ 34,367	\$ 101,966	\$ 249,951	\$ 0	\$ 124,345	\$ 12,641
1,338,103	1,700,625	585,389	0	4,660,102	16,476
385	532	46,828	0	404	16
0	227,105	0	0	0	0
0	0	3,485	0	0	0
78,412	0	0	0	4,178	670
0	0	0	0	490	0
<u>1,451,267</u>	<u>2,030,228</u>	<u>885,653</u>	<u>0</u>	<u>4,789,519</u>	<u>29,803</u>
125,723	377	115,716	0	19,944	0
0	0	0	0	0	0
0	345	0	0	11,847	0
0	0	0	0	1,253	0
0	26,419	0	0	3,477	0
0	227,105	0	0	4,178	29,570
<u>125,723</u>	<u>254,246</u>	<u>115,716</u>	<u>0</u>	<u>40,699</u>	<u>29,570</u>
0	0	0	0	490	0
6,995	0	0	0	31,898	0
0	0	0	0	0	0
0	0	0	0	67,901	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
1,318,549	1,775,982	769,937	0	4,648,531	233
0	0	0	0	0	0
0	0	0	0	0	0
<u>1,325,544</u>	<u>1,775,982</u>	<u>769,937</u>	<u>0</u>	<u>4,748,820</u>	<u>233</u>
<u>\$ 1,451,267</u>	<u>\$ 2,030,228</u>	<u>\$ 885,653</u>	<u>\$ 0</u>	<u>\$ 4,789,519</u>	<u>\$ 29,803</u>

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2008**  
*(Continued)*

	<b>Special Revenue Funds</b>			<b>Debt Service Funds</b>
	<b>Amelia Concourse MSBU</b>	<b>Firefighter Education Trust</b>	<b>Total Special Revenue Funds</b>	<b>Other</b>
<b>Assets</b>				
Cash and Cash Equivalents	\$ 172,981	\$ 3	\$ 1,035,787	\$ 0
Equity in Pooled Investments	571,614	0	10,670,047	0
(Net of Allowance for Uncollectibles)	219	0	49,960	0
Loans Receivable				
(Net of Allowance for Uncollectibles)	0	0	227,105	0
Due from Constitutional Officers	1,023	0	58,483	0
Due from Other Governments	0	0	209,780	0
Prepaid Expenditures	0	0	715	0
<b>Total Assets</b>	<b>745,837</b>	<b>3</b>	<b>12,251,877</b>	<b>0</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	108,146	0	413,880	0
Retainage Payable	0	0	0	0
Due to Other Funds	0	0	27,550	0
Due to Constitutional Officers	0	0	1,253	0
Due to Other Governments	0	0	29,896	0
Deferred Revenues	0	0	736,759	0
<b>Total Liabilities</b>	<b>108,146</b>	<b>0</b>	<b>1,209,338</b>	<b>0</b>
<b>Fund Balances</b>				
Reserved for:				
Prepaid Items	0	0	715	0
Encumbrances	0	0	38,893	0
Unreserved - Designated for:				
Donations	0	0	21,347	0
Professional Services	0	0	67,901	0
Road Projects	0	0	0	0
Retirement of Bonds	0	0	0	0
Capital Projects	0	0	0	0
Unreserved - Undesignated				
Special Revenue Funds	637,691	3	10,913,683	0
Debt Service Funds	0	0	0	0
Capital Project Funds	0	0	0	0
<b>Total Fund Balances</b>	<b>637,691</b>	<b>3</b>	<b>11,042,539</b>	<b>0</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 745,837</b>	<b>\$ 3</b>	<b>\$ 12,251,877</b>	<b>\$ 0</b>

Debt Service Funds

Optional Gas Tax 2000	Bond Refunding 2001	Amelia Concourse	1998 Gas Tax Bonds	County Complex	Special Assessment Series 2001A	Total Debt Service Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,630	\$ 3,630
0	534,233	871,173	39,766	0	7,555	1,452,727
0	0	0	0	0	110	110
0	0	0	0	0	0	0
0	0	3,824	0	0	433	4,257
0	150,537	0	201,450	0	0	351,987
431	0	0	0	0	0	431
431	684,770	874,997	241,216	0	11,728	1,813,142
0	0	7,165	0	0	0	7,165
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	75,268	0	100,725	0	0	175,993
0	75,268	7,165	100,725	0	0	183,158
431	0	0	0	0	0	431
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	491,898	941,455	0	0	99,767	1,533,120
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	117,604	(73,623)	140,491	0	(88,039)	96,433
0	0	0	0	0	0	0
431	609,502	867,832	140,491	0	11,728	1,629,984
\$ 431	\$ 684,770	\$ 874,997	\$ 241,216	\$ 0	\$ 11,728	\$ 1,813,142



