

# 2022

Nassau County Board of County  
Commissioners

Financial Statements and  
Independent Auditor's Report

September 30, 2022

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR’S REPORT**

**NASSAU COUNTY BOARD  
OF COUNTY COMMISSIONERS  
NASSAU COUNTY, FLORIDA  
SEPTEMBER 30, 2022**

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## **INTRODUCTORY SECTION**

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

**LIST OF ELECTED AND APPOINTED OFFICIALS**

**Serving as of September 30, 2022**

**ELECTED OFFICIALS**

**Commissioner—District 3, Chairman ..... Jeff Gray**  
**Commissioner—District 5, Vice Chairman ..... Klynt A. Farmer**  
**Commissioner—District 2 ..... Aaron C. Bell**  
**Commissioner—District 4 ..... Thomas R. Ford**  
**Commissioner—District 1 ..... John F. Martin**

**APPOINTED OFFICIALS**

**County Manager..... Taco Pope**  
**County Attorney..... Denise May**

## INDEPENDENT AUDITOR'S REPORT

The Honorable Board of County Commissioners  
Nassau County, Florida

### Opinions

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, Nassau County, Florida (the Board) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

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, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and that standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Board, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Emphasis of Matter

#### *Incomplete Presentation*

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida (the Rules). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Nassau County (the County) that is attributable to the Board of County Commissioners. They do not purport to, and do not, present fairly the financial position of the County as of September 30, 2022, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

### CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Lakeland | Tampa

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## INDEPENDENT AUDITOR'S REPORT

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## INDEPENDENT AUDITOR'S REPORT

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic 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 basic financial statements, and other knowledge we obtained during our audit of the basic 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 basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2023, on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters under the heading Independent Auditor's 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*. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.



March 22, 2023  
Gainesville, Florida

## **FINANCIAL STATEMENTS**



**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2022**

	<u>General</u>	<u>County Transportation</u>	<u>Municipal Services</u>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 626,308	\$ 2,238	\$ 210,887
Cash and Cash Equivalents - Restricted	768,304	-	-
Equity in Pooled Investments	67,355,585	10,997,310	13,205,116
Accounts Receivable, (Net of Allowance for Uncollectibles)	689,906	-	2,208
Loans Receivable, (Net of Allowance for Uncollectibles)	-	-	-
Due from Other Funds	453,899	-	-
Due from Constitutional Officers	1,736,489	40,809	66,359
Due from Other Governments	3,632,455	585,067	207,682
Inventories	304,716	55,631	-
Prepaid Expenditures	158,009	-	1,365,753
<b>Total Assets</b>	<u><u>75,725,671</u></u>	<u><u>11,681,055</u></u>	<u><u>15,058,005</u></u>
<b>Liabilities</b>			
Accounts Payable	4,712,407	1,240,473	1,079,528
Accrued Liabilities	711,296	-	-
Retainage Payable	-	14,868	-
Due to Other Funds	-	145,966	257,431
Due to Constitutional Officers	58,709	-	208
Due to Other Governments	80,959	287	1,203
Deposits	2,100	10,440	-
Unearned Revenue	-	-	-
<b>Total Liabilities</b>	<u><u>5,565,471</u></u>	<u><u>1,412,034</u></u>	<u><u>1,338,370</u></u>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenues	<u><u>2,276,059</u></u>	<u><u>4,457</u></u>	<u><u>133,324</u></u>
<b>Fund Balances</b>			
Non-Spendable	462,942	55,631	1,365,838
Restricted	1,404,157	-	103,905
Committed	12,403,480	1,355,884	1,456,797
Assigned	32,546,889	8,853,049	10,659,771
Unassigned	21,066,673	-	-
<b>Total Fund Balances</b>	<u><u>67,884,141</u></u>	<u><u>10,264,564</u></u>	<u><u>13,586,311</u></u>
<b>Total Liabilities and Deferred Inflows of Resources and Fund Balances</b>	<u><u>\$ 75,725,671</u></u>	<u><u>\$ 11,681,055</u></u>	<u><u>\$ 15,058,005</u></u>

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

<b>Grants</b>	<b>Capital Projects - Transportation</b>	<b>Comprehensive Impact Fee Ordinance</b>	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 4,606,642	\$ 1,654,808	\$ 1,989,393	\$ 19,354,061	\$ 28,444,337
-	-	-	-	768,304
12,709,307	29,012,251	14,807,764	36,605,021	184,692,354
-	-	-	23,907	716,021
-	-	-	32,000	32,000
-	-	-	-	453,899
-	-	-	45,081	1,888,738
-	934,764	-	104,069	5,464,037
-	-	-	-	360,347
-	-	-	7,177	1,530,939
<u>17,315,949</u>	<u>31,601,823</u>	<u>16,797,157</u>	<u>56,171,316</u>	<u>224,350,976</u>
-	1,758,418	234,653	825,766	9,851,245
-	-	-	-	711,296
-	445,333	-	-	460,201
-	-	-	48,625	452,022
-	-	-	199,059	257,976
-	-	-	49,857	132,306
-	-	-	237,498	250,038
<u>17,213,383</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,213,383</u>
<u>17,213,383</u>	<u>2,203,751</u>	<u>234,653</u>	<u>1,360,805</u>	<u>29,328,467</u>
-	934,764	-	136,029	3,484,633
-	-	-	7,314	1,891,725
102,566	-	16,562,504	47,417,912	65,591,044
-	28,463,308	-	7,131,561	50,811,030
-	-	-	117,695	52,177,404
-	-	-	-	21,066,673
<u>102,566</u>	<u>28,463,308</u>	<u>16,562,504</u>	<u>54,674,482</u>	<u>191,537,876</u>
<u>\$ 17,315,949</u>	<u>\$ 31,601,823</u>	<u>\$ 16,797,157</u>	<u>\$ 56,171,316</u>	<u>\$ 224,350,976</u>

