

**NASSAU COUNTY BOARD OF
COUNTY COMMISSIONERS
Nassau County, Florida**

**Financial Statements and
Auditor's Reports**

September 30, 2017



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RIGGS &
INGRAM

CPAs and Advisors

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Nassau County Board of County Commissioners

Table of Contents

Introductory Section

List of Elected and Appointed Officials	i
---	---

Financial Section

Report

Independent Auditor's Report	ii
------------------------------	----

Financial Statements

Balance Sheet - Governmental Funds	1
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	3
Statement of Net Position - Proprietary Funds	5
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	6
Statement of Cash Flows - Proprietary Funds	7
Statement of Fiduciary Net Position - Agency Funds	9
Notes to Financial Statements	10

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	31
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - County Transportation Fund	32
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Municipal Services Fund	33
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - One-Cent Small County Surtax Fund	34
Notes to Required Supplementary Information	35

Supplementary Information

Nonmajor Governmental Funds – Fund Descriptions	36
Combining Balance Sheet - Nonmajor Governmental Funds	39
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	46



**Nassau County Board of County Commissioners
Table of Contents**

Additional Elements Required by the Rules of the Auditor General

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	53
Independent Accountant's Report on Compliance with Section 218.415, <i>Florida Statutes</i>	55
Management Letter	56

Introductory Section



**Nassau County Board of County Commissioners
List of Elected and Appointed Officials
September 30, 2017**

ELECTED OFFICIALS

Commissioner - District 1, Chair

Daniel B. Leeper

Commissioner - District 2, Vice-Chair

Stephen W. Kelley

Commissioner - District 3

Pat Edwards

Commissioner - District 4

George V. Spicer

Commissioner - District 5

Justin M. Taylor

APPOINTED OFFICIALS

County Manager

Shanea Jones

County Attorney

Michael Mullin

Financial Section

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of County Commissioners
Nassau County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Nassau County Board of County Commissioners (the "Board"), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Board's special-purpose financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Board as of September 30, 2017, and the respective changes in financial position, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We draw attention to Note 1 to the financial statements, which describes that the accompanying financial statements were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida (the “Rules”). In conformity with the Rules, the accompanying financial statements are special-purpose financial statements that do not constitute a complete presentation, but otherwise constitute financial statements prepared in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the budgetary comparison information to be presented to supplement the special-purpose financial statements. Such information, although not part of the special-purpose financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the special-purpose financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the special-purpose financial statements, and other knowledge we obtained during our audit of the special-purpose financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance

with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated April 16, 2018, 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, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

Caru, Riggs & Ingram, L.L.C.

April 16, 2018
Jacksonville, Florida

Financial Statements

Nassau County Board of County Commissioners

Balance Sheet - Governmental Funds
September 30, 2017

	General Fund	County Transportation	Municipal Services	One-Cent Small County Surtax Fund
Assets:				
Cash and equivalents	\$ 766,278	\$ 166,991	\$ 465,922	\$ 698,008
Cash and equivalents - restricted	586,086	-	-	-
Equity in pooled investments	17,730,993	5,451,483	2,807,187	2,571,423
Accounts receivable (Net of allowance for uncollectibles)	1,660,630	129,012	2,683	-
Loans receivable (Net of allowance for uncollectibles)	-	-	-	-
Due from other funds	702,371	20,835	26,009	-
Due from constitutional officers	1,092,682	17,535	21,544	-
Due from other governments	695,585	305,671	62,849	658,317
Inventories	212,561	67,084	-	-
Prepaid expenditures	60,980	-	455,651	-
Deposits	6,105	895	-	-
Total assets	\$ 23,514,271	\$ 6,159,506	\$ 3,841,845	\$ 3,927,748
Liabilities:				
Accounts payable	\$ 3,455,798	\$ 814,162	\$ 125,945	\$ -
Accrued liabilities	215,634	-	-	-
Retainage payable	17,079	-	-	-
Due to other funds	53,257	154,393	298,367	-
Due to constitutional officers	34,487	-	414	-
Due to other governments	70,566	779	1,333	-
Unearned revenues	98	-	-	-
Deposits	4,809	10,440	40	-
Total liabilities	3,851,728	979,774	426,099	-
Deferred inflows:				
Unavailable revenue	1,415,514	213	-	-
Fund balances:				
Nonspendable:				
Inventory	212,561	67,084	-	-
Prepays	60,980	-	455,651	-
Deposits	6,105	895	-	-
Restricted	1,109,390	-	5,083	-
Committed	-	-	-	-
Assigned	5,235,289	5,111,540	2,955,012	3,927,748
Unassigned	11,622,704	-	-	-
Total fund balances	18,247,029	5,179,519	3,415,746	3,927,748
Total liabilities, deferred inflows and fund balances	\$ 23,514,271	\$ 6,159,506	\$ 3,841,845	\$ 3,927,748

See accompanying notes.

(Continued)

Nassau County Board of County Commissioners

Balance Sheet - Governmental Funds
September 30, 2017

	Capital Projects - Transportation	Comprehensive Impact Fee Ordinance	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Cash and equivalents	\$ 184,710	\$ 634,372	\$ 8,086,867	\$ 11,003,148
Cash and equivalents - restricted	-	-	-	586,086
Equity in pooled investments	11,534,337	2,468,992	19,356,402	61,920,817
Accounts receivable (Net of allowance for uncollectibles)	-	-	177	1,792,502
Loans receivable (Net of allowance for uncollectibles)	-	-	48,000	48,000
Due from other funds	-	-	3,712	752,927
Due from constitutional officers	-	1,455	534,805	1,668,021
Due from other governments	628,355	-	744,021	3,094,798
Inventories	-	-	-	279,645
Prepaid expenditures	-	-	100	516,731
Deposits	-	-	-	7,000
Total assets	\$ 12,347,402	\$ 3,104,819	\$ 28,774,084	\$ 81,669,675
Liabilities:				
Accounts payable	\$ 690,287	\$ 4,891	\$ 755,257	\$ 5,846,340
Accrued liabilities	-	-	-	215,634
Retainage payable	10,500	-	-	27,579
Due to other funds	-	-	222,208	728,225
Due to constitutional officers	-	-	6,034	40,935
Due to other governments	-	1,453,234	77,298	1,603,210
Unearned revenues	-	-	-	98
Deposits	-	-	93,510	108,799
Total liabilities	700,787	1,458,125	1,154,307	8,570,820
Deferred inflows:				
Unavailable revenue	628,355	-	637,331	2,681,413
Fund balances:				
Nonspendable:				
Inventory	-	-	-	279,645
Prepays	-	-	100	516,731
Deposits	-	-	-	7,000
Restricted	-	1,646,694	24,947,627	27,708,794
Committed	11,018,260	-	2,237,099	13,255,359
Assigned	-	-	-	17,229,589
Unassigned	-	-	(202,380)	11,420,324
Total fund balances	11,018,260	1,646,694	26,982,446	70,417,442
Total liabilities, deferred inflows and fund balances	\$ 12,347,402	\$ 3,104,819	\$ 28,774,084	\$ 81,669,675

See accompanying notes.

(Concluded)

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year ended September 30, 2017

	General Fund	County Transportation	Municipal Services	One-Cent Small County Surtax Fund
Revenues:				
Taxes	\$ 41,567,579	\$ 5,539,947	\$ 9,101,974	\$ 9,640,488
Licenses and permits	33,454	84,299	56,486	-
Intergovernmental	6,680,439	1,567,781	698,294	-
Charges for services	2,151,234	43,770	135,088	-
Fines and forfeitures	44,605	578	20,236	-
Investment earnings	268,262	56,441	52,102	42,750
Miscellaneous	641,673	202,922	37,493	-
Total revenues	51,387,246	7,495,738	10,101,673	9,683,238
Expenditures:				
Current:				
General government	6,811,571	-	711,564	-
Public safety	12,825,038	-	7,407,472	8,763
Physical environment	1,458,654	-	-	63,698
Transportation	-	6,140,064	443	-
Economic environment	164,565	-	-	-
Human services	2,647,413	-	928,875	-
Culture and recreation	1,685,893	-	-	21,839
Court related	695,182	-	-	-
Capital outlay	3,351,895	876,038	93,469	242,448
Debt service:				
Principal retirement	550,731	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	30,190,942	7,016,102	9,141,823	336,748
Excess of revenues over (under) expenditures	21,196,304	479,636	959,850	9,346,490
Other financing sources (uses):				
Transfer from constitutional officers	1,052,471	7,613	21,535	-
Transfer to constitutional officers	(23,771,827)	(81,026)	(2,966,363)	-
Transfers in	5,622,368	3,286,497	3,249,898	442,049
Transfers out	(4,037,199)	(2,446,336)	(728,470)	(10,801,842)
Sale of general capital assets	26,393	39,510	-	-
Total other financing sources (uses)	(21,107,794)	806,258	(423,400)	(10,359,793)
Net change in fund balances	88,510	1,285,894	536,450	(1,013,303)
Fund balances – beginning of year	18,158,519	3,893,625	2,879,296	4,941,051
Fund balances – end of year	\$ 18,247,029	\$ 5,179,519	\$ 3,415,746	\$ 3,927,748

See accompanying notes.

(Continued)

Nassau County Board of County Commissioners

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year ended September 30, 2017

	Capital Projects - Transportation	Comprehensive Impact Fee Ordinance	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ -	\$ -	\$ 7,277,524	\$ 73,127,512
Licenses and permits	-	1,484,860	4,041,922	5,701,021
Intergovernmental	1,064,420	-	2,134,196	12,145,130
Charges for services	-	-	882,778	3,212,870
Fines and forfeitures	-	-	156,096	221,515
Investment earnings	90,770	8,884	230,548	749,757
Miscellaneous	31	-	100,953	983,072
Total revenues	1,155,221	1,493,744	14,824,017	96,140,877
Expenditures:				
Current:				
General government	-	205	956,618	8,479,958
Public safety	-	396	427,720	20,669,389
Physical environment	-	-	2,920,136	4,442,488
Transportation	1,375,550	-	-	7,516,057
Economic environment	-	-	5,332,353	5,496,918
Human services	-	-	125,878	3,702,166
Culture and recreation	-	397	171,771	1,879,900
Court related	-	-	247,608	942,790
Capital outlay	1,169,974	-	1,384,440	7,118,264
Debt service:				
Principal retirement	-	-	2,569,603	3,120,334
Interest and fiscal charges	-	-	1,799,600	1,799,600
Total expenditures	2,545,524	998	15,935,727	65,167,864
Excess of revenues over (under) expenditures	(1,390,303)	1,492,746	(1,111,710)	30,973,013
Other financing sources (uses):				
Transfer from constitutional officers	-	-	94,283	1,175,902
Transfer to constitutional officers	-	(5,355)	(546,229)	(27,370,800)
Transfers in	4,133,588	-	4,694,951	21,429,351
Transfers out	-	(14,013)	(706,831)	(18,734,691)
Sale of general capital assets	-	-	-	65,903
Total other financing sources (uses)	4,133,588	(19,368)	3,536,174	(23,434,335)
Net change in fund balances	2,743,285	1,473,378	2,424,464	7,538,678
Fund balances – beginning of year	8,274,975	173,316	24,557,982	62,878,764
Fund balances – end of year	\$ 11,018,260	\$ 1,646,694	\$ 26,982,446	\$ 70,417,442

See accompanying notes.