**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2008**  
*(Concluded)*

	<b>Capital Projects Funds</b>			
	<b>Grants</b>	<b>Road Projects</b>	<b>County Road 121</b>	<b>Transportation</b>
<b>Assets</b>				
Cash and Cash Equivalents	\$ 102,814	\$ 67,318	\$ 0	\$ 299,001
Equity in Pooled Investments	134,007	873,138	447,032	5,710,005
(Net of Allowance for Uncollectibles)	126	87	0	384
Loans Receivable				
(Net of Allowance for Uncollectibles)	0	0	0	0
Due from Constitutional Officers	0	0	0	0
Due from Other Governments	0	466,513	0	25,000
Prepaid Expenditures	0	0	0	0
<b>Total Assets</b>	<b>236,947</b>	<b>1,407,056</b>	<b>447,032</b>	<b>6,034,390</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	0	1,248,746	0	215,808
Retainage Payable	0	0	0	13,852
Due to Other Funds	0	0	0	0
Due to Constitutional Officers	0	0	0	0
Due to Other Governments	280	0	0	0
Deferred Revenues	0	466,742	0	0
<b>Total Liabilities</b>	<b>280</b>	<b>1,715,488</b>	<b>0</b>	<b>229,660</b>
<b>Fund Balances</b>				
Reserved for:				
Prepaid Items	0	0	0	0
Encumbrances	0	0	0	0
Unreserved - Designated for:				
Donations	0	0	0	0
Professional Services	0	0	0	0
Road Projects	0	0	0	5,804,730
Retirement of Bonds	0	0	0	0
Capital Projects	14,246	0	0	0
Unreserved - Undesignated				
Special Revenue Funds	0	0	0	0
Debt Service Funds	0	0	0	0
Capital Project Funds	222,421	(308,432)	447,032	0
<b>Total Fund Balances</b>	<b>236,667</b>	<b>(308,432)</b>	<b>447,032</b>	<b>5,804,730</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 236,947</b>	<b>\$ 1,407,056</b>	<b>\$ 447,032</b>	<b>\$ 6,034,390</b>

Capital Projects Funds								
South Amelia Island Shore Stabilization	County Complex	Amelia Concourse	Other	Sadler Road	CDBG	Total Capital Project Funds	Total Nonmajor Governmental Funds	
\$ 0	\$ 301,850	\$ 46,433	\$ 0	\$ 2,082,377	\$ 204,542	\$ 3,104,335	\$ 4,143,752	
0	1,083,040	401,008	0	0	766,306	9,414,536	21,537,310	
0	492	70	0	1,242	276	2,677	52,747	
0	0	0	0	0	0	0	227,105	
0	0	0	0	0	0	0	62,740	
0	60,672	0	0	0	0	552,185	1,113,952	
0	0	0	0	0	0	0	1,146	
0	1,446,054	447,511	0	2,083,619	971,124	13,073,733	27,138,752	
0	48,012	2,262	0	11,637	1,267	1,527,732	1,948,777	
0	23,820	351,722	0	43,580	0	432,974	432,974	
0	0	0	0	0	0	0	27,550	
0	0	0	0	0	0	0	1,253	
0	0	0	0	0	0	280	30,176	
0	60,672	0	0	0	0	527,414	1,440,166	
0	132,504	353,984	0	55,217	1,267	2,488,400	3,880,896	
0	0	0	0	0	0	0	1,146	
0	0	0	0	2,028,402	16,670	2,045,072	2,083,965	
0	0	0	0	0	0	0	21,347	
0	0	0	0	0	0	0	67,901	
0	0	93,527	0	0	0	5,898,257	5,898,257	
0	0	0	0	0	0	0	1,533,120	
0	1,313,550	0	0	0	953,186	2,280,982	2,280,982	
0	0	0	0	0	0	0	10,913,683	
0	0	0	0	0	0	0	96,433	
0	0	0	0	0	1	361,022	361,022	
0	1,313,550	93,527	0	2,028,402	969,857	10,585,333	23,257,856	
\$ 0	\$ 1,446,054	\$ 447,511	\$ 0	\$ 2,083,619	\$ 971,124	\$ 13,073,733	\$ 27,138,752	