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

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<b>General</b>	<b>County Transportation</b>	<b>Municipal Services</b>
<b>Revenues</b>			
Taxes	\$ 87,923,322	\$ 9,843,368	17,893,886
Licenses and Permits	85,117	17,507	702,818
Intergovernmental Revenues	10,551,466	2,181,769	1,701,861
Charges for Services	3,164,976	30,391	554,276
Fines and Forfeitures	44,231	-	62,682
Investment Earnings	(101,086)	82,331	106,748
Miscellaneous	2,386,925	130,889	170,134
<b>Total Revenues</b>	<b>104,054,951</b>	<b>12,286,255</b>	<b>21,192,405</b>
<b>Expenditures</b>			
Current:			
General Government Services	11,288,650	-	2,018,182
Public Safety	15,744,814	-	11,892,295
Physical Environment	1,859,175	-	-
Transportation	-	10,030,643	1,040
Economic Environment	1,229,760	-	-
Human Services	2,981,860	-	1,488,511
Culture and Recreation	2,664,195	-	-
Court-Related Expenditures	921,630	-	-
Capital Outlay	2,218,132	662,319	1,544,758
Debt Service:			
Principal Retirement	104,542	-	940
Interest and Fiscal Charges	1,897	-	56
<b>(Total Expenditures)</b>	<b>39,014,655</b>	<b>10,692,962</b>	<b>16,945,782</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>65,040,296</b>	<b>1,593,293</b>	<b>4,246,623</b>
<b>Other Financing Sources (Uses)</b>			
Aid from Individuals	-	-	-
Transfers from Constitutional Officers	1,738,282	17,199	66,355
Transfers to Constitutional Officers	(41,675,139)	(127,039)	(3,152,522)
Transfers in	401,794	1,300,000	235,730
Transfers (out)	(14,261,866)	(5,323,984)	(85,470)
Leases (Lessee)	436,369	-	15,247
Sale of General Capital Assets	7,601	14,707	-
<b>Total Other Financing Sources (Uses)</b>	<b>(53,352,959)</b>	<b>(4,119,117)</b>	<b>(2,920,660)</b>
<b>Net Change in Fund Balances</b>	<b>11,687,337</b>	<b>(2,525,824)</b>	<b>1,325,963</b>
<b>Fund Balances at Beginning of Year</b>	<b>56,196,804</b>	<b>12,790,388</b>	<b>12,260,348</b>
<b>Fund Balances at End of Year</b>	<b>\$ 67,884,141</b>	<b>\$ 10,264,564</b>	<b>13,586,311</b>

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

<b>Grants</b>	<b>Capital Projects - Transportation</b>	<b>Comprehensive Impact Fee Ordinance</b>	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ -	\$ -	\$ 12,803,484	\$ 128,464,060
-	-	5,309,514	8,003,762	14,118,718
984	6,710,597	-	7,791,300	28,937,977
-	-	-	1,165,924	4,915,567
-	-	-	119,171	226,084
94,435	154,790	141,233	258,646	737,097
-	186,421	-	186,688	3,061,057
<u>95,419</u>	<u>7,051,808</u>	<u>5,450,747</u>	<u>30,328,975</u>	<u>180,460,560</u>
542	-	962	2,047,534	15,355,870
-	-	710	723,546	28,361,365
-	-	-	978,111	2,837,286
-	2,630,938	-	425,657	13,088,278
-	-	-	5,764,235	6,993,995
-	-	-	114,843	4,585,214
-	-	4,098	7,925	2,676,218
-	-	-	210,597	1,132,227
-	6,206,403	826,217	8,626,773	20,084,602
-	-	-	1,707,154	1,812,636
-	-	-	1,563,975	1,565,928
<u>542</u>	<u>8,837,341</u>	<u>831,987</u>	<u>22,170,350</u>	<u>98,493,619</u>
<u>94,877</u>	<u>(1,785,533)</u>	<u>4,618,760</u>	<u>8,158,625</u>	<u>81,966,941</u>
-	-	-	1,601,452	1,601,452
-	-	-	1,298	1,823,134
-	-	-	(2,724,938)	(47,679,638)
-	12,864,262	-	5,837,654	20,639,440
-	-	-	(2,752,738)	(22,424,058)
-	-	-	40,932	492,548
-	-	-	-	22,308
-	12,864,262	-	2,003,660	(45,524,814)
94,877	11,078,729	4,618,760	10,162,285	36,442,127
7,689	17,384,579	11,943,744	44,512,197	155,095,749
<u>\$ 102,566</u>	<u>\$ 28,463,308</u>	<u>\$ 16,562,504</u>	<u>\$ 54,674,482</u>	<u>\$ 191,537,876</u>

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

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**STATEMENT OF NET POSITION - PROPRIETARY FUND**  
**SEPTEMBER 30, 2022**