(Concluded)

Nassau County Board of County Commissioners

Statement of Net Position – Proprietary Funds
September 30, 2017

	Business Type Activities - Enterprise Funds		
	Solid Waste Disposal	Water and Sewer	Total
Assets:			
Current assets:			
Cash and equivalents	\$ -	\$ 3,371,390	\$ 3,371,390
Cash and equivalents - restricted	-	133,374	133,374
Equity in pooled investments	-	4,011,568	4,011,568
Accounts receivable, net of allowance for uncollectibles	-	509,657	509,657
Due from other funds	-	3,014	3,014
Inventories	-	60,231	60,231
Prepaid expenses	-	41,473	41,473
Total current assets	-	8,130,707	8,130,707
Noncurrent assets:			
Cash and equivalents - restricted	-	778,128	778,128
Capital assets, net of accumulated depreciation	-	13,891,928	13,891,928
Total noncurrent assets	-	14,670,056	14,670,056
Total assets	-	22,800,763	22,800,763
Deferred outflow of resources			
Unamortized refunding loss	-	493,785	493,785
Pension related	-	223,133	223,133
Total deferred outflow of resources	-	716,918	716,918
Liabilities:			
Current liabilities:			
Accounts payable	-	213,152	213,152
Retainage payable	-	62,577	62,577
Due to other funds	-	27,716	27,716
Due to constitutional officers	-	8	8
Due to other governments	-	79	79
Deposits	-	130,217	130,217
Bonds payable	-	955,000	955,000
Compensated absences	-	55,745	55,745
Total current liabilities	-	1,444,494	1,444,494
Noncurrent liabilities:			
Compensated absences	-	87,274	87,274
Other postemployment benefits	-	92,383	92,383
Bonds payable long-term	-	10,750,000	10,750,000
Net pension liability	-	485,407	485,407
Total noncurrent liabilities	-	11,415,064	11,415,064
Total liabilities	-	12,859,558	12,859,558
Deferred inflow of resources	-	28,448	28,448
Net position:			
Net investment in capital assets	-	2,680,713	2,680,713
Restricted	-	647,911	647,911
Unrestricted	-	7,301,051	7,301,051
Total net position	\$ -	\$ 10,629,675	\$ 10,629,675

See accompanying notes.

Nassau County Board of County Commissioners

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
Year ended September 30, 2017

	Business Type Activities - Enterprise Funds		
	Solid Waste Disposal	Water and Sewer	Total
Operating revenues			
Charges for services	\$ -	\$ 4,042,363	\$ 4,042,363
Connection and impact fees	-	82,418	82,418
Other income	-	104,806	104,806
Total operating revenues	-	4,229,587	4,229,587
Operating expenses			
Contractual services	-	2,845	2,845
Professional services	-	94,641	94,641
Salaries and benefits	-	687,387	687,387
Rentals and leases	-	21,427	21,427
Repairs and maintenance	-	170,235	170,235
Gas and oil	-	9,821	9,821
Materials	-	1,404	1,404
Depreciation	-	762,115	762,115
Other expenses	-	509,834	509,834
Total operating expenses	-	2,259,709	2,259,709
Operating income	-	1,969,878	1,969,878
Nonoperating revenues (expenses)			
Interest earnings	-	15,401	15,401
Interest and other debt service costs	-	(306,545)	(306,545)
Gain from transfer of landfill-related balances	13,434,841	-	13,434,841
Total nonoperating revenues (expenses)	13,434,841	(291,144)	13,143,697
Income before transfers	13,434,841	1,678,734	15,113,575
Transfers			
Transfers out	(2,630,780)	(63,880)	(2,694,660)
Change in net position	10,804,061	1,614,854	12,418,915
Total net position, beginning of year	(10,804,061)	9,014,821	(1,789,240)
Total net position, end of year	\$ -	\$ 10,629,675	\$ 10,629,675

See accompanying notes.

Nassau County Board of County Commissioners

Statement of Cash Flows - Proprietary Funds
Year ended September 30, 2017

	Business Type Activities - Enterprise Funds		
	Solid Waste Disposal	Water and Sewer	Total
Operating Activities			
Cash received from customers	\$ -	\$ 3,959,439	\$ 3,959,439
Cash payments to vendors for goods and services	-	(1,392,514)	(1,392,514)
Cash payments to employees for services	-	(655,273)	(655,273)
Cash received from other sources	-	104,806	104,806
Net Cash Provided by (Used in) Operating Activities	-	2,016,458	2,016,458
Noncapital Financing Activities			
Transfers to other funds	(1,168,776)	(63,880)	(1,232,656)
Net Cash Provided by (Used in) Noncapital Financing Activities	(1,168,776)	(63,880)	(1,232,656)
Capital and Related Financing Activities			
Acquisition of capital assets	-	(1,455,324)	(1,455,324)
Disposal of capital assets	-	80,542	80,542
Principal payments on bonds	-	(930,000)	(930,000)
Interest paid on long-term debt	-	(306,545)	(306,545)
Net Cash Provided by (Used in) Capital and Related Financing Activities	-	(2,611,327)	(2,611,327)
Investing Activities			
Interest received	-	15,401	15,401
Purchase of investments	-	(4,011,568)	(4,011,568)
Net Cash Provided by (Used in) Investing Activities	-	(3,996,167)	(3,996,167)
Net Increase (Decrease) in Cash and Cash Equivalents	(1,168,776)	(4,654,916)	(5,823,692)
Cash and Cash Equivalents, Beginning of Year	1,168,776	8,937,808	10,106,584
Cash and Cash Equivalents, End of Year	\$ -	\$ 4,282,892	\$ 4,282,892
Reported in Statement of Net Position as:			
Cash and cash equivalents	\$ -	\$ 3,371,390	\$ 3,371,390
Current cash and cash equivalents - restricted	-	133,374	133,374
Noncurrent cash and cash equivalents - restricted	-	778,128	778,128
Total Cash and Cash Equivalents	\$ -	\$ 4,282,892	\$ 4,282,892
Noncash Investing, Capital and Financing Activities:			
Transfers of noncash assets to other funds	\$ (1,462,004)	\$ -	\$ (1,462,004)
Gain from transfer of landfill-related balances	13,434,841	-	13,434,841
Noncash Investing, Capital and Financing Activities:	\$ 11,972,837	\$ -	\$ 11,972,837

See accompanying notes.

(Continued)

Nassau County Board of County Commissioners

Statement of Cash Flows - Proprietary Funds Year ended September 30, 2017

	Business Type Activities - Enterprise Funds		
	Solid Waste Disposal	Water and Sewer	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities			
Operating Income	\$ -	\$ 1,969,878	\$ 1,969,878
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:			
Depreciation and Amortization	-	762,115	762,115
Changes in Assets and Deferred Outflows:			
Decrease (Increase) in Accounts Receivable	-	(164,110)	(164,110)
Decrease (Increase) in Due from Other Funds	-	(291)	(291)
Decrease (Increase) in Inventory	-	(8,702)	(8,702)
Decrease (Increase) in Prepaid Expense	-	(21,525)	(21,525)
Decrease (Increase) in Deferred Outflows	-	(5,381)	(5,381)
Changes in Liabilities and Deferred Inflows:			
Increase (Decrease) in Accounts Payable	-	(531,368)	(531,368)
Increase (Decrease) in Retainage Payable	-	(26,145)	(26,145)
Increase (Decrease) in Due to Other Funds	-	5,351	5,351
Increase (Decrease) in Due to Constitutional Officers	-	3	3
Increase (Decrease) in Due to Other Governments	-	79	79
Increase (Decrease) in Deposits	-	(941)	(941)
Increase (Decrease) in OPEB Obligation	-	(10,874)	(10,874)
Increase (Decrease) in Net Pension Liability	-	41,201	41,201
Increase (Decrease) in Deferred Inflows	-	10,919	10,919
Increase (Decrease) in Compensated Absences	-	(3,751)	(3,751)
Net Cash Provided by (Used in) Operating Activities	\$ -	\$ 2,016,458	\$ 2,016,458

See accompanying notes.

(Concluded)

Nassau County Board of County Commissioners

Statement of Fiduciary Net Position - Agency Funds
September 30, 2017

	Agency Funds
Assets:	
Cash and equivalents	\$ 40,650
Equity in pooled investments	2,367,410
Due from other constitutional officers	1,129
Total assets	2,409,189
Liabilities:	
Due to bond holders	2,409,189
Total liabilities	2,409,189
Net position	\$ -

See accompanying notes.



Nassau County Board of County Commissioners Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of 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 following is a summary of the more significant policies.

Reporting Entity

Nassau County (the County) is a political subdivision of the State of Florida. It is composed of an elected Board of County Commissioners (the Board) and elected Constitutional Officers, who are governed by federal and state statutes, regulations, and County ordinances. The Board of County Commissioners (Board) and the offices of the Clerk of the Circuit Court, Tax Collector, Sheriff, Property Appraiser, and Supervisor of Elections are operated as separate County agencies in accordance with applicable provisions of Florida Statutes.

The accompanying financial statements present the Board, and the component units for which the Board is considered to be financially accountable. Also included are other entities for which the nature and significance of their relationship with the Board are such that exclusion could cause the Board's basic financial statements to be misleading or incomplete.

The Nassau County Housing Finance Authority (NCHFA) is a dependent special district, which functions for the benefit of the citizens of Nassau County and is considered a blended component unit of the Board. The NCHFA had no revenues or expenditures during the fiscal year ended September 30, 2017. 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.