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<b>Special Revenue Funds</b>			
	<b>Law Enforcement Training</b>	<b>Special Law Enforcement</b>	<b>Sheriff Donations</b>	<b>Law Enforcement Trust</b>
<b>Revenues</b>				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Licenses and Permits	0	0	0	0
Intergovernmental Revenues	0	0	0	0
Charges for Services	9,706	0	0	0
Fines and Forfeitures	15,150	26,887	0	77,816
Investment Earnings (Loss)	1,465	3,691	148	6,894
Miscellaneous	125	200	1,100	3,711
<b>Total Revenues</b>	<b>26,446</b>	<b>30,778</b>	<b>1,248</b>	<b>88,421</b>
<b>Expenditures</b>				
Current:				
General Government Services	0	0	0	0
Public Safety	18,781	0	1,255	31,163
Physical Environment	0	0	0	0
Transportation	0	0	0	0
Economic Environment	0	0	0	0
Human Services	0	0	0	0
Court-related Expenditures	0	0	0	0
Capital Outlay	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<b>(Total Expenditures)</b>	<b>18,781</b>	<b>0</b>	<b>1,255</b>	<b>31,163</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>7,665</b>	<b>30,778</b>	<b>(7)</b>	<b>57,258</b>
<b>Other Financing Sources (Uses)</b>				
Transfers from Constitutional Officers	0	0	0	0
Transfers to Constitutional Officers	0	(19,720)	0	0
Operating Transfers in	0	0	0	0
Operating Transfers out	0	0	0	(6,488)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>(19,720)</b>	<b>0</b>	<b>(6,488)</b>
<b>Net Change in Fund Balances</b>	<b>7,665</b>	<b>11,058</b>	<b>(7)</b>	<b>50,770</b>
<b>Fund Balances at Beginning of Year</b>	<b>66,722</b>	<b>142,439</b>	<b>6,642</b>	<b>266,071</b>
<b>Decrease in Reserve for Inventory</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balances at End of Year</b>	<b>\$ 74,387</b>	<b>\$ 153,497</b>	<b>\$ 6,635</b>	<b>\$ 316,841</b>

Special Revenue Funds						
School Crossing	Nassau County Anti-Drug Enforcement	Court Improvement	Court Facility Fees	Law Library Trust	Criminal Justice Trust	Special Drug/Alcohol Rehab
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	0
0	152,406	0	0	0	0	0
0	0	0	105,512	30,979	0	0
0	20,800	0	0	0	0	6,846
0	6,339	779	12,064	5,021	3,384	186
0	0	0	0	0	0	0
0	179,545	779	117,576	36,000	3,384	7,032
0	0	0	0	0	0	0
0	95,228	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	18,704
0	0	0	27,520	19,347	37,314	0
0	242,149	0	2,376	9,277	1,510	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	337,377	0	29,896	28,624	38,824	18,704
0	(157,832)	779	87,680	7,376	(35,440)	(11,672)
0	0	0	0	0	0	0
(65,180)	0	0	0	0	0	0
65,180	0	0	0	0	64,314	0
0	0	0	0	(2,355)	0	0
0	0	0	0	(2,355)	64,314	0
0	(157,832)	779	87,680	5,021	28,874	(11,672)
0	237,913	33,927	442,715	178,425	156,054	12,186
0	0	0	0	0	0	0
\$ 0	\$ 80,081	\$ 34,706	\$ 530,395	\$ 183,446	\$ 184,928	\$ 514