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Water and Sewer</b>	<b>American Beach Water and Sewer District</b>	<b>Total</b>
<b>Assets</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 3,713,626	\$ 2,771,609	\$ 6,485,235
Cash and Cash Equivalents - Restricted	876,727	47,342	924,069
Equity in Pooled Investments	1,185,029	-	1,185,029
Accounts Receivable, Net	481,274	-	481,274
Due from Other Constitutional Officers	22	-	22
Due from Other Governmental Units	-	74,727	74,727
Inventories - Materials and Supplies	60,104	-	60,104
Prepays	1,213	-	1,213
Total Current Assets	6,317,995	2,893,678	9,211,673
Non-Current Assets:			
Capital Assets (Net of Accumulated Depreciation Where Applicable)	16,157,356	748,171	16,905,527
Total Non-Current Assets	16,157,356	748,171	16,905,527
<b>Total Assets</b>	<b>22,475,351</b>	<b>3,641,849</b>	<b>26,117,200</b>
<b>Deferred Outflow of Resources</b>			
Unamortized Refunding Loss	269,337	-	269,337
Pension Related	33,704	-	33,704
OPEB Related	15,467	-	15,467
<b>Total Deferred Outflow of Resources</b>	<b>318,508</b>	<b>-</b>	<b>318,508</b>
<b>Total Assets and Deferred Outflows</b>	<b>22,793,859</b>	<b>3,641,849</b>	<b>26,435,708</b>
<b>Liabilities</b>			
Current Liabilities:			
Accounts Payable	527,759	21,908	549,667
Retainage Payable	100,074	-	100,074
Due to Other Funds	1,877	-	1,877
Due to Constitutional Officers	4	-	4
Due to Other Governments	240,799	101,069	341,868
Deposits	84,872	-	84,872
Bonds Payable	1,065,000	-	1,065,000
Other Postemployment Benefits - Current Portion	7,457	-	7,457
Net Pension Liability - HIS Current Portion	125	-	125
Compensated Absences	11,995	-	11,995
Lease Liability - Current Portion	20,513	-	20,513
Total Current Liabilities	2,060,475	122,977	2,183,452
Non-Current Liabilities:			
Compensated Absences	24,153	-	24,153
Other Postemployment Benefits	70,874	-	70,874
Bonds Payable Long-Term	5,660,000	-	5,660,000
Net Pension Liability	113,838	-	113,838
Lease Liability	33,908	-	33,908
Total Non-Current Liabilities	5,902,773	-	5,902,773
<b>Total Liabilities</b>	<b>7,963,248</b>	<b>122,977</b>	<b>8,086,225</b>
<b>Deferred Inflow of Resources</b>			
Pension Related	4,652	-	4,652
OPEB Related	29,735	-	29,735
<b>Total Deferred Inflow of Resources</b>	<b>34,387</b>	<b>-</b>	<b>34,387</b>
<b>Net Position</b>			
Net Investment in Capital Assets	9,547,198	748,171	10,295,369
Restricted for:			
Debt Service	568,647	-	568,647
Renewal and Replacement	215,240	-	215,240
Unrestricted	4,465,139	2,770,701	7,235,840
<b>Net Position</b>	<b>\$ 14,796,224</b>	<b>\$ 3,518,872</b>	<b>\$ 18,315,096</b>

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

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<b>Business-Type Activities - Enterprise Funds</b>		
		<b>American Beach</b>	
	<b>Water and</b>	<b>Water and Sewer</b>	
	<b>Sewer</b>	<b>District</b>	<b>Totals</b>
<b>Operating Revenues</b>			
Charges for Services	\$ 4,986,844	\$ -	\$ 4,986,844
Connection and Impact Fees	90,039	286,164	376,203
Other Income	26,108	2,411	28,519
<b>Total Operating Revenues</b>	<b>5,102,991</b>	<b>288,575</b>	<b>5,391,566</b>
<b>Operating Expenses</b>			
Contractual Services	50,332	-	50,332
Professional Services	2,348,521	110,227	2,458,748
Salaries and Benefits	86,160	-	86,160
Rentals and Leases	3,732	-	3,732
Utilities	303,992	-	303,992
Repairs and Maintenance	317,797	-	317,797
Gas and Oil	153	-	153
Depreciation	999,274	-	999,274
Other Expenses	102,328	16,269	118,597
<b>(Total Operating Expenses)</b>	<b>4,212,289</b>	<b>126,496</b>	<b>4,338,785</b>
<b>Operating Income</b>	<b>890,702</b>	<b>162,079</b>	<b>1,052,781</b>
<b>Non-Operating Revenues (Expenses)</b>			
Interest Earnings	6,008	-	6,008
Interest and Other Debt Service Costs	(200,943)	-	(200,943)
Intergovernmental Revenues	-	504,993	504,993
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(194,935)</b>	<b>504,993</b>	<b>310,058</b>
<b>Income Before Transfers</b>	<b>695,767</b>	<b>667,072</b>	<b>1,362,839</b>
<b>Transfers</b>			
Transfers to Constitutional Officers	-	(3,702)	(3,702)
Transfers in	-	1,850,000	1,850,000
Transfers (out)	(65,382)	-	(65,382)
<b>Total Transfers</b>	<b>(65,382)</b>	<b>1,846,298</b>	<b>1,780,916</b>
<b>Change in Net Position</b>	<b>630,385</b>	<b>2,513,370</b>	<b>3,143,755</b>
<b>Net Position, Beginning of Year</b>	<b>14,165,839</b>	<b>1,005,502</b>	<b>15,171,341</b>
<b>Total Net Position, End of Year</b>	<b>\$ 14,796,224</b>	<b>\$ 3,518,872</b>	<b>\$ 18,315,096</b>

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

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>American Beach</b>		
	<b>Water and Sewer</b>	<b>District</b>	<b>Totals</b>
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$ 4,419,754	\$ 288,575	\$ 4,708,329
Cash Payments to Vendors for Goods and Services	(2,871,139)	37,839	(2,833,300)
Cash Payments to Employees	(112,034)	-	(112,034)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>1,436,581</b>	<b>326,414</b>	<b>1,762,995</b>
<b>Non-Capital Financing Activities</b>			
Due to from other Governments	473,914	(74,727)	399,187
Operating Grants	-	504,993	504,993
Transfers (to) from Other Funds	(65,382)	1,850,000	1,784,618
Transfers (to) from Constitutional Officers	(22)	(3,702)	(3,724)
<b>Net Cash Provided by (Used in) Non-Capital Financing Activities</b>	<b>408,510</b>	<b>2,276,564</b>	<b>2,685,074</b>
<b>Capital and Related Financing Activities</b>			
Acquisition of Property, Plant and Equipment	(3,374,927)	(160,755)	(3,535,682)
Proceeds from Sale of Property, Plant and Equipment	2,525	-	2,525
Principal Payments on Bonds	(1,040,000)	-	(1,040,000)
Payment of Interest	(156,053)	-	(156,053)
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>	<b>(4,568,455)</b>	<b>(160,755)</b>	<b>(4,729,210)</b>
<b>Investing Activities</b>			
Interest Received	6,008	-	6,008
Sale of Investments	2,894,110	-	2,894,110
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>2,900,118</b>	<b>-</b>	<b>2,900,118</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>176,754</b>	<b>2,442,223</b>	<b>2,618,977</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>4,413,599</b>	<b>376,728</b>	<b>4,790,327</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 4,590,353</b>	<b>\$ 2,818,951</b>	<b>\$ 7,409,304</b>
<b>Reported in Statement of Net Position as:</b>			
Cash and Cash Equivalents	\$ 3,713,626	\$ 2,771,609	\$ 6,485,235
Cash and Cash Equivalents - Restricted	876,727	47,342	924,069
<b>Total</b>	<b>\$ 4,590,353</b>	<b>\$ 2,818,951</b>	<b>\$ 7,409,304</b>