The Recreation and Water Conservation and Control District No. 1 ("RWCCD") is a dependent special district, which functions for the benefit of the citizens of the County and is considered a blended component unit of the Board. The Board of County Commissioners sits as the governing body. The RWCCD had no revenues or expenditures during the fiscal year ended September 30, 2017. In addition, the RWCCD 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 RWCCD and, accordingly, no financial data for RWCCD is presented in these financial statements.

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

Basis of Presentation

The Board's financial statements are special-purpose financial statements which have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These special-purpose financial statements are the fund financial statements required by generally accepted accounting principles.



Nassau County Board of County Commissioners Notes to Financial Statements

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

However, these fund statements do not constitute a complete presentation because, in conformity with the Rules, the Board has not presented the government-wide financial statements, reconciliations to the government-wide financial statements, or management's discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the county-wide financial statements.

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, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances or net position, 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 various funds are organized by governmental funds, proprietary funds, and fiduciary funds in the financial statements. The following funds are used by the Board:

Governmental Funds

- **Major Funds**
 - **General Fund** - 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.
 - **County Transportation Fund** - used to account for the operation of the Road and Bridge Department. Financing is provided principally by ad valorem taxes and the Board's share of State gasoline taxes.
 - **Municipal Services Fund** - used to account for activities benefiting only the unincorporated areas of the County. Financing is provided principally by ad valorem taxes and state revenue sharing.
 - **One-Cent Small County Surtax Fund** - used to account for transactions associated with one-cent funds. 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.

Nassau County Board of County Commissioners Notes to Financial Statements

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

- **Capital Projects - Transportation Fund** - used to account for all financial resources used for the acquisition or construction of major transportation related capital facilities and/or projects. Funding is provided from a variety of funding sources.
- **Comprehensive Impact Fee Ordinance Fund** - used to account for the district expenditures associated with capital expansion. Funding is provided from impact fees on new construction.
- **Nonmajor Governmental Fund Types**
 - **Special Revenue Funds** - 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** - 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** - 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

Proprietary 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 the governing body 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 governing body 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** provided a Convenience Recycling Center for the collection and disposal of solid waste and recyclables for the citizens of Nassau County. The fund also accounted for the post-closure requirement costs for all closed landfills. The landfill fund was closed at the beginning of fiscal year 2017 and all related assets and liabilities were transferred to the General Fund.

The **Water and Sewer Fund** accounts for water and wastewater services provided to approximately 3,300 customers on 4,800 acres located entirely in the County, which is situated north of the Duval County line and south of the City of Fernandina Beach.



Nassau County Board of County Commissioners Notes to Financial Statements

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

Fiduciary Fund

Agency Fund - The Agency Fund, South Amelia Island Shore Stabilization (SAISS), is used to account for assets held by the Board as agent for the South Amelia Island Shore Stabilization Association, representing property owners within the geographical boundaries of the South Amelia Island Shore Stabilization Municipal Service Benefit Unit.

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, deferred outflows of resources, current liabilities, and deferred inflows of resources are generally included on the balance sheet. Accordingly, the reported fund balances are considered to be 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 - Enterprise funds are accounted for on an economic resources measurement focus. Accordingly, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources are included on their Statement of Net Position, and the reported net position provides 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 position.

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.

Fiduciary Funds - Agency funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the 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 thirty days after year end.



Nassau County Board of County Commissioners Notes to Financial Statements

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

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 modified accrual basis of accounting when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and other postemployment benefits, are recorded only when payment is due.

The proprietary funds and agency 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.

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) fully collateralized certificates of deposit issued by active Florida qualified public depositories; (4) fully collateralized 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; (9) the Local Government Surplus Funds Trust Fund (the Florida State Board of Administration); and (10) any investment authorized or permitted by Florida Statutes or any other law of the State of Florida controlling the investment of public funds of a county.

Restricted Assets

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



Nassau County Board of County Commissioners Notes to Financial Statements

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

Accounts Receivable

Accounts receivable are reported net of the allowance for uncollectibles on the balance sheet - governmental funds and statement of net position - proprietary funds. The allowances for uncollectible accounts are based upon aging schedules of related collection experiences of such receivables.

Interfund Balances

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is 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. On the balance sheet - governmental funds, the prepaid and inventory balances reported are offset by a nonspendable fund balance classification which indicates these balances do not constitute available spendable resources. The cost of governmental fund type inventories is recorded as expenditure when consumed; therefore the inventory asset amount is not available for appropriation.

Prepaid items are certain payments to vendors that reflect costs applicable to future accounting periods and are recorded, under the consumption method, as prepaid items.

Unamortized Refunding Loss

Losses resulting from the refunding of debt are reported as deferred outflow of resources and recognized as a component of interest expense over the remaining life of the refunded debt or the new debt whichever is shorter.

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. Capital assets are not reported in the governmental funds.

In the fund financial statements, governmental funds recognize bond premiums and discounts 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 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.

**Nassau County Board of County Commissioners
Notes to Financial Statements**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Due to the current financial resources measurement focus, the accompanying governmental fund financial statements do not report capital assets or long-term liabilities. Such amounts are instead reported in the separately-issued government-wide financial statements of the County as a whole.

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

Compensated Absences

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

Other Postemployment Benefits

The Board has recorded the liability in the enterprise funds for postemployment benefits other than pensions. For governmental funds, other postemployment benefits are only reported when due and payable.

Net Pension Liability

In the proprietary fund statements, the net pension liability represents the fund's proportionate share of the Board's proportionate share of the net pension liability of the cost-sharing pension plans in which it participates. This liability represents a share of the present value of projected benefit payments to be provided through the cost-sharing plans, less the amount of the cost-sharing plans' fiduciary net position. The Board participates in both the Florida Retirement System (FRS) defined benefit pension plan and the Health Insurance Subsidy Program (HIS) defined benefit plan administered by the Florida Division of Retirement. The Board allocated the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense to the funds and functions/activities based on their respective contribution made to the pension plans for that fiscal year. Governmental funds do not report this long-term liability.



Nassau County Board of County Commissioners Notes to Financial Statements

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

Deferred Inflows/Outflows of Revenues

Deferred inflows of resources reported on applicable governmental fund types represent revenues which are measurable but not available in accordance with the modified accrual basis of accounting. The deferred inflows will be recognized as revenue in the fiscal year they are earned or become available. Deferred outflows of resources represent consumption of net position that is applicable to a future reporting period. Deferred outflows have a positive effect on net position, similar to assets.

Fund Balance Reporting

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

Fund balances are described below:

- **Nonspendable** - Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (2) legally or contractually required to be maintained intact.
- **Restricted** - Restricted fund balances are restricted when constraints placed on the uses of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed** - Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action (e.g., ordinance) of the organization's governing authority (the Board of County Commissioners). These committed amounts cannot be used for any other purpose unless the Board of County Commissioners removes or changes the specified use by taking the same type of action employed to constrain those amounts.
- **Assigned** - Assigned fund balances consist of amounts that are constrained by a less-than-formal action of the organization's governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. Changes in assigned fund balance require prior approvals from the governing body, the County Manager, or the Budget Officer. In addition, residual balances in capital projects and debt service funds are considered assigned for the general purpose of the respective funds.



Nassau County Board of County Commissioners Notes to Financial Statements

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

- **Unassigned** - This classification is used for the following: (a) negative unrestricted fund balances in any governmental fund, or (b) residual fund balances within the general fund that are not nonspendable, restricted, committed, or assigned.

When both restricted and unrestricted resources are available for use, it is the County's policy to use resources in the following order: restricted, committed, assigned and unassigned.

Net Position

Net position of proprietary funds are made up of three components. *Net investment in capital assets* represents net capital assets less related long-term liabilities, where unspent debt proceeds increase this amount. *Restricted net position* represents assets that are legally restricted for specific purposes. They include bond sinking and reserve funds; special revenues restricted by statute, ordinance, and bond proceeds; and other sources restricted for capital projects or improvements. The balance of net position is considered *unrestricted net position*.

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, 2017, the Board levied 6.5670 mills. An additional 1.6694 mills was levied for the benefit of the Nassau County Municipal Services Taxing Unit and an additional 0.1021 was levied for the benefit of the Amelia Island Beach Renourishment MSTU.

Property taxes are due and payable on March 31st 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 1st. 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.



Nassau County Board of County Commissioners Notes to Financial Statements

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

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 is 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 Property taxes become delinquent
- Prior to June 1 Tax certificates are sold

Use of Estimates

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

Future GASB Pronouncement Implementations

The Governmental Accounting Standards Board (GASB) has issued statements that will become effective in 2018. The statements address the following:

- OPEB accounting and financial reporting by employers;
- Split-interest agreements;
- Various practice issues (Omnibus); and
- Certain debt extinguishment issues.

The Board is currently evaluating the effects that these statements will have on its fiscal year 2018 financial statements.

NOTE 2 – CASH AND INVESTMENTS

Deposits with Financial Institutions

All deposits of the Board are placed in banks that qualify as public depositories pursuant to the provisions of Chapter 280, Florida Statutes, *Florida Security for Public Deposits Act*. Qualified public depositories are required by this law to pledge collateral with a market value equal to a percentage of the average daily balance of all public deposits in excess of any federal deposit insurance. In event of default by a qualified public depository, all claims for public deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the public depository in default, and, if necessary, a pro rata assessment to the other qualified public depositories in the collateral pool. Therefore, all cash and time deposits held by banks are fully insured and collateralized.

**Nassau County Board of County Commissioners
Notes to Financial Statements**

NOTE 2 – CASH AND INVESTMENTS (continued)

Investments

The Board’s investment practices are governed by Section 218.415, *Florida Statutes*, and *County Ordinance* 95-144. Interest and investment earnings are generally allocated to the various funds based upon each fund’s equity balance in the pooled cash or the investment accounts. The following items discuss the County’s exposure to various risks of their investment portfolio.

Interest Rate Risk - The risk that changes in interest rates will adversely affect the fair value of an investment. The County has a formal investment policy for current operating funds that limits investment maturities to twelve months as a means of managing its exposure to fair value losses from increasing interest rates. Investments of bond reserves, construction funds, and other nonoperating funds shall have a term appropriate to the need for funds and in accordance with debt covenants. The maturities of the underlying securities of a repurchase agreement will follow the requirements of a Master Repurchase Agreement in form approved by the Public Securities Association.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The certificates of deposit are held in qualified public depositories or at levels below FDIC insurance thresholds.