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**  
*(Continued)*

	Special Revenue Funds			
	Legal Aid Trust	Drivers Ed Safety Trust	911 Operations and Maintenance	EMS County Awards HRS
<b>Revenues</b>				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Licenses and Permits	0	0	0	0
Intergovernmental Revenues	0	0	35,038	1,298
Charges for Services	30,979	0	333,112	0
Fines and Forfeitures	0	34,050	0	0
Investment Earnings (Loss)	127	415	4,527	0
Miscellaneous	0	0	0	0
<b>Total Revenues</b>	<b>31,106</b>	<b>34,465</b>	<b>372,677</b>	<b>1,298</b>
<b>Expenditures</b>				
Current:				
General Government Services	0	0	0	0
Public Safety	0	0	18,467	1,298
Physical Environment	0	0	0	0
Transportation	0	0	0	0
Economic Environment	0	0	0	0
Human Services	81,200	42,495	0	0
Court-related Expenditures	0	0	0	0
Capital Outlay	0	0	7,700	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<b>(Total Expenditures)</b>	<b>81,200</b>	<b>42,495</b>	<b>26,167</b>	<b>1,298</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(50,094)</b>	<b>(8,030)</b>	<b>346,510</b>	<b>0</b>
<b>Other Financing Sources (Uses)</b>				
Transfers from Constitutional Officers	0	0	102,519	0
Transfers to Constitutional Officers	0	0	(390,705)	0
Operating Transfers in	34,736	0	0	0
Operating Transfers out	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>34,736</b>	<b>0</b>	<b>(288,186)</b>	<b>0</b>
<b>Net Change in Fund Balances</b>	<b>(15,358)</b>	<b>(8,030)</b>	<b>58,324</b>	<b>0</b>
<b>Fund Balances at Beginning of Year</b>	<b>0</b>	<b>42,495</b>	<b>122,158</b>	<b>10,446</b>
<b>Decrease in Reserve for Inventory</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balances at End of Year</b>	<b>\$ (15,358)</b>	<b>\$ 34,465</b>	<b>\$ 180,482</b>	<b>\$ 10,446</b>

Special Revenue Funds						
DES Donations	Amelia Island Tourist Development	Local Affordable Housing Trust (SHIP)	South Amelia Island Shore Stabilization	Nassau County Economic Development	Building Department	Community Based Care Program
\$ 0	\$ 1,789,406	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	1,253,529	0
0	0	601,365	0	0	0	0
0	0	5,771	0	0	115,528	0
0	0	0	0	0	0	0
190	37,014	45,982	4,453	0	142,998	0
0	0	83,496	580,484	0	2,698	0
190	1,826,420	736,614	584,937	0	1,514,753	0
0	0	0	0	0	1,744,773	0
0	0	0	0	0	603,442	0
0	341,473	0	71,421	0	0	0
0	0	0	0	0	0	0
0	1,618,365	121,519	0	75,000	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	1,977	0	112,158	0	156,413	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	1,961,815	121,519	183,579	75,000	2,504,628	0
190	(135,395)	615,095	401,358	(75,000)	(989,875)	0
0	0	0	3,479	0	0	0
0	0	0	0	0	0	0
0	0	0	365,100	75,000	72,898	0
0	0	0	0	0	0	0
0	0	0	368,579	75,000	72,898	0
190	(135,395)	615,095	769,937	0	(916,977)	0
8,674	1,460,939	1,160,887	0	0	5,665,797	233
0	0	0	0	0	0	0
\$ 8,864	\$ 1,325,544	\$ 1,775,982	\$ 769,937	\$ 0	\$ 4,748,820	\$ 233

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**  
*(Continued)*

	Special Revenue Funds			Debt Service Funds
	Amelia Concourse MSBU	Firefighter Education Trust	Total Special Revenue Funds	Other
<b>Revenues</b>				
Taxes	\$ 0	\$ 0	\$ 1,789,406	\$ 0
Licenses and Permits	0	0	1,253,529	0
Intergovernmental Revenues	0	0	790,107	0
Charges for Services	0	0	631,587	0
Fines and Forfeitures	0	0	181,549	0
Investment Earnings (Loss)	15,088	0	290,765	3,843
Miscellaneous	182,103	0	853,917	0
<b>Total Revenues</b>	<u>197,191</u>	<u>0</u>	<u>5,790,860</u>	<u>3,843</u>
<b>Expenditures</b>				
Current:				
General Government Services	0	0	1,744,773	0
Public Safety	0	0	769,634	0
Physical Environment	118,304	0	531,198	0
Transportation	0	0	0	0
Economic Environment	0	0	1,814,884	0
Human Services	0	0	142,399	0
Court-related Expenditures	0	0	84,181	0
Capital Outlay	0	0	533,560	0
Debt Service:				
Principal Retirement	0	0	0	3,697,086
Interest and Fiscal Charges	0	0	0	162,864
<b>(Total Expenditures)</b>	<u>118,304</u>	<u>0</u>	<u>5,620,629</u>	<u>3,859,950</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>78,887</u>	<u>0</u>	<u>170,231</u>	<u>(3,856,107)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers from Constitutional Officers	1,023	0	107,021	0
Transfers to Constitutional Officers	0	0	(475,605)	0
Operating Transfers in	0	0	677,228	3,854,749
Operating Transfers out	0	0	(8,843)	0
<b>Total Other Financing Sources (Uses)</b>	<u>1,023</u>	<u>0</u>	<u>299,801</u>	<u>3,854,749</u>
<b>Net Change in Fund Balances</b>	<u>79,910</u>	<u>0</u>	<u>470,032</u>	<u>(1,358)</u>
<b>Fund Balances at Beginning of Year</b>	<u>557,781</u>	<u>3</u>	<u>10,572,507</u>	<u>1,358</u>
<b>Decrease in Reserve for Inventory</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances at End of Year</b>	<u>\$ 637,691</u>	<u>\$ 3</u>	<u>\$ 11,042,539</u>	<u>\$ 0</u>