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

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>American Beach</b>		<b>Totals</b>
	<b>Water and Sewer</b>	<b>District</b>	
<b><u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u></b>			
Operating Income (Loss)	\$ 890,702	\$ 162,079	\$ 1,052,781
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Depreciation	999,274	-	999,274
Changes in Assets - Decrease (Increase):			
Decrease (Increase) in Accounts Receivable	(30,421)	-	(30,421)
Decrease (Increase) in Due from Other Funds	803	-	803
Decrease (Increase) in Inventory	14,259	-	14,259
Decrease (Increase) in Prepaid Expense	(624)	-	(624)
Decrease (Increase) in Deferred Outflows	3,308	-	3,308
Changes in Liabilities - Increase (Decrease):			
Increase (Decrease) in Accounts Payable	188,913	(579,310)	(390,397)
Increase (Decrease) in Due to Other Governments	51,847	101,069	152,916
Increase (Decrease) in Due to Other Funds	(640,699)	642,576	1,877
Increase (Decrease) in Due to Constitutional Officers	(10)	-	(10)
Increase (Decrease) in Deposits	(12,920)	-	(12,920)
Increase (Decrease) in OPEB Liability	2,360	-	2,360
Increase (Decrease) in Net Pension Liability	59,318	-	59,318
Increase (Decrease) in Deferred Inflows	(92,259)	-	(92,259)
Increase (Decrease) in Compensated Absences	2,730	-	2,730
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>\$ 1,436,581</b>	<b>\$ 326,414</b>	<b>\$ 1,762,995</b>

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



**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**CUSTODIAL FUNDS**  
**SEPTEMBER 30, 2022**

	<u>SAISSA</u>	<u>School Board Impact fees</u>	<u>SAISSA 2021</u>	<u>Total</u>
<b>Assets</b>				
Cash and Equivalents	\$ 95,074	\$ 961,216	\$ 869,576	\$ 1,925,866
Equity in Pooled Investments				-
Due from Constitutional Officers	<u>7,743</u>	<u>-</u>	<u>-</u>	<u>7,743</u>
<b>Total Assets</b>	<u>102,817</u>	<u>961,216</u>	<u>869,576</u>	<u>1,933,609</u>
<b>Liabilities</b>				
Due to Others	102,817	-	869,576	972,393
Due to Other Governments	<u>-</u>	<u>961,216</u>	<u>-</u>	<u>961,216</u>
<b>Total Liabilities</b>	<u>102,817</u>	<u>961,216</u>	<u>869,576</u>	<u>1,933,609</u>
<b>Net Position, Held in a Custodial Capacity to be Disbursed</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>SAISSA</u>	<u>School Board Impact fees</u>	<u>SAISSA 2021</u>	<u>Total</u>
<b>Additions</b>				
Impact Fees Collected for Other Governments	\$ -	\$ 6,209,175	\$ -	\$ 6,209,175
Special Assessments	-	-	2,163,655	2,163,655
Investment Earnings	-	-	38	38
<b>Total Additions</b>	<u>-</u>	<u>6,209,175</u>	<u>2,163,693</u>	<u>8,372,868</u>
<b>Deductions</b>				
Impact Fees Distributed to Other Governments	-	(6,209,175)	-	(6,209,175)
Special Assessments Disbursed on Behalf of Others	-	-	(2,077,147)	(2,077,147)
Transfer (out) to Constitutional Officer	-	-	(86,546)	(86,546)
<b>Total Deductions</b>	<u>-</u>	<u>(6,209,175)</u>	<u>(2,163,693)</u>	<u>(8,372,868)</u>
<b>Change in Net Position</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Position, Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Position, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

## **NOTES TO FINANCIAL STATEMENTS**

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

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

The significant accounting policies followed by the Nassau County Board of County Commissioners, Nassau County, Florida (the Board) are described below to enhance the usefulness of the fund financial statements to the reader.

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

The Nassau County Housing Finance Authority (NCHFA) is a dependent special district, which functions for the benefit of the citizens of the County and is considered a blended component unit of the County. The NCHFA had no revenues or expenditures during the fiscal year ended September 30, 2022. 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 County. The RWCCD had no revenues or expenditures during the fiscal year ended September 30, 2022. 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 American Beach Water Sewer District 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 County.

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.

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.

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

**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 following funds are used by the Board:

■ **Governmental Funds**

● **Major Governmental Funds**

- ▶ The **General Fund**—is used to account for all revenues and expenditures applicable to the general operations of the Board, which are not properly accounted for in other funds.
- ▶ The **County Transportation Trust Fund**—is used to account for the operation of the Road and Bridge Department. Financing is provided principally by ad valorem taxes and the County's share of state gasoline taxes.
- ▶ The **Municipal Services Fund**—is used to account for activities benefiting only the unincorporated areas of the County. Financing is provided principally by ad valorem taxes, the half-cent sales tax, and State Revenue Sharing.
- ▶ The **Grants Fund**—is used to account for proceeds of grant revenue sources that are restricted or committed to expenditures for specified purposes.
- ▶ The **Capital Projects - Transportation Fund**—is 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.
- ▶ The **Comprehensive Impact Fee Ordinance Fund**—is used to account for the District's expenditures associated with capital expansions. Funding is provided from impact fees on new construction.