In accordance with the provisions of Rule 62-701, *Florida Administrative Code*, the Board has established escrow accounts to provide proof of financial responsibility for the post-closure costs associated with the Old West Nassau, the Bryceville, the Lofton Creek, and the New West Nassau Landfills. The amounts in these escrow accounts are determined by engineering studies as required by the above rule.

The following summarizes the cash and investments held by the Board at year end:

<u>Description</u>	<u>Amount</u>
Cash and cash equivalents	\$ 15,912,776
Certificates of deposit	36,962,561
Money market accounts	31,337,234
<u>Total cash and investments</u>	<u>\$ 84,212,571</u>

Nassau County Board of County Commissioners
Notes to Financial Statements

NOTE 2 – CASH AND INVESTMENTS (concluded)

Reported in the accompanying financial statements as follows:

	Governmental Funds	Proprietary Funds	Agency Fund	Total
Cash and cash equivalents	\$ 11,003,148	\$ 3,371,390	\$ 40,650	\$ 14,415,188
Equity in pooled investments	61,920,817	4,011,568	2,367,410	68,299,795
Restricted cash and cash equivalents	586,086	911,502	-	1,497,588
Total cash and investments	\$ 73,510,051	\$ 8,294,460	\$ 2,408,060	\$ 84,212,571

Fair Value Measurement and Application

Governmental entities are required to record investments at fair value unless an exception applies and disclose the fair value measurement and hierarchy. Paragraph 69 of GASB 72 lists several investments that should be measured as described in GASB Statement 31 which includes investments in nonparticipating interest-earning investment contracts (certificates of deposit) and money market investments that have a maturity at the time of purchase of one year or less. At September 30, 2017, the Board's investments consisted of money market accounts and non-negotiable certificates of deposits which are recorded at cost and are excluded from fair value measurement.

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable (net of allowances for uncollectible accounts) at September 30, 2017, included the following:

	Receivable	Allowance	Net
Governmental Funds			
General fund	\$ 3,380,746	\$ (1,720,116)	\$ 1,660,630
County transportation	129,012	-	129,012
Municipal services	2,683	-	2,683
Non-major governmental funds	177	-	177
Total Governmental Funds	\$ 3,512,618	\$ (1,720,116)	\$ 1,792,502
Proprietary Funds			
Water and Sewer	\$ 512,447	\$ (2,790)	\$ 509,657
Total Business-type Funds	\$ 512,447	\$ (2,790)	\$ 509,657

Nassau County Board of County Commissioners
Notes to Financial Statements

NOTE 4 – RESTRICTED ASSETS

Restricted assets at September 30, 2017, represent monies required to be restricted for landfill postclosure, 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 at September 30, 2017, were restricted for the following purposes:

Governmental Funds:

Landfill postclosure escrow	\$	586,236
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Proprietary Funds:

Customer deposits	\$	133,374
Renewal and replacement (water/sewer)		182,301
Debt service		595,827
Total proprietary funds	\$	911,502

NOTE 5 – INTERFUND ACTIVITY

Interfund balances at September 30, 2017, consists of the following:

Due to/from other funds:

	Due to:					Total Due to
	General Fund	County Transp.	Municipal Service	Water and Sewer	Nonmajor Funds	
Due from:						
General Fund	\$ -	\$ 20,540	\$ 25,991	\$ 3,014	\$ 3,712	\$ 53,257
County Transportation	154,393	-	-	-	-	154,393
Municipal Service	298,367	-	-	-	-	298,367
Water and Sewer	27,716	-	-	-	-	27,716
Nonmajor Funds	221,895	295	18	-	-	222,208
Total Due from	\$ 702,371	\$ 20,835	\$ 26,009	\$ 3,014	\$ 3,712	\$ 755,941

The purpose for each of these interfund receivables and payables is to provide temporary loans for cash flow needs.

**Nassau County Board of County Commissioners
Notes to Financial Statements**

NOTE 5 – INTERFUND ACTIVITY (concluded)

Interfund transfers:

	Transfers out:						Total Transfers Out
	General Fund	County Transp.	Municipal Services	One-Cent Surtax	Capital Project Transportation	Nonmajor	
Transfers in:							
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,037,199	\$ 4,037,199
County Transportation	-	-	-	-	2,445,900	436	2,446,336
Municipal Services	85,470	-	-	-	-	643,000	728,470
One-cent Surtax	2,581,331	3,286,497	3,246,326	-	1,687,688	-	10,801,842
Comp Impact Fee	431	-	2,897	-	-	10,685	14,013
Solid Waste	2,630,780	-	-	-	-	-	2,630,780
Water and Sewer	63,880	-	-	-	-	-	63,880
Nonmajor Governmental	260,476	-	675	442,049	-	3,631	706,831
Total transfers in	\$ 5,622,368	\$ 3,286,497	\$ 3,249,898	\$ 442,049	\$ 4,133,588	\$ 4,694,951	\$ 21,429,351

The purpose for these interfund transfers include the following: (a) match for special revenue grant requirements (b) other funds based on budgetary requirements, and (c) funds that are required by statute or budgetary authority to expend revenues from another fund that by statute or budgetary authority must collect revenues.

Nassau County Board of County Commissioners
Notes to Financial Statements

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2017, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Proprietary Funds				
Capital assets not being depreciated:				
Land	\$ 815,228	\$ -	\$ (647,262)	\$ 167,966
Construction work in progress	172,254	-	(155,951)	16,303
Total capital assets not being depreciated	987,482	-	(803,213)	184,269
Capital assets being depreciated:				
Building and improvements	1,222,975	19,711	(468,109)	774,577
Machinery and equipment	22,193,666	1,392,621	(1,233,025)	22,353,262
Landfill	41,701,285	-	(41,701,285)	-
Total capital assets being depreciated	65,117,926	1,412,332	(43,402,419)	23,127,839
Less accumulated depreciation:				
Buildings and improvements	(283,156)	(39,551)	73,734	(248,973)
Machinery and equipment	(9,385,546)	(722,564)	936,903	(9,171,207)
Landfill	(41,701,285)	-	41,701,285	-
Total accumulated depreciation	(51,369,987)	(762,115)	42,711,922	(9,420,180)
Total capital assets being depreciated, net	13,747,939	650,217	(690,497)	13,707,659
Total proprietary fund capital assets, net	\$ 14,735,421	\$ 650,217	\$ (1,493,710)	\$ 13,891,928

Depreciation expense of \$762,115 was charged to the Water & Sewer Fund. The deletions are primarily related to the closure of the Solid Waste Fund at the beginning of fiscal year 2017.

NOTE 7 – LEASES

The Board is a party to certain operating leases during the period ended September 30, 2017, as follows:

- **Tower Site (14th Street)** - The Board renewed the lease with Pinnacle Towers, LLC, for five additional years commencing April 1, 2016. Operating lease payments for the year ended September 30, 2017 totaled \$30,398.
- **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 American Tower Asset Sub, LLC, commencing May 2011. The Board exercised the first renewal, which has an effective date of May 2016. Operating lease payments for the year ended September 30, 2017 were \$57,575.

**Nassau County Board of County Commissioners
Notes to Financial Statements**

NOTE 7 – LEASES (concluded)

- **West Nassau Land Development** - The Board entered into a five-year lease with West Nassau Land Development, LLC, commencing July 1, 2015. Operating lease payments for the year ended September 30, 2017 were \$71,323.
- **Ring Investments** - The Board entered into a two-year lease with Ring Investments, LLC on July 27, 2015 and amended it to a three-year lease effective January 27, 2017. Operating lease payments for the year ended September 30, 2017 totaled \$37,494.

Future minimum lease payments under these leases are summarized as follows:

<u>Year Ending September 30,</u>	<u>Tower lease sites</u>	<u>West Nassau land development</u>	<u>Ring Investments</u>	<u>Total</u>
2018	\$ 92,068	\$ 75,443	\$ 37,494	\$ 205,005
2019	96,356	77,178	-	173,534
2020	100,844	60,892	-	161,736
2021	57,653	-	-	57,653
Total	\$ 346,921	\$ 213,513	\$ 37,494	\$ 597,928

NOTE 8 – LONG-TERM DEBT AND OTHER LIABILITIES

Long-term obligations are not reported in the governmental funds and, therefore, are excluded from this disclosure. Details may be found in the County-wide separately issued financial statements. The following is a summary of changes in proprietary fund long-term obligations for the year ended September 30, 2017:

<u>Proprietary Funds</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds payable	\$ 12,635,000	\$ -	\$ 930,000	\$ 11,705,000	\$ 955,000
Compensated absences	234,862	51,993	143,836	143,019	55,745
Other postemployment benefits	154,886	-	62,503	92,383	-
Landfill closure/postclosures	14,648,232	-	14,648,232	-	-
Net pension liability	646,030	-	160,623	485,407	-
Total proprietary funds long-term liabilities	\$ 28,319,010	\$ 51,993	\$ 15,945,194	\$ 12,425,809	\$ 1,010,745

**Nassau County Board of County Commissioners
Notes to Financial Statements**

NOTE 8 – LONG-TERM DEBT AND OTHER LIABILITIES (continued)

Advance Refunding

On April 9, 2013, the Board issued a \$15,650,000 Water and Sewer System Revenue Refunding Bond, Series 2013, with a fixed interest rate of 2.150%. The net proceeds from the closing were used to refund \$15,550,000 in principal in the amount of the County’s outstanding Revenue Note, Series 2003, and to pay the issuance costs of the Series 2013 Bond.

The revenue bond is secured by a pledge of and is payable solely from pledged revenues, which primarily consist of net revenues and impact fees which derive from the Water and Sewer System. Annual principal and interest on the bond is expected to require approximately 51% of such revenue and are payable through 2028. Principal and interest payments for the current year totaled \$1,191,655 and revenues totaled \$2,716,691. At September 30, 2017, pledged future revenues totaled \$13,142,651, which was the remaining principal and interest on the bond. The Series 2013 Bond shall not be, nor does it, or constitute a general obligation or indebtedness of the County.

Rate Covenant

The County 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 120% of the bond service requirements for that year. In addition, the rate covenant requires the County to establish and collect fees from users of the System and impact fees sufficient to pay the costs of the operations and maintenance of the System plus 120% of the bond service requirements for that year. The County met the 120% requirement and, therefore, is in compliance with the rate covenant at year end.