Debt Service Funds						
Optional Gas Tax 2000	Bond Refunding 2001	Amelia Concourse	1998 Gas Tax Bonds	County Complex	Special Assessment Series 2001A	Total Debt Service Funds
\$ 431	\$ 903,220	\$ 0	\$ 366,061	\$ 0	\$ 0	\$ 1,269,712
0	0	0	0	0	0	0
0	0	0	842,637	0	0	842,637
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	11,241	34,888	10,923	0	7,459	68,354
0	0	681,630	0	0	77,905	759,535
431	914,461	716,518	1,219,621	0	85,364	2,940,238
0	0	45,698	0	0	3,549	49,247
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	850,000	604,605	720,000	935,000	351,459	7,158,150
431	52,975	143,505	488,509	1,386,665	19,402	2,254,351
431	902,975	793,808	1,208,509	2,321,665	374,410	9,461,748
0	11,486	(77,290)	11,112	(2,321,665)	(289,046)	(6,521,510)
0	0	3,824	0	0	431	4,255
0	0	0	0	0	0	0
0	0	0	0	2,321,665	0	6,176,414
0	0	0	0	0	0	0
0	0	3,824	0	2,321,665	431	6,180,669
0	11,486	(73,466)	11,112	0	(288,615)	(340,841)
431	598,016	941,298	129,379	0	300,343	1,970,825
0	0	0	0	0	0	0
\$ 431	\$ 609,502	\$ 867,832	\$ 140,491	\$ 0	\$ 11,728	\$ 1,629,984



**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2008  
(Concluded)**

	Capital Projects Funds				
	Grants	Road Projects	County Road 121	Transportation	South Amelia Island Shore Stabilization
<b>Revenues</b>					
Taxes	\$ 0	\$ 0	\$ 0	\$ 335,371	\$ 0
Licenses and Permits	0	0	0	0	0
Intergovernmental Revenues	0	0	2,668,286	92,789	0
Charges for Services	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
Investment Earnings (Loss)	5,056	29,219	10,733	142,458	15,120
Miscellaneous	0	0	0	65,000	0
<b>Total Revenues</b>	<u>5,056</u>	<u>29,219</u>	<u>2,679,019</u>	<u>635,618</u>	<u>15,120</u>
<b>Expenditures</b>					
Current:					
General Government Services	0	0	0	0	0
Public Safety	0	0	0	0	0
Physical Environment	0	0	0	0	0
Transportation	0	0	0	1,517,120	0
Economic Environment	0	0	0	0	0
Human Services	0	0	0	0	0
Court-related Expenditures	0	0	0	0	0
Capital Outlay	0	1,452,087	287,013	449,051	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
<b>(Total Expenditures)</b>	<u>0</u>	<u>1,452,087</u>	<u>287,013</u>	<u>1,966,171</u>	<u>0</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>5,056</u>	<u>(1,422,868)</u>	<u>2,392,006</u>	<u>(1,330,553)</u>	<u>15,120</u>
<b>Other Financing Sources (Uses)</b>					
Transfers from Constitutional Officers	0	0	0	0	0
Transfers to Constitutional Officers	0	0	0	0	0
Operating Transfers in	0	0	0	1,670,842	0
Operating Transfers out	0	0	0	0	(365,099)
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,670,842</u>	<u>(365,099)</u>
<b>Net Change in Fund Balances</b>	<u>5,056</u>	<u>(1,422,868)</u>	<u>2,392,006</u>	<u>340,289</u>	<u>(349,979)</u>
<b>Fund Balances at Beginning of Year</b>	<u>231,611</u>	<u>1,114,436</u>	<u>(1,944,974)</u>	<u>5,464,441</u>	<u>349,979</u>
<b>Decrease in Reserve for Inventory</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances at End of Year</b>	<u>\$ 236,667</u>	<u>\$ (308,432)</u>	<u>\$ 447,032</u>	<u>\$ 5,804,730</u>	<u>\$ 0</u>