● **Non-Major Governmental Funds**

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

■ **Major Proprietary Funds**

- **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 Board is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the Board has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

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

- ▶ **Water and Sewer 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, situated north of the Duval County line and south of the City of Fernandina Beach.
- **Non-Major Proprietary Funds**
  - ▶ **American Beach Water Sewer District**—are used to account for the proceeds of specific revenue sources related to the planning, design, and construction of water and sewer facilities located at American Beach.
- **Fiduciary Funds**
  - **The South Amelia Island Shore Stabilization Association (SAISSA) Fund**—is used to account for assets held by the Board as agent for the SAISSA representing property owners within the geographical boundaries of the South Amelia Island Shore Stabilization Municipal Service Benefit Unit.
  - **School Board Impact Fees**—to account for assets held by the County for fees collected for School Board Impact fees.
  - **The South Amelia Island Shore 2021 Special Assessment (SAISSA) Fund**—is used to account for assets held by the Board as agent for the SAISSA 2021 assessment 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 (assets plus deferred outflows, less liabilities, less deferred inflows) are considered a measure of available, spendable, or appropriable resources. Governmental funds operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balances.
- **Proprietary Funds**—the enterprise funds are accounted for on an "economic resources" measurement focus. Accordingly, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources are included on the statement of net position, and the reported net position (total reported assets plus deferred outflows, less total reported liabilities, less deferred inflows) provide an indication of the economic net worth of the funds. The operating statements for the proprietary funds report increases (revenues) and decreases (expenses) in total net position.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* 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 non-operating revenues and expenses.

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

- **Fiduciary Funds**—Custodial funds are accounted for using the accrual basis of accounting. Per Governmental Accounting Standards Board (GASB) 84, fiduciary funds will now report additions and deductions within the Statement of Changes in Fiduciary Net Position. Fiduciary fund assets and liabilities are reported using an “economic resources” measurement focus and 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 fund financial statements. In addition, basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Under this method, revenues are recognized in the accounting period when they become susceptible to accrual (i.e., when they become “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Board considers revenues to be “available” if they are collected within sixty days after year-end.

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

As authorized in Florida Statute 218.415, the Board has adopted a written investment policy, which governs authorized investments. A description of the authorized investments is detailed in Note 2.

All investments are stated at fair value, except for money markets and certificates of deposit which are recorded at amortized cost. Investment fair values are based on quoted market prices. Investments in mutual funds and Local Government Surplus Funds Trust Fund (the State Pool), which are external investment pools, are stated at share price which is substantially the same as fair value.

**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 receivables are based upon aging schedules and the related collection experiences of such receivables.

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

**Interfund Balances**

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

**Inventories and Prepaid Items**

Inventories, consisting principally of expendable items held for consumption, are determined by physical count and are stated at cost based on the average-cost method. The costs of inventories in governmental fund types are recorded as expenditures when consumed; therefore, the inventory asset amount is not available for appropriation.

Prepaid items are certain payments to vendors and the Constitutional Officers that reflect costs applicable to future accounting periods and are recorded as prepaid items in fund financial statements. The costs of prepaid items in the governmental fund types are recorded as expenditures when consumed.

On the governmental funds balance sheet, the prepaid and inventory balances reported are offset by a non-spendable fund balance classification, which indicated these balances do not constitute “available spendable resources” even though they are a component of net current assets.

**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.

**Fund Balance**

Fund balance is reported in five components – non-spendable, restricted, committed, assigned, and unassigned:

- **Non-Spendable**—This component of fund balance consists of amounts that cannot be spent because: (a) they are not expected to be converted to cash, or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund.
- **Restricted**—This component of fund balance consists of amounts that are constrained either: (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments), or (b) by law through constitutional provisions or enabling legislation.
- **Committed**—This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., ordinance) of the organization’s governing authority, the Board. These committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (e.g., ordinance) employed to constrain those amounts.
- **Assigned**—This component of fund balance consists of amounts that are constrained by a less-than-formal action of the Board’s governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. In addition, residual balances in capital projects and debt service funds are considered assigned for the general purpose of the respective fund.



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

- **Unassigned**—This classification is used for: (a) negative unrestricted fund balances in any governmental fund, or (b) fund balances within the general fund that are not restricted, committed, or assigned.
- **Flow Assumption**—When both restricted and unrestricted resources are available for use, it is the Board's policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use in any governmental fund, it is the Board's policy to use committed resources first, then assigned, and then unassigned as needed.

**Net Position**

Net position of the 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* represent 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*.

**Restricted Assets**

Certain resources in the general fund and the water and sewer enterprise fund are set aside for payment of the landfill post-closure and monitoring costs, capital reserves, renewal and replacement, and the utility system. These resources are classified as restricted cash and investments on the balance sheet - governmental funds and 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 Board's practice is to use the restricted resources first, then unrestricted resources as they are needed.

**Capital Assets and Long-Term Liabilities**

■ **Governmental Funds**

Purchases of capital assets are recorded as expenditures in the governmental funds when the assets are acquired. At year-end, the assets are capitalized at cost by the Board in the statement of net position as part of the basic financial statements of the County.

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

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

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

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

<u>Capital Asset Category</u>	<u>Capitalization Threshold</u>
Buildings	\$25,000
Building Improvements	Greater of \$25,000 or 10% of Original Value
Improvements to Land Other than Buildings	\$10,000
Land	All
Leases	\$15,000
Easements or Right-of-Way	\$10,000
Infrastructure:	
Roads	\$250,000
Subdivisions	\$250,000
Bridges	\$50,000
Sidewalks	\$10,000
Street Lighting System	\$25,000
Drainage Systems	\$50,000
Additions or Improvements to Infrastructure	Greater of \$100,000 or 10% of Original Cost

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

Buildings and Infrastructure	15-40 Years
Machinery and Equipment	5-20 Years
Computer Equipment	3-5 Years
Leases	Lease Term

Governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Proprietary Enterprise Funds**

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

Buildings	15-40 Years
Equipment	3-20 Years

**Deferred Inflows/Outflows of Resources**

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.

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

**Compensated Absences**

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

**Use of Estimates**

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

**Other Postemployment Benefits (OPEB)**

The Board allows retirees and their dependents to remain covered under the County's respective medical and insurance plans as required by Florida Statutes. The Board also provides a direct subsidy to retirees based on the number of years of service. The financial reporting requirements for governments whose employees are provided with OPEB include the recognition and measurement of liabilities, deferred outflows of resources, deferred inflows of resources, and expenses. These liabilities are only recorded in the government-wide full accrual statements, and in the Board's enterprise funds. Further details of the net OPEB liability, annual OPEB expense, actuarial assumptions, sensitivity analysis, and the other required disclosures can be found in the County-wide annual financial report.