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

Year Ending September 30,	Principal	Interest	Total
2018	\$ 955,000	\$ 241,391	\$ 1,196,391
2019	975,000	220,644	1,195,644
2020	995,000	199,467	1,194,467
2021	1,015,000	177,859	1,192,859
2022	1,040,000	155,767	1,195,767
2023 - 2027	5,545,000	429,838	5,974,838
2028	1,180,000	12,685	1,192,685
Total	\$ 11,705,000	\$ 1,437,651	\$ 13,142,651

Defined Benefit Plans

The Board participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. Detailed descriptions and disclosures for the Board are included in the separately issued County-wide financial statements.



Nassau County Board of County Commissioners Notes to Financial Statements

NOTE 8 – LONG-TERM DEBT AND OTHER LIABILITIES *(concluded)*

Other Postemployment Benefits

The Board follows GASB Statement No. 45, *Accounting and Reporting for Postemployment Benefits Other than Pensions*, for certain postemployment health care benefits provided by the Board. The OPEB Plan is a single-employer benefit plan administered by the Board. Detailed descriptions and disclosures for the Board are included in the separately issued County-wide financial statements.

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. Detailed descriptions and disclosures for the Board are included in the separately issued County-wide financial statements.

Landfill Postclosure Care Costs

State and federal laws require the Board to fund landfill postclosure care costs once a landfill site stops accepting waste and to perform certain maintenance and monitoring functions at the landfill sites 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, and one that stopped receiving waste after October 9, 1993. The Board does not currently operate an open landfill.

During the fiscal year 2017, the Solid Waste Fund was closed and all related assets and liabilities were transferred to the General Fund. The governmental fund statements do not report long-term liabilities or capital assets and so these special-purpose financial statements do not report a post-closure liability. This liability is shown on the governmental activities of the separately issued County-wide financial statements.

The Board is required by state law to deposit into the escrow accounts, at the time of closing and each year thereafter, sufficient funds to cover the following year's long-term care costs. In addition, the Board must document specifically how it intends to finance the long-term care of the landfill as part of its closure plan. The Board is in compliance with these requirements with escrow balances that exceed the amounts required by state law.

**Nassau County Board of County Commissioners
Notes to Financial Statements**

NOTE 9 – FUND BALANCE CLASSIFICATION

The following is a summary of the Board’s fund balance classifications and the purpose of each as of September 30, 2017:

Nonspendable fund balance	
Inventory	\$ 279,645
Prepaid expenditures	516,731
Deposits	7,000
Total nonspendable fund balance	803,376
Restricted fund balance	
General government	6,941,808
Public safety	2,104,094
Physical environment	1,519,011
Transportation	2,501,974
Economic environment	5,592,141
Human services	305,892
Culture and recreation	634,552
Court related	1,968,018
Capital outlay	4,552,621
Debt service	1,588,683
Total restricted fund balance	27,708,794
Committed fund balance	
Public safety	3
Transportation	13,255,356
Total committed fund balance	13,255,359
Assigned fund balance	
General government	3,915,885
Public safety	3,694,253
Physical environment	2,974,768
Transportation	136,429
Human services	830,176
Culture and recreation	1,228,549
Non court related	711,635
Reserves - capital projects	692,271
Minimum fund balance	3,045,623
Total assigned fund balance	17,229,589
Unassigned fund balance	11,420,324
Total	\$ 70,417,442

Nassau County Board of County Commissioners Notes to Financial Statements

NOTE 10 – DEFICIT EQUITY BALANCE

The grants special revenue fund has a negative unrestricted fund balance of \$202,380 as of September 30, 2017. The negative fund balance is due to temporary differences resulting from the timing of reimbursable grant expenditures and the subsequent reimbursements. The negative fund balance will be reversed upon receipt of the corresponding grant proceeds.

NOTE 11 – RISK MANAGEMENT

The Board is exposed to various risks of loss related to legal liability, theft of, damage to, and destruction of assets; accidental death and dismemberment, and on the job injury to employees. Many of these risks are transferred through the purchase of various insurance coverages. Settled claims from these risks have not exceeded insurance coverage for the past three years.

The financial liability of the Board is limited to premiums paid and losses exceeding or not covered by insurance. The premiums are paid from various funds based on coverage required. There have been no reductions in insurance coverages from the previous year.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

The Board is a party to a number of lawsuits and claims arising out of the normal conduct of its operations and 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 following is a summary of major commitments of the Board and contracts in progress as of September 30, 2017:

Project	Source of Payment	Paid to date	Commitment Remaining
CR 115 Widening & Resurfacing	Current Available Resources	\$ -	\$ 710,175
NAU Headworks & Piping Project	Current Available Resources	625,763	245,624
Lechate Tank Storage Improvements	Current Available Resources	341,577	16,170
Public Works Facility - Phase 2	Current Available Resources	105,000	140,000
Pages Dairy/Chester Rd. Intersection Improv.	Current Available Resources	296,593	759,493
Fire Station #71	Current Available Resources	57,265	127,756
Crawford Road Design Services	Current Available Resources	757,790	10,858
NAU Clarifier No. 1 & 2	Current Available Resources	73,985	32,725
Total		\$ 2,257,973	\$ 2,042,801



Nassau County Board of County Commissioners
Notes to Financial Statements

NOTE 13 – CONDUIT DEBT OBLIGATIONS

The County 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, 2017, there was one bond outstanding with an aggregate principal amount payable of \$9,960,000. The outstanding bond is the AICC, Inc. and Nassau Care Centers - 70 Bed Care Intermediate Care and Day Program Service Facilities bond, originally issued in 2008 for \$11,150,000.

NOTE 14 – TAX ABATEMENT

Pursuant to Section 125.045, *Florida Statutes* and *Nassau County Ordinance* 2012-32, the Economic Development Grant (EDG) incentive is available for companies with the goal to facilitate the development of capital investment and high-wage jobs in Nassau County. The incentives in the tiered program include a specified grant on the Board-only portion of their ad valorem taxes for a specified period of time after meeting or exceeding a specified number/wage level of new jobs, and/or new capital investment in Nassau County.

As of September 30, 2017, the only existing EDC agreement potentially material in size (fiscal year abatement > \$300,000) was with Lignotech Florida, LLC. The July 6, 2016 agreement was amended on September 12, 2016, in order to extend by one year (to January 2019) the deadline for Lignotech to meet the new job and capital investment requirements under its EDC agreement with the Board. No tax abatement will occur until the company has met the terms of qualification under the agreement. Once qualified, Lignotech would subsequently receive a 75% grant in years 1-5 and a 50% grant in years 6-10.

REQUIRED SUPPLEMENTARY INFORMATION

Nassau County Board of County Commissioners

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year ended September 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 41,735,545	\$ 41,735,545	\$ 41,567,579	\$ (167,966)
Licenses and permits	16,500	16,500	33,454	16,954
Intergovernmental	6,471,120	6,538,772	6,680,439	141,667
Charges for services	2,183,354	2,183,342	2,151,234	(32,108)
Fines and forfeitures	53,600	54,747	44,605	(10,142)
Investment earnings	123,000	122,427	268,262	145,835
Miscellaneous	113,000	164,407	641,673	477,266
Total revenues	50,696,119	50,815,740	51,387,246	571,506
Expenditures:				
Current:				
General government	7,897,323	7,941,669	6,811,571	1,130,098
Public safety	11,812,294	13,928,784	12,825,038	1,103,746
Physical environment	1,741,229	1,737,018	1,458,654	278,364
Economic environment	273,422	266,857	164,565	102,292
Human services	2,834,057	2,814,768	2,647,413	167,355
Culture and recreation	1,725,353	1,820,108	1,685,893	134,215
Court related	847,226	875,834	695,182	180,652
Capital outlay	3,533,114	6,567,939	3,351,895	3,216,044
Debt service:				
Principal retirement	550,731	550,731	550,731	-
Total expenditures	31,214,749	36,503,708	30,190,942	6,312,766
Excess of revenues over (under) expenditures	19,481,370	14,312,032	21,196,304	6,884,272
Other financing sources (uses):				
Transfer from constitutional officers	310,000	310,000	1,052,471	742,471
Transfer to constitutional officers	(23,717,932)	(24,047,133)	(23,771,827)	275,306
Transfers in	4,453,940	5,625,403	5,622,368	(3,035)
Transfers out	(3,019,660)	(4,037,199)	(4,037,199)	-
Sale of general capital assets	15,900	17,425	26,393	8,968
Total other financing sources (uses)	(21,957,752)	(22,131,504)	(21,107,794)	1,023,710
Net change in fund balances	(2,476,382)	(7,819,472)	88,510	7,907,982
Fund balances – beginning of year	14,377,645	17,869,800	18,158,519	288,719
Fund balances – end of year	\$ 11,901,263	\$ 10,050,328	\$ 18,247,029	\$ 8,196,701

See accompanying notes to RSI.

Nassau County Board of County Commissioners

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – County Transportation Fund
Year ended September 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 5,386,608	\$ 5,386,608	\$ 5,539,947	\$ 153,339
Licenses and permits	36,730	36,730	84,299	47,569
Intergovernmental	1,387,847	1,388,094	1,567,781	179,687
Charges for services	14,770	14,770	43,770	29,000
Fines and forfeitures	-	-	578	578
Investment earnings	29,070	29,070	56,441	27,371
Miscellaneous	70,300	88,500	202,922	114,422
Total revenues	6,925,325	6,943,772	7,495,738	551,966
Expenditures:				
Current:				
Transportation	8,053,085	8,272,014	6,140,064	2,131,950
Capital outlay	1,265,750	1,690,225	876,038	814,187
Total expenditures	9,318,835	9,962,239	7,016,102	2,946,137
Excess of revenues over (under) expenditures	(2,393,510)	(3,018,467)	479,636	3,498,103
Other financing sources (uses):				
Transfer from constitutional officers	3,000	3,000	7,613	4,613
Transfer to constitutional officers	(82,428)	(82,270)	(81,026)	1,244
Transfers in	3,286,497	3,286,497	3,286,497	-
Transfers out	(2,446,154)	(2,446,336)	(2,446,336)	-
Sale of general capital assets	38,700	38,700	39,510	810
Total other financing sources (uses)	799,615	799,591	806,258	6,667
Net change in fund balances	(1,593,895)	(2,218,876)	1,285,894	3,504,770
Fund balances – beginning of year	3,610,036	3,797,850	3,893,625	95,775
Fund balances – end of year	\$ 2,016,141	\$ 1,578,974	\$ 5,179,519	\$ 3,600,545

See accompanying notes to RSI.