Capital Projects Funds							
County Complex	Amelia Concourse	Other	Sadler Road	CDBG	Total Capital Project Funds	Total Nonmajor Governmental Funds	
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 335,371	\$ 3,394,489	
0	0	0	0	0	0	1,253,529	
152,697	0	0	0	54,700	2,968,472	4,601,216	
0	0	0	0	0	0	631,587	
0	0	0	0	0	0	181,549	
30,667	16,421	0	0	6,069	255,743	614,862	
0	0	0	0	0	65,000	1,678,452	
183,364	16,421	0	0	60,769	3,624,586	12,355,684	
0	0	0	0	0	0	1,794,020	
0	0	0	0	0	0	769,634	
0	0	0	0	0	0	531,198	
0	0	0	0	0	1,517,120	1,517,120	
0	0	0	0	19,919	19,919	1,834,803	
0	0	0	0	0	0	142,399	
0	0	0	0	0	0	84,181	
239,780	33,450	0	1,164,285	16,204	3,641,870	4,175,430	
0	0	0	0	0	0	7,158,150	
0	0	0	0	0	0	2,254,351	
239,780	33,450	0	1,164,285	36,123	5,178,909	20,261,286	
(56,416)	(17,029)	0	(1,164,285)	24,646	(1,554,323)	(7,905,602)	
0	0	0	0	0	0	111,276	
0	0	0	0	0	0	(475,605)	
4,185	0	0	3,192,687	602,098	5,469,812	12,323,454	
0	0	(264,884)	0	0	(629,983)	(638,826)	
4,185	0	(264,884)	3,192,687	602,098	4,839,829	11,320,299	
(52,231)	(17,029)	(264,884)	2,028,402	626,744	3,285,506	3,414,697	
1,365,781	110,556	264,884	0	343,113	7,299,827	19,843,159	
0	0	0	0	0	0	0	
\$ 1,313,550	\$ 93,527	\$ 0	\$ 2,028,402	\$ 969,857	\$ 10,585,333	\$ 23,257,856	

## **OTHER INFORMATION**

**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 (the Board) as of and for the year ended September 30, 2008, and have issued our report thereon dated March 27, 2009. 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A *control deficiency* 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 misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the Board's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Board's financial statements that is more than inconsequential will not be prevented or detected by the Board's internal control.

**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 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  
(Continued)**

**Internal Control Over Financial Reporting (Concluded)**

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement or the financial statements will not be prevented or detected by the Board's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be 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*.

This report is intended solely for the information and use of the Board, management, and the 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*

March 27, 2009  
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 (the Board) as of and for the fiscal year ended September 30, 2008, and have issued our report thereon dated March 27, 2009.

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. We have issued our report on internal control over financial reporting and on compliance and other matters. Disclosures in that report, which is dated March 27, 2009, 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 and, unless otherwise required to be reported in the report on compliance and internal controls, this letter is required to include the following information:

- The *Rules of the Auditor General* [Section 10.554(1)(i)1.] requires that we determine whether or not corrective actions have been taken to address significant 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.
- The *Rules of the Auditor General* [Section 10.554(1)(i)2.], 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.
- The *Rules of the Auditor General* [Section 10.554(1)(i)3.] require that we address in the management letter any recommendations to improve financial management, accounting procedures and internal controls. In connection with our audit, please see the following recommendation:
  - **Governmental Accounting Standards Board (GASB) Statement No. 45, Accounting for Other Postemployment Benefits (Repeat Comment)**

*Condition*—The County will be required to implement the provisions of GASB Statement No. 45 no later than the year ended September 30, 2009, although earlier implementation is permitted. GASB Statement No. 45 requires recognition in the financial statements of the cost of certain postemployment benefits (OBEB) such as postemployment health insurance.