**Retirement Plans**

The Board participates in the Florida Retirement System (FRS) defined benefit plan and Health Insurance Subsidy (HIS) defined benefit plan administered by the Florida Division of Retirement. As a participating employer, the Board implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which requires employers participating in cost-sharing, multiple-employer defined benefit pension plans to report the employers' proportionate share of the net pension liabilities and related pension amounts of the defined benefit pension plans. These liabilities are only recorded in the government-wide full accrual financial statements, and in the Board's enterprise fund. Further details of the FRS plan net position liability, annual pension expense, actuarial assumptions, sensitivity analysis, and the other required disclosures can be found in the County-wide annual financial report.

**Property Taxes**

Real property and tangible personal property are assessed by the Property Appraiser according to the property's just value on January 1 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, 2022, the Board levied 7.3238 mills. An additional 2.2770 mills and 0.0960 mills were levied for the benefit of the Nassau County Municipal Services Taxing Unit and the Amelia Island Beach Renourishment Municipal Services Benefit Unit (MSTU), respectively.

Property taxes are due and payable on March 31 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 no later than June 30 of the year in which assessed. Discounts are allowed for payment of property taxes before March 1. Taxes become delinquent on April 1 following the year in which the taxes were assessed.

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

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

**Leases**

The County is a lessee for various lease agreements involving tower space, building space, and various equipment leases. The County recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The County recognizes leases with an initial, individual value of \$15,000 or more.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made at or before the lease commencement date, plus initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are report with long-term debt on the statement of net position.

**Note 2 - Cash and Investments**

**Deposits with Financial Institutions**

At year-end, the carrying amount of the Board's deposits with financial institutions was \$38,547,811 and the bank balances were \$39,021,072. All of the Board's deposits are held in qualified public depositories pursuant to the provisions of Florida Statutes, Chapter 280, the *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

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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.

**Investments**

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

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

<b>Description</b>	<b>Fair Value</b>
Cash and Cash Equivalents	\$ 38,547,811
Florida Local Government Investment Trust	11,911,820
Certificates of Deposit	12,055,480
Money Market Accounts	87,120,240
U.S. Treasuries	74,789,843
<b>Total Cash and Investments</b>	<b><u>\$ 224,425,194</u></b>

Reported in accompanying financial statements as follows:

	<b>Governmental Funds</b>	<b>Proprietary Fund</b>	<b>Fiduciary Fund</b>	<b>Total</b>
Cash and Cash Equivalents	\$ 28,444,337	\$ 6,485,235	\$ 1,925,866	\$ 36,855,438
Equity in Pooled Investments	184,692,354	1,185,029	-	185,877,383
Restricted Cash and Cash Equivalents	768,304	924,069	-	1,692,373
<b>Total Cash and Investments</b>	<b><u>\$ 213,904,995</u></b>	<b><u>\$ 8,594,333</u></b>	<b><u>\$ 1,925,866</u></b>	<b><u>\$ 224,425,194</u></b>

The following items discuss the Board'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 Board has a formal investment policy for operating surplus 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 non-operating 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.

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Investment maturities at September 30, 2022:

<b>Maturities</b>	<b>Fair Value</b>	<b>1 Year or Less</b>	<b>1-5 Years</b>
<b>Type</b>			
U.S. Treasury Notes	\$ 78,789,843	\$ 78,789,843	\$ -
Certificates of Deposits	12,055,480	12,055,480	-
Money Market Funds	83,120,240	83,120,240	-
Florida Government Investment Trust Short-Term Bond Fund	11,911,820	-	11,911,820 *
<b>Total Investments</b>	<u>185,877,383</u>	<u>\$ 173,965,563</u>	<u>\$ 11,911,820</u>
Demand Deposits	38,547,811		
<b>Total Cash and Investments</b>	<u>\$ 224,425,194</u>		

\* Based on WAM of 1.76 years

- **Credit Risk**—Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

The following table summarizes the Board's investments as rated as of September 30, 2022:

<b>Credit Ratings</b>	<b>Unrated</b>	<b>Moody's Aaa</b>	<b>Fitch AAAF</b>
<b>Type</b>			
U.S. Treasury Notes	\$ -	\$ 78,789,843	\$ -
Certificates of Deposits	12,055,480	-	-
Money Market Funds	83,120,240	-	-
Florida Government Investment Trust Short-Term Bond Fund	-	-	11,911,820
<b>Total Investments</b>	<u>95,175,720</u>	<u>78,789,843</u>	<u>11,911,820</u>
Demand Deposits	38,547,811	-	-
<b>Total Cash and Investments</b>	<u>\$ 133,723,531</u>	<u>\$ 78,789,843</u>	<u>\$ 11,911,820</u>

- **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.

#### **Fair Value Measurements**

The Board categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The following table summarizes the Board's investments for which fair values are determined as of September 30, 2022:

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<u>Type Investment</u>	<u>Fair Value</u>	<u>Active Markets for Identical Assets (Level 1)</u>	<u>Significant Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<b>Board Investments by Fair Value Level</b>				
U.S. Treasury Notes	\$ 78,789,843	\$ -	\$ 78,789,843	\$ -
<b>Total Investments Measure at FV</b>	<u>78,789,843</u>	<u>\$ -</u>	<u>\$ 78,789,843</u>	<u>\$ -</u>
<b>Board Investments Measured at Amortized Cost</b>	<u>Amortized Cost</u>			
Certificate of Deposits	\$ 12,055,480			
Money Market Accounts	83,120,240			
<b>Total Investments Measured at Amortized Cost</b>	<u>95,175,720</u>			
<b>Board Investments at Net Asset Value (NAV)</b>	<u>NAV</u>			
Florida Government Investment	\$ 11,911,820			
<b>Total Investments Measured at NAV</b>	<u>11,911,820</u>			
<b>Total Investments</b>	<u>\$ 185,877,383</u>			

**Note 3 - Accounts Receivable**

Accounts receivable (net of allowances for uncollectibles) at September 30, 2022, included the following:

	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>
<b>Governmental Funds</b>			
General Fund	\$ 2,643,746	\$ (1,953,840)	\$ 689,906
Municipal Services	2,208	-	2,208
Non-Major	23,907	-	23,907
<b>Total Governmental Funds</b>	<u>\$ 2,669,861</u>	<u>\$ (1,953,840)</u>	<u>\$ 716,021</u>
<b>Business-Type Funds</b>			
Water and Sewer	<u>\$ 579,054</u>	<u>\$ (97,780)</u>	<u>\$ 481,274</u>

**Note 4 - Restricted Assets**

Restricted assets in the general fund and the proprietary funds at September 30, 2022, represent monies required to be restricted for landfill post-closure costs, debt service and construction under terms of outstanding bond agreements, and impact fees restricted to water and sewer system uses. Assets are also restricted in accordance with ordinances and Florida Statutes. Restricted assets for the general fund and the proprietary funds at September 30, 2022, were restricted for the following purposes:

Customer Deposits	\$ 92,840
Landfill Post-Closure Costs	768,304
Impact Fees (Water/Sewer)	215,240
Debt Service	568,647
Cash Reserve	47,342
<b>Total</b>	<u>\$ 1,692,373</u>

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Reported in accompanying financial statements as follows:

<u>Account</u>	<u>Reported Amount</u>
Current: Restricted Cash and Cash Equivalents - General Fund	\$ 768,304
Current: Restricted Cash and Cash Equivalents - Business-Type Activities	924,069
<b>Total Restricted Assets</b>	<b>\$ 1,692,373</b>

**Note 5 - Capital Assets**

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

Capital asset activity for the year ended September 30, 2022, was as follows:

	<u>Balance 10/1/21</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Balance 9/30/22</u>
<b>Governmental Activities</b>				
Capital Assets not Being Depreciated:				
Land	\$ 82,281,590	\$ 3,036,713	\$ (20)	\$ 85,318,283
Construction Work in Progress	<u>20,367,621</u>	<u>7,669,348</u>	<u>(21,190,444)</u>	<u>6,846,525</u>
Total Capital Assets not Being Depreciated	<u>102,649,211</u>	<u>10,706,061</u>	<u>(21,190,464)</u>	<u>92,164,808</u>
Capital Assets Being Depreciated:				
Building and Improvements	78,226,209	991,854	-	79,218,063
Machinery and Equipment	43,276,051	3,438,321	(1,344,115)	45,370,257
Improvements Other than Buildings	993,723	-	-	993,723
Leasehold Improvements	1,040,516	-	-	1,040,516
Infrastructure	636,201,729	20,796,126	-	656,997,855
Leased Assets	<u>535,229</u>	<u>56,180</u>	<u>-</u>	<u>591,409</u>
Total Capital Assets Being Depreciated	<u>760,273,457</u>	<u>25,282,481</u>	<u>(1,344,115)</u>	<u>784,211,823</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(33,024,715)	(1,999,682)	-	(35,024,397)
Machinery and Equipment	(25,786,766)	(3,584,350)	1,172,226	(28,198,890)
Leasehold Improvements	(498,919)	(73,043)	-	(571,962)
Infrastructure	(403,309,379)	(16,638,766)	-	(419,948,145)
Leased Assets	<u>-</u>	<u>(157,217)</u>	<u>-</u>	<u>(157,217)</u>
Total Accumulated Depreciation	<u>(462,619,779)</u>	<u>(22,453,058)</u>	<u>1,172,226</u>	<u>(483,900,611)</u>
Total Capital Assets Being Depreciated, Net	<u>297,653,678</u>	<u>2,829,423</u>	<u>(171,889)</u>	<u>300,311,212</u>
<b>Total Governmental Activities</b>				
<b>Capital Assets, Net</b>	<u>\$ 400,302,889</u>	<u>\$ 13,535,484</u>	<u>\$ (21,362,353)</u>	<u>\$ 392,476,020</u>



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	Balance 10/1/21	Increases	(Decreases)	Balance 9/30/22
<b>Business-Type Activities</b>				
Capital Assets, not Being Depreciated:				
Land	\$ 167,966	\$ -	\$ -	\$ 167,966
Construction Work in Progress	872,897	2,548,024	(650)	3,420,271
Total Capital Assets, not Being Depreciated	1,040,863	2,548,024	(650)	3,588,237
Capital Assets, Being Depreciated:				
Building and Improvements	754,865	-	-	754,865
Infrastructure	24,180,619	899,636	-	25,080,255
Equipment	1,082,997	85,696	-	1,168,693
Leased Assets	74,872	-	-	74,872
Total Capital Assets, Being Depreciated	26,093,353	985,332	-	27,078,685
Less Accumulated Depreciation:				
Building and Improvements	(328,328)	(19,839)	-	(348,167)
Infrastructure	(12,035,036)	(850,164)	-	(12,885,200)
Equipment	(398,757)	(108,719)	-	(507,476)
Leased Assets	-	(20,552)	-	(20,552)
Total Accumulated Depreciation	(12,762,121)	(999,274)	-	(13,761,395)
Total Capital Assets, Being Depreciated, Net	13,331,232	(13,942)	-	13,262,970
<b>Total Business-Type Activities</b>				
<b>Capital Assets, Net</b>	<u>\$ 14,372,095</u>	<u>\$ 2,534,082</u>	<u>\$ (650)</u>	<u>\$ 16,905,527</u>

**Note 6 - Interfund Activity**

Interfund balances at September 30, 2022, consisted of the following:

Due to/from other funds:

Receivable Fund	Payable Fund	Total
General	Municipal Service	\$ 257,431
General	County Transportation	145,966
General	Non-Major	48,625
General	Water and Sewer	1,877
<b>Total</b>		<u>\$ 453,899</u>

The purpose for each of these interfund receivables and payables is to provide temporary loans for cash flow needs, primarily associated with reimbursable grant programs. In addition to the interfund balances, there was also \$1,896,501 due from the Constitutional Officers, and \$257,979 due to the Constitutional Officers.