Nassau County Board of County Commissioners

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Municipal Services Fund
Year ended September 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 9,166,795	\$ 9,166,795	\$ 9,101,974	\$ (64,821)
Licenses and permits	51,900	51,900	56,486	4,586
Intergovernmental	663,397	663,907	698,294	34,387
Charges for services	147,840	147,840	135,088	(12,752)
Fines and forfeitures	3,700	3,700	20,236	16,536
Investment earnings	30,661	30,661	52,102	21,441
Miscellaneous	6,800	6,629	37,493	30,864
Total revenues	10,071,093	10,071,432	10,101,673	30,241
Expenditures:				
Current:				
General government	759,445	769,755	711,564	58,191
Public safety	7,532,210	7,701,631	7,407,472	294,159
Transportation	16,873	17,383	443	16,940
Human services	1,004,771	1,004,809	928,875	75,934
Capital outlay	644,318	678,533	93,469	585,064
Total expenditures	9,957,617	10,172,111	9,141,823	1,030,288
Excess of revenues over (under) expenditures	113,476	(100,679)	959,850	1,060,529
Other financing sources (uses):				
Transfer from constitutional officers	8,000	8,000	21,535	13,535
Transfer to constitutional officers	(2,970,687)	(2,970,931)	(2,966,363)	4,568
Transfers in	3,250,092	3,250,263	3,249,898	(365)
Transfers out	(728,470)	(728,470)	(728,470)	-
Sale of general capital assets	300	300	-	(300)
Total other financing sources (uses)	(440,765)	(440,838)	(423,400)	17,438
Net change in fund balances	(327,289)	(541,517)	536,450	1,077,967
Fund balances – beginning of year	2,650,000	2,879,579	2,879,296	(283)
Fund balances – end of year	\$ 2,322,711	\$ 2,338,062	\$ 3,415,746	\$ 1,077,684

See accompanying notes to RSI.

Nassau County Board of County Commissioners

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – One-Cent Small County Surtax Fund
Year ended September 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 9,470,759	\$ 9,470,759	\$ 9,640,488	\$ 169,729
Investment earnings	50,000	50,000	42,750	(7,250)
Total revenues	9,520,759	9,520,759	9,683,238	162,479
Expenditures:				
Current:				
Public safety	344,888	353,175	8,763	344,412
Physical environment	652,870	652,870	63,698	589,172
Transportation	12,273	12,273	-	12,273
Culture and recreation	-	22,542	21,839	703
Capital outlay	556,965	778,243	242,448	535,795
Total expenditures	1,566,996	1,819,103	336,748	1,482,355
Excess of revenues over (under) expenditures	7,953,763	7,701,656	9,346,490	1,644,834
Other financing sources (uses):				
Transfer to constitutional officers	(100,000)	(100,000)	-	100,000
Transfers in	440,000	442,049	442,049	-
Transfers out	(9,114,154)	(11,093,261)	(10,801,842)	291,419
Total other financing sources (uses)	(8,774,154)	(10,751,212)	(10,359,793)	391,419
Net change in fund balances	(820,391)	(3,049,556)	(1,013,303)	2,036,253
Fund balances – beginning of year	4,907,719	4,941,051	4,941,051	-
Fund balances – end of year	\$ 4,087,328	\$ 1,891,495	\$ 3,927,748	\$ 2,036,253

See accompanying notes to RSI.



Nassau County Board of County Commissioners Notes to Required Supplementary Information

Budgets and Budgetary Accounting

Budgets were adopted by the Board of County Commissioners for all Board funds. 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.

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.

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 within the enterprise funds, where depreciation and amortization of bond costs are not budgeted, while capital outlay expenditures are budgeted and are reclassified into capital 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 appropriations 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.

SUPPLEMENTARY INFORMATION



Nassau County Board of County Commissioners Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

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

Law Enforcement Training: to account for criminal justice education degree programs and training courses. Financing is provided by the imposition of court cost surcharges.

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.

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 Facility Fees: to account for the operation and maintenance of Nassau County court facilities. Financing is provided by court service charges.

Law Library Trust: to account for the costs associated with furnishing and maintaining Nassau County's law library. Funding is provided from surcharges 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 surcharges on felony, misdemeanor, and criminal traffic cases.

Special Drug/Alcohol Rehabilitation: to account for expenditures associated with Nassau County's drug and alcohol rehabilitative programs. Funding is provided by fines 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 by service charges 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 surcharges 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.

EMS County Awards HRS: to account for expenditures associated with EMS prehospital care. Funding is provided by certain state of Florida grants.



**Nassau County Board of County Commissioners
Nonmajor Governmental Funds**

SPECIAL REVENUE FUNDS (continued)

Grants: to account for expenditures financed primarily by Federal and/or state grants.

Amelia Island Beach Renourishment: to account for beach renourishment, restoration, erosion control, and storm protection projects outside the South Amelia Island Shore Stabilization MSBU boundaries.

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 MSBU: to account for revenues and expenditures relating to the Amelia Island Beach Restoration, local improvements, and maintenance costs.

Building Department: to account for funds received for various fees charged to be used to fund the building, zoning, and planning department.

Amelia Concourse MSBU: to account for funds received from the Amelia Concourse assessment allocated to the administrative charges associated with the levy of special assessments.

Firefighter Education Trust: to account for surcharges on civil penalties for non-criminal, non-moving traffic violations of Section 316.1945(1)(b)(2) or (5), *Florida Statutes*.

F.S. Special Revenues: to account for State and other restricted revenues.



Nassau County Board of County Commissioners Nonmajor Governmental Funds

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.

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.

1998/2009 Gas Tax Bonds: to account for the accumulation of resources for and the payment of interest, principal, and related cost on the Gas Tax Revenue Bonds, Series 1998 and the Gas Tax Revenue Bonds, Series 2009. Funding is provided from the County's Constitutional Two-Cent Gas Tax, the One-Cent Motor and Other Fuel Taxes imposed pursuant to Section 206.60, *Florida Statutes*, and the One-Cent Optional Gas Tax imposed pursuant to Section 336.021, *Florida Statutes*.

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 and Series 2007, of Nassau County, Florida, dated June 1, 2007. The bonds are payable solely from non-ad valorem budgeted revenues. The bonds mature in May 2031.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account 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.

NC Mobility Fee Fund: to account for the construction or improving of the County Transportation System. Funding is provided from fees on new construction within specific mobility zones.

County Complex: to account for the development of County buildings at the County Complex.

ENCPA Mobility Network Fund: to account for the construction or improving of the County Transportation System within the East Nassau Community Planning Area. Funding is provided from the collection of mobility fees from development within the ENCPA and through tax incremental revenues.

Capital Projects - Impact Fees: to account for the District expenditures associated with capital expansion. Funding is provided from fees on new construction.

Capital Projects: to account for expenditures associated with general capital projects.

Combining Balance Sheet - Nonmajor Governmental Funds
September 30, 2017

	Special Revenue Funds				
	Law Enforcement Training	Sheriff Donations	Law Enforcement Trust	Nassau County Anti-Drug Enforcement	Court Facility Fees
Assets:					
Cash and equivalents	\$ 98,610	\$ 2,978	\$ 12,195	\$ 25,132	\$ 10,474
Equity in pooled investments	47,259	-	86,839	-	607,722
Accounts receivable (Net of allowance for uncollectibles)	-	-	-	-	-
Loans receivable (Net of allowance for uncollectibles)	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from constitutional officers	1,301	-	4,567	-	6,678
Due from other governments	-	-	-	48,401	-
Prepaid expenditures	-	-	-	-	-
Total assets	\$ 147,170	\$ 2,978	\$ 103,601	\$ 73,533	\$ 624,874
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ 3,030	\$ 108,857
Due to other funds	-	-	-	-	-
Due to constitutional officers	-	-	-	-	-
Due to other governments	-	-	-	-	124
Deposits	-	-	-	-	-
Total liabilities	-	-	-	3,030	108,981
Deferred inflows:					
Unavailable revenue	-	-	-	18,861	-
Fund balances:					
Nonspendable:					
Prepays	-	-	-	-	-
Restricted	147,170	2,978	103,601	51,642	515,893
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	147,170	2,978	103,601	51,642	515,893
Total liabilities, deferred inflows and fund balances	\$ 147,170	\$ 2,978	\$ 103,601	\$ 73,533	\$ 624,874

(Continued)

Combining Balance Sheet - Nonmajor Governmental Funds
September 30, 2017

	Special Revenue Funds				
	Law Library Trust	Criminal Justice Trust	Drug/Alcohol Rehabilitation	Legal Aid Trust	Drivers Ed Safety Trust
Assets:					
Cash and equivalents	\$ 3,293	\$ 2,898	\$ -	\$ 6,110	\$ 35,175
Equity in pooled investments	131,933	175,507	-	13,419	-
Accounts receivable (Net of allowance for uncollectibles)	-	-	-	-	-
Loans receivable (Net of allowance for uncollectibles)	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from constitutional officers	1,385	2,770	-	1,385	2,269
Due from other governments	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-
Total assets	\$ 136,611	\$ 181,175	\$ -	\$ 20,914	\$ 37,444
Liabilities:					
Accounts payable	\$ 1,104	\$ 8,266	\$ -	\$ 20,914	\$ -
Due to other funds	-	-	-	-	-
Due to constitutional officers	-	-	-	-	-
Due to other governments	-	-	-	-	-
Deposits	-	-	-	-	-
Total liabilities	1,104	8,266	-	20,914	-
Deferred inflows:					
Unavailable revenue	-	-	-	-	-
Fund balances:					
Nonspendable:					
Prepays	-	-	-	-	-
Restricted	135,507	172,909	-	-	37,444
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	135,507	172,909	-	-	37,444
Total liabilities, deferred inflows and fund balances	\$ 136,611	\$ 181,175	\$ -	\$ 20,914	\$ 37,444

(Continued)