### Certified Public Accountants

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**MANAGEMENT LETTER**  
*(Continued)*

- **Governmental Accounting Standards Board (GASB) Statement No. 45, Accounting for Other Postemployment Benefits (*Concluded*)**

*Effect*—The accounting for OPEB is consistent with the approach applied in the accounting for pension benefits. The County will recognize an annual expense related to current service for future (postemployment) benefits which will be based upon actuarial analysis. While no actuarial analysis has been prepared to-date, there are indications the County may have a significant unfunded actuarial liability based upon the County's postemployment health insurance benefit.

*Recommendation*—We recommend the County retain an actuary to perform calculations related to its OPEB liability.

- The *Rules of the Auditor General* [Section 10.554(1)(i)4.] requires that we address violations of provisions of contracts and grant agreements or abuse that have occurred, or are likely to have occurred, that have an effect on the determination of financial statements that is less than material but more than inconsequential. Our audit disclosed no matters required to be disclosed by the *Rules of the Auditor General* [Section 10.554(1)(i)4.] not already disclosed elsewhere.
- The *Rules of the Auditor General* [Section 10.554(1)(i)5.] provides that the auditor may, based upon professional judgment, the reporting of the following matters that are inconsequential to the financial statement amounts, considering both quantitative and qualitative factors: (1) violations of laws, rules, regulations and contractual provisions or abuse that have occurred, or are likely to have occurred, and (2) control deficiencies that are not significant deficiencies, including, but not limited to: (a) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); (b) failures to properly record financial transactions; and (c) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. Our audit disclosed no matters required to be disclosed by the *Rules of the Auditor General* [Section 10.554(1)(i)5.] not already disclosed elsewhere.
- The *Rules of the Auditor General* [Section 10.554(1)(i)6.] 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 the following component unit:
  - The Nassau County Housing Finance Authority, a dependant special district, was established pursuant to Part IV, Chapter 159, Florida Statutes, following the adoption of Ordinance 79-4 by the Board.

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.

The Honorable Board of County Commissioners  
Nassau County, Florida

**MANAGEMENT LETTER**  
*(Concluded)*

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*

March 27, 2009  
Gainesville, Florida





**NASSAU COUNTY**  
**BOARD OF COUNTY COMMISSIONERS**  
96160 Nassau Place  
Yulee, Florida 32097

Daniel B. Leeper  
Michael H. Boyle  
Stacy T. Johnson  
Barry V. Holloway  
Walter J. Boatright

Dist. No. 1 Fernandina Beach  
Dist. No. 2 Amelia Island  
Dist. No. 3 Yulee  
Dist. No. 4 Hilliard/Bryceville  
Dist. No. 5 Callahan

JOHN A. CRAWFORD  
Ex-Officio Clerk

DAVID A. HALLMAN  
County Attorney

EDWARD L. SEALOVER  
County Coordinator

March 27, 2009

Nassau County Board of County Commissioners  
96160 Nassau Place  
Yulee, FL 32097

Dear Commissioners:

The audit report of the Nassau County Board of County Commissioners along with the Combined Financial Report for the year ended September 30, 2008, was conducted 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 audit report presents fairly, in all material respects, the financial position of each major fund and the aggregate remaining fund information of the Board of County Commissioners at September 30, 2008, and the respective changes in financial position, where appropriate, thereof and the respective budgetary comparison for each major fund for the year then ended in conformity with accounting principles generally accepted in the United States of America based on the Independent Auditors' Report.

The independent auditors identified one recommendation to improve financial reporting pursuant the Rules of the Auditor General for the year ending September 30, 2007. The response to the recommendation is provided below.

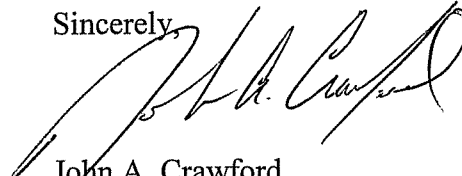
- 1) Recommendation – The County will be required to implement the provisions of GASB Statement No. 45 no later than the year ending September 30, 2009, although earlier implementation is permitted. GASB Statement No. 45 requires recognition in the financial statements of the cost certain post-employment benefits (OPEB) such as post-employment insurance.

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Response – The County has engaged an actuary to assist implementing GASB Statement No. 45 in the 2008-2009 fiscal year.

Sincerely,



John A. Crawford  
Ex-Officio Clerk