Combining Balance Sheet - Nonmajor Governmental Funds
September 30, 2017

	Special Revenue Funds				
	911 Operations and Maintenance	EMS County Awards HRS	Grants	Amelia Island Beach Renourishment	Amelia Island Tourist Development
Assets:					
Cash and equivalents	\$ 74,681	\$ -	\$ -	\$ 30,717	\$ 367,076
Equity in pooled investments	237,395	-	-	275,744	4,133,632
Accounts receivable (Net of allowance for uncollectibles)	-	-	-	-	-
Loans receivable (Net of allowance for uncollectibles)	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from constitutional officers	93,674	-	-	609	394,210
Due from other governments	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-
Total assets	\$ 405,750	\$ -	\$ -	\$ 307,070	\$ 4,894,918
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 26,380	\$ -	\$ 337,099
Due to other funds	-	-	176,000	-	-
Due to constitutional officers	-	-	-	-	6,003
Due to other governments	-	-	-	-	58,231
Deposits	-	-	-	-	-
Total liabilities	-	-	202,380	-	401,333
Deferred inflows:					
Unavailable revenue	-	-	-	-	-
Fund balances:					
Nonspendable:					
Prepays	-	-	-	-	-
Restricted	405,750	-	-	307,070	4,493,585
Committed	-	-	-	-	-
Unassigned	-	-	(202,380)	-	-
Total fund balances	405,750	-	(202,380)	307,070	4,493,585
Total liabilities, deferred inflows and fund balances	\$ 405,750	\$ -	\$ -	\$ 307,070	\$ 4,894,918

(Continued)

Combining Balance Sheet - Nonmajor Governmental Funds
September 30, 2017

	Special Revenue Funds				
	Local Affordable Housing Trust (SHIP)	South Amelia Island Shore Stabilization	Building Department	Amelia Concourse MSBU	Firefighter Education Trust
Assets:					
Cash and equivalents	\$ 992,244	\$ 15,779	\$ 800,243	\$ 934,423	\$ 3
Equity in pooled investments	-	752,678	4,353,349	-	-
Accounts receivable (Net of allowance for uncollectibles)	-	-	-	177	-
Loans receivable (Net of allowance for uncollectibles)	48,000	-	-	-	-
Due from other funds	-	-	3,712	-	-
Due from constitutional officers	-	-	-	361	-
Due from other governments	490,199	80,271	-	-	-
Prepaid expenditures	-	-	100	-	-
Total assets	\$ 1,530,443	\$ 848,728	\$ 5,157,404	\$ 934,961	\$ 3
Liabilities:					
Accounts payable	\$ 408	\$ 141,616	\$ 9,211	\$ 8,330	\$ -
Due to other funds	-	-	46,208	-	-
Due to constitutional officers	-	-	-	-	-
Due to other governments	10	520	16,252	-	-
Deposits	-	-	93,510	-	-
Total liabilities	418	142,136	165,181	8,330	-
Deferred inflows:					
Unavailable revenue	538,199	80,271	-	-	-
Fund balances:					
Nonspendable:					
Prepays	-	-	100	-	-
Restricted	991,826	626,321	4,992,123	926,631	-
Committed	-	-	-	-	3
Unassigned	-	-	-	-	-
Total fund balances	991,826	626,321	4,992,223	926,631	3
Total liabilities, deferred inflows and fund balances	\$ 1,530,443	\$ 848,728	\$ 5,157,404	\$ 934,961	\$ 3

(Continued)

Combining Balance Sheet - Nonmajor Governmental Funds
September 30, 2017

	Special Rev Funds		Debt Service Funds		
	F.S. Special Revenues Funds	Total Special Revenue Funds	Optional Gas Tax 2000	1998/2009 Gas Tax Bonds	County Complex
Assets:					
Cash and equivalents	\$ 1,253,527	\$ 4,665,558	\$ 381,437	\$ 2,555	\$ -
Equity in pooled investments	-	10,815,477	1,036,494	43,047	-
Accounts receivable (Net of allowance for uncollectibles)	-	177	-	-	-
Loans receivable (Net of allowance for uncollectibles)	-	48,000	-	-	-
Due from other funds	-	3,712	-	-	-
Due from constitutional officers	25,596	534,805	-	-	-
Due from other governments	-	618,871	78,750	46,400	-
Prepaid expenditures	-	100	-	-	-
Total assets	\$ 1,279,123	\$ 16,686,700	\$ 1,496,681	\$ 92,002	\$ -
Liabilities:					
Accounts payable	\$ 31,627	\$ 696,842	\$ -	\$ -	\$ -
Due to other funds	-	222,208	-	-	-
Due to constitutional officers	31	6,034	-	-	-
Due to other governments	2,161	77,298	-	-	-
Deposits	-	93,510	-	-	-
Total liabilities	33,819	1,095,892	-	-	-
Deferred inflows:					
Unavailable revenue	-	637,331	-	-	-
Fund balances:					
Nonspendable:					
Prepays	-	100	-	-	-
Restricted	1,245,304	15,155,754	1,496,681	92,002	-
Committed	-	3	-	-	-
Unassigned	-	(202,380)	-	-	-
Total fund balances	1,245,304	14,953,477	1,496,681	92,002	-
Total liabilities, deferred inflows and fund balances	\$ 1,279,123	\$ 16,686,700	\$ 1,496,681	\$ 92,002	\$ -

(Continued)

Combining Balance Sheet - Nonmajor Governmental Funds
September 30, 2017

	Capital Projects Funds				
	Total Debt Service Funds	Grants	NC Mobility Fee Fund	County Complex	ENCPA Mobility Network Fund
Assets:					
Cash and equivalents	\$ 383,992	\$ 3,145	\$ 2,627,576	\$ 24,962	\$ 127,129
Equity in pooled investments	1,079,541	-	-	780,416	-
Accounts receivable (Net of allowance for uncollectibles)	-	-	-	-	-
Loans receivable (Net of allowance for uncollectibles)	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from constitutional officers	-	-	-	-	-
Due from other governments	125,150	-	-	-	-
Prepaid expenditures	-	-	-	-	-
Total assets	\$ 1,588,683	\$ 3,145	\$ 2,627,576	\$ 805,378	\$ 127,129
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 1,150	\$ -	\$ -
Due to other funds	-	-	-	-	-
Due to constitutional officers	-	-	-	-	-
Due to other governments	-	-	-	-	-
Deposits	-	-	-	-	-
Total liabilities	-	-	1,150	-	-
Deferred inflows:					
Unavailable revenue	-	-	-	-	-
Fund balances:					
Nonspendable:					
Prepays	-	-	-	-	-
Restricted	1,588,683	3,145	2,626,426	805,378	127,129
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	1,588,683	3,145	2,626,426	805,378	127,129
Total liabilities, deferred inflows and fund balances	\$ 1,588,683	\$ 3,145	\$ 2,627,576	\$ 805,378	\$ 127,129

(Continued)

Combining Balance Sheet - Nonmajor Governmental Funds
September 30, 2017

	Capital Projects Funds			Total Nonmajor Governmental Funds
	Capital Projects - Impact Fees	Capital Projects	Total Capital Projects Funds	
Assets:				
Cash and equivalents	\$ 60,043	\$ 194,462	\$ 3,037,317	\$ 8,086,867
Equity in pooled investments	4,581,069	2,099,899	7,461,384	19,356,402
Accounts receivable (Net of allowance for uncollectibles)	-	-	-	177
Loans receivable (Net of allowance for uncollectibles)	-	-	-	48,000
Due from other funds	-	-	-	3,712
Due from constitutional officers	-	-	-	534,805
Due from other governments	-	-	-	744,021
Prepaid expenditures	-	-	-	100
Total assets	\$ 4,641,112	\$ 2,294,361	\$ 10,498,701	\$ 28,774,084
Liabilities:				
Accounts payable	\$ -	\$ 57,265	\$ 58,415	\$ 755,257
Due to other funds	-	-	-	222,208
Due to constitutional officers	-	-	-	6,034
Due to other governments	-	-	-	77,298
Deposits	-	-	-	93,510
Total liabilities	-	57,265	58,415	1,154,307
Deferred inflows:				
Unavailable revenue	-	-	-	637,331
Fund balances:				
Nonspendable:				
Prepays	-	-	-	100
Restricted	4,641,112	-	8,203,190	24,947,627
Committed	-	2,237,096	2,237,096	2,237,099
Unassigned	-	-	-	(202,380)
Total fund balances	4,641,112	2,237,096	10,440,286	26,982,446
Total liabilities, deferred inflows and fund balances	\$ 4,641,112	\$ 2,294,361	\$ 10,498,701	\$ 28,774,084

(Concluded)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
Year ended September 30, 2017

	Special Revenue Funds				
	Law Enforcement Training	Sheriff Donations	Law Enforcement Trust	Nassau County Anti-Drug Enforcement	Court Facility Fees
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	97,218	-
Charges for services	9,487	-	-	-	110,756
Fines and forfeitures	14,285	-	22,620	20,038	-
Investment earnings	980	18	327	370	5,156
Miscellaneous	-	-	232	-	-
Total revenues	24,752	18	23,179	117,626	115,912
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	19,846	-	2,500	24,796	-
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Human services	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Court related	-	-	-	-	72,848
Capital outlay	-	-	-	35,138	131,633
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	19,846	-	2,500	59,934	204,481
Excess of revenues over (under) expenditures	4,906	18	20,679	57,692	(88,569)
Other financing sources (uses):					
Transfer from constitutional officers	-	-	-	-	-
Transfer to constitutional officers	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	(12,166)	-	-
Total other financing sources (uses)	-	-	(12,166)	-	-
Net change in fund balances	4,906	18	8,513	57,692	(88,569)
Fund balances – beginning of year	142,264	2,960	95,088	(6,050)	604,462
Fund balances – end of year	\$ 147,170	\$ 2,978	\$ 103,601	\$ 51,642	\$ 515,893

(Continued)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
Year ended September 30, 2017

	Special Revenue Funds				
	Law Library Trust	Criminal Justice Trust	Special Drug/Alcohol Rehabilitation	Legal Aid Trust	Drivers Ed Safety Trust
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	21,460	42,919	3,118	21,460	-
Fines and forfeitures	-	-	-	-	37,317
Investment earnings	1,199	1,618	-	172	127
Miscellaneous	-	-	-	-	-
Total revenues	22,659	44,537	3,118	21,632	37,444
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Human services	-	-	3,118	83,656	39,104
Culture and recreation	-	-	-	-	-
Court related	35,229	81,376	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	35,229	81,376	3,118	83,656	39,104
Excess of revenues over (under) expenditures	(12,570)	(36,839)	-	(62,024)	(1,660)
Other financing sources (uses):					
Transfer from constitutional officers	-	-	-	-	-
Transfer to constitutional officers	-	-	-	-	-
Transfers in	-	-	-	62,024	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	62,024	-
Net change in fund balances	(12,570)	(36,839)	-	-	(1,660)
Fund balances – beginning of year	148,077	209,748	-	-	39,104
Fund balances – end of year	\$ 135,507	\$ 172,909	\$ -	\$ -	\$ 37,444

(Continued)

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
Year ended September 30, 2017**

	Special Revenue Funds				
	911 Operations & Maintenance	EMS County Awards HRS	Grants	Amelia Island Beach Renourishment	Amelia Island Tourist Development
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ 310,553	\$ 5,537,662
Licenses and permits	-	-	-	-	-
Intergovernmental	-	9,959	776,500	-	-
Charges for services	392,564	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment earnings	2,193	-	-	2,098	49,651
Miscellaneous	-	-	-	-	-
Total revenues	394,757	9,959	776,500	312,651	5,587,313
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	271	-	-	-	-
Physical environment	-	-	878,380	-	1,459,884
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	5,000,170
Human services	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Court related	-	-	-	-	-
Capital outlay	-	9,959	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	271	9,959	878,380	-	6,460,054
Excess of revenues over (under) expenditures	394,486	-	(101,880)	312,651	(872,741)
Other financing sources (uses):					
Transfer from constitutional officers	93,674	-	-	609	-
Transfer to constitutional officers	(334,185)	-	-	(6,190)	(166,130)
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(607)
Total other financing sources (uses)	(240,511)	-	-	(5,581)	(166,737)
Net change in fund balances	153,975	-	(101,880)	307,070	(1,039,478)
Fund balances – beginning of year	251,775	-	(100,500)	-	5,533,063
Fund balances – end of year	\$ 405,750	\$ -	\$ (202,380)	\$ 307,070	\$ 4,493,585

(Continued)

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
Year ended September 30, 2017**

	Special Revenue Funds				
	Local Affordable Housing Trust	South Amelia Island Shore Stabilization	Building Department	Amelia Concourse MSBU	Firefighter Education Trust
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	570,454	2,229,128	182,675	-
Intergovernmental	518,521	25,309	-	-	-
Charges for services	-	-	76,656	-	-
Fines and forfeitures	-	-	-	-	-
Investment earnings	6,325	6,648	41,953	5,976	-
Miscellaneous	70,260	-	27,767	-	-
Total revenues	595,106	602,411	2,375,504	188,651	-
Expenditures:					
Current:					
General government	-	-	956,618	-	-
Public safety	-	-	318,657	-	-
Physical environment	-	425,652	-	156,220	-
Transportation	-	-	-	-	-
Economic environment	332,183	-	-	-	-
Human services	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Court related	-	-	-	-	-
Capital outlay	1,400	-	101,665	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	333,583	425,652	1,376,940	156,220	-
Excess of revenues over (under) expenditures	261,523	176,759	998,564	32,431	-
Other financing sources (uses):					
Transfer from constitutional officers	-	-	-	-	-
Transfer to constitutional officers	(278)	(29,264)	(8)	(8,732)	-
Transfers in	-	-	14,316	-	-
Transfers out	-	-	(243,389)	(2,678)	-
Total other financing sources (uses)	(278)	(29,264)	(229,081)	(11,410)	-
Net change in fund balances	261,245	147,495	769,483	21,021	-
Fund balances – beginning of year	730,581	478,826	4,222,740	905,610	3
Fund balances – end of year	\$ 991,826	\$ 626,321	\$ 4,992,223	\$ 926,631	\$ 3

(Continued)

Nassau County Board of County Commissioners

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds

Year ended September 30, 2017

	Special Revenue Funds		Debt Service Funds		
	F.S. Special Revenues Funds	Total Special Revenue Funds	Optional Gas Tax 2000	1998/2009 Gas Tax Bonds	County Complex
Revenues:					
Taxes	\$ -	\$ 5,848,215	\$ 932,069	\$ 497,240	\$ -
Licenses and permits	-	2,982,257	-	-	-
Intergovernmental	106,556	1,534,063	-	600,133	-
Charges for services	204,358	882,778	-	-	-
Fines and forfeitures	61,836	156,096	-	-	-
Investment earnings	8,068	132,879	13,111	6,649	-
Miscellaneous	75	98,334	-	-	-
Total revenues	380,893	11,634,622	945,180	1,104,022	-
Expenditures:					
Current:					
General government	-	956,618	-	-	-
Public safety	57,575	423,645	-	-	-
Physical environment	-	2,920,136	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	5,332,353	-	-	-
Human services	-	125,878	-	-	-
Culture and recreation	171,771	171,771	-	-	-
Court related	58,155	247,608	-	-	-
Capital outlay	199,045	478,840	-	-	-
Debt service:					
Principal retirement	-	-	380,533	1,064,070	1,125,000
Interest and fiscal charges	-	-	564,898	39,952	1,194,750
Total expenditures	486,546	10,656,849	945,431	1,104,022	2,319,750
Excess of revenues over (under) expenditures	(105,653)	977,773	(251)	-	(2,319,750)
Other financing sources (uses):					
Transfer from constitutional officers	-	94,283	-	-	-
Transfer to constitutional officers	-	(544,787)	-	-	-
Transfers in	-	76,340	-	-	2,319,750
Transfers out	-	(258,840)	-	-	-
Total other financing sources (uses)	-	(633,004)	-	-	2,319,750
Net change in fund balances	(105,653)	344,769	(251)	-	-
Fund balances – beginning of year	1,350,957	14,608,708	1,496,932	92,002	-
Fund balances – end of year	\$ 1,245,304	\$ 14,953,477	\$ 1,496,681	\$ 92,002	\$ -

(Continued)

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
Year ended September 30, 2017**

	Capital Projects Funds				
	Total Debt Service Funds	Grants	NC Mobility Fee Fund	County Complex	ENCPA Mobility Network Fund
Revenues:					
Taxes	\$ 1,429,309	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	1,030,403	-	4,844
Intergovernmental	600,133	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment earnings	19,760	20	13,171	16,562	765
Miscellaneous	-	-	-	2,619	-
Total revenues	2,049,202	20	1,043,574	19,181	5,609
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	4,075	-
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Human services	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Court related	-	-	-	-	-
Capital outlay	-	-	-	830,780	-
Debt service:					
Principal retirement	2,569,603	-	-	-	-
Interest and fiscal charges	1,799,600	-	-	-	-
Total expenditures	4,369,203	-	-	834,855	-
Excess of revenues over (under) expenditures	(2,320,001)	20	1,043,574	(815,674)	5,609
Other financing sources (uses):					
Transfer from constitutional officers	-	-	-	-	-
Transfer to constitutional officers	-	-	(974)	-	-
Transfers in	2,319,750	-	-	-	436
Transfers out	-	-	(4,524)	(442,049)	(503)
Total other financing sources (uses)	2,319,750	-	(5,498)	(442,049)	(67)
Net change in fund balances	(251)	20	1,038,076	(1,257,723)	5,542
Fund balances – beginning of year	1,588,934	3,125	1,588,350	2,063,101	121,587
Fund balances – end of year	\$ 1,588,683	\$ 3,145	\$ 2,626,426	\$ 805,378	\$ 127,129

(Continued)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
Year ended September 30, 2017

	Capital Projects Funds			Total Nonmajor Governmental Funds
	Capital Projects - Impact Fees	Capital Projects	Total Capital Projects Funds	
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 7,277,524
Licenses and permits	24,418	-	1,059,665	4,041,922
Intergovernmental	-	-	-	2,134,196
Charges for services	-	-	-	882,778
Fines and forfeitures	-	-	-	156,096
Investment earnings	40,074	7,317	77,909	230,548
Miscellaneous	-	-	2,619	100,953
Total revenues	64,492	7,317	1,140,193	14,824,017
Expenditures:				
Current:				
General government	-	-	-	956,618
Public safety	-	-	4,075	427,720
Physical environment	-	-	-	2,920,136
Transportation	-	-	-	-
Economic environment	-	-	-	5,332,353
Human services	-	-	-	125,878
Culture and recreation	-	-	-	171,771
Court related	-	-	-	247,608
Capital outlay	6,174	68,646	905,600	1,384,440
Debt service:				
Principal retirement	-	-	-	2,569,603
Interest and fiscal charges	-	-	-	1,799,600
Total expenditures	6,174	68,646	909,675	15,935,727
Excess of revenues over (under) expenditures	58,318	(61,329)	230,518	(1,111,710)
Other financing sources (uses):				
Transfer from constitutional officers	-	-	-	94,283
Transfer to constitutional officers	(468)	-	(1,442)	(546,229)
Transfers in	-	2,298,425	2,298,861	4,694,951
Transfers out	(915)	-	(447,991)	(706,831)
Total other financing sources (uses)	(1,383)	2,298,425	1,849,428	3,536,174
Net change in fund balances	56,935	2,237,096	2,079,946	2,424,464
Fund balances – beginning of year	4,584,177	-	8,360,340	24,557,982
Fund balances – end of year	\$ 4,641,112	\$ 2,237,096	\$ 10,440,286	\$ 26,982,446

(Concluded)

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

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

The Honorable Board of County Commissioners
Nassau County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Nassau County, Florida, Board of County Commissioners (the “Board”), as of and for the year ended September 30, 2017, and have issued our report thereon dated April 16, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Caru, Riggs & Ingram, L.L.C.

April 16, 2018
Jacksonville, Florida

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

The Honorable Board of County Commissioners
Nassau County, Florida

We have examined Nassau County, Florida, Board of County Commissioners' (the "Board") compliance with the requirements of Section 218.415, *Florida Statutes*, as of and for the year ended September 30, 2017, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Board's compliance with the specified requirements. Our responsibility is to express an opinion on the Board's compliance with the specified requirements based on our examination.

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

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

In our opinion, the Board complied, in all material respects, with the requirements of Section 218.415, *Florida Statutes*, as of and for the year ended September 30, 2017.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the State of Florida Auditor General, the Board's management, and the Board of County Commissioners of Nassau County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

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

Jacksonville, Florida
April 16, 2018

MANAGEMENT LETTER

The Honorable Board of County Commissioners
Nassau County, Florida

Report on the Financial Statements

We have audited the financial statements of each major fund and the aggregate remaining fund information of the Nassau County, Florida, Board of County Commissioners (the "Board"), as of and for the year ended September 30, 2017, and have issued our report thereon dated April 16, 2018.

Auditor's Responsibility

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

Other Reports

We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Reports on our examinations conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated April 16, 2018, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Other Matters

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

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

Purpose of this Letter

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

We wish to take this opportunity to thank you and your staff for the cooperation and professional courtesy 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.

Caru, Riggs & Ingram, L.L.C.

Jacksonville, Florida
April 16, 2018