Interfund transfers:

	Transfers In						
Transfers Out	General	County Transportation	Municipal Services	Capital Project Transportation	Non-Major Government	Non-Major Enterprise	Total
General	\$ -	\$ 1,300,000	\$ 235,730	\$ 5,140,015	\$ 5,736,121	\$ 1,850,000	\$ 14,261,866
County Transportation	-	-	-	5,223,172	100,812	-	5,323,984
Municipal Services	85,470	-	-	-	-	-	85,470
Non-Major Governmental	250,942	-	-	2,501,075	721	-	2,752,738
Water and Sewer	65,382	-	-	-	-	-	65,382
<b>Total</b>	<u>\$ 401,794</u>	<u>\$ 1,300,000</u>	<u>\$ 235,730</u>	<u>\$ 12,864,262</u>	<u>\$ 5,837,654</u>	<u>\$ 1,850,000</u>	<u>\$ 22,489,440</u>

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In addition to the interfund transfers, there were transfers out to the Constitutional Officers of \$47,769,887 and transfers in from the Constitutional Officers of \$1,823,133.

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

**Note 7 - Leases**

For the year ended September 30, 2022, the financial statements include the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

The Board, as a lessee, has entered into lease agreements involving tower space for a communication system, building space for operations, and various equipment leases. The total of the Board's lease assets were recorded at a cost of \$666,280, less accumulated depreciation of \$177,769.

**Amount of Lease Assets by Major Classes of Underlying Asset**

Asset Class	As of Fiscal Year-end	
	Lease Asset Value	Accumulated Amortization
Equipment	\$ 136,858	\$ 27,371
Buildings	339,509	111,106
Infrastructure	189,913	39,292
Total Leases	<u>\$ 666,280</u>	<u>\$ 177,769</u>

**Principal and Interest Requirements to Maturity**

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 141,740	\$ 2,825	\$ 144,565
2024	126,331	1,933	128,264
2025	111,416	1,032	112,448
2026	56,188	322	56,510
2027	2,680	22	2,702
Total	<u>\$ 438,355</u>	<u>\$ 6,134</u>	<u>\$ 444,489</u>

  

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 20,513	\$ 203	\$ 20,716
2024	20,604	112	20,716
2025	13,304	29	13,333
Total	<u>\$ 54,421</u>	<u>\$ 344</u>	<u>\$ 54,765</u>

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**Note 8 - Long-Term Obligations**

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

The following is a summary of changes in long-term obligations for the year ended September 30, 2022:

	<b>Balance</b> <b>10/1/21</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance</b> <b>9/30/22</b>	<b>Due Within</b> <b>One Year</b>
<b>Governmental Activities</b>					
Bonds Payable	\$ 21,334,730	\$ -	\$ (2,202,475)	\$ 19,132,255	\$ 1,762,086
Premium on Bonds Payable	<u>742,483</u>	<u>-</u>	<u>(74,248)</u>	<u>668,235</u>	<u>74,248</u>
Total Bonds and Notes Payable	<u>22,077,213</u>	<u>-</u>	<u>(2,276,723)</u>	<u>19,800,490</u>	<u>1,836,334</u>
Compensated Absences	6,645,971	3,427,572	(2,652,980)	7,420,563	2,546,943
Other Postemployment Benefits	9,724,297	302,043	-	10,026,340	455,023
Landfill Post-Closure	15,795,295	-	(120,695)	15,674,600	768,302
Net Pension Liability	16,017,331	29,453,962	-	45,471,293	49,999
Lease Liability	<u>535,229</u>	<u>56,180</u>	<u>(153,054)</u>	<u>438,355</u>	<u>163,813</u>
<b>Total Governmental Activities</b>					
<b>Long-Term Liabilities</b>	<u>\$ 70,795,336</u>	<u>\$ 33,239,757</u>	<u>\$ (5,203,452)</u>	<u>\$ 98,831,641</u>	<u>\$ 5,820,414</u>
<b>Business-Type Activities</b>					
Bonds Payable					
(Direct Placement)	\$ 7,765,000	\$ -	\$ (1,040,000)	\$ 6,725,000	\$ 1,065,000
Notes Payable	-	174,610	(174,610)	-	-
Compensated Absences	33,418	13,072	(10,342)	36,148	11,995
Other Postemployment Benefits	75,971	2,360	-	78,331	7,457
Net Pension Liability	54,645	59,318	-	113,963	125
Lease Liability	<u>74,872</u>	<u>-</u>	<u>(20,451)</u>	<u>54,421</u>	<u>20,513</u>
<b>Total Business-Type Activities</b>					
<b>Long-Term Liabilities</b>	<u>\$ 8,003,906</u>	<u>\$ 249,360</u>	<u>\$ (1,245,403)</u>	<u>\$ 7,007,863</u>	<u>\$ 1,105,090</u>

**Governmental Activities**

The County's governmental activities related bonds were offered for sale through a public offering and were not a direct borrowing or direct placements. A brief synopsis of long-term debt existing at September 30, 2022, follows:

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**2000 Optional Gas Tax Revenue Bonds**

The Board, in September 2000, issued the Optional Gas Tax Revenue Bond in the amount of \$6,167,580. The proceeds of the bond issue are to pay the cost of acquisition and construction of certain transportation capital improvements in the County and to pay certain costs related to the issuance and sale of the Series 2000 Bonds. The Series 2000 Bonds are capital appreciation bonds; additional capital appreciation through September 30, 2022, totaled \$1,875,496.

The Series 2000 Bonds are special limited obligations of the County payable solely from, and secured by, a prior lien upon and pledge of the proceeds of the six-cent local option gas tax and until expended, the monies on deposit in certain funds and accounts created by resolution. Annual principal and interest on the bonds are expected to require approximately 40% of such tax revenue and are payable through 2025. Principal and interest payments for the current year totaled \$945,000 and gas tax revenues totaled \$2,384,628. At year-end, pledged future revenues totaled \$2,835,000, which was the amount of remaining principal and interest on the bonds. Other Board revenues are not available to finance this bond issue. In addition, the bondholders do not have any authority to compel the Board to increase ad valorem taxes for financing this bond issue. Such bonds, bearing interest at a rate between 5.55% to 5.81% per annum, are dated August 30, 2000, and are in denominations of \$5,000 each. A portion of such bonds mature annually starting March 1, 2010, with final maturity being March 1, 2025. The bonds have a required reserve of \$945,000, which is on hand at year-end.

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

<b>Year Ending September 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 262,086	\$ 682,914	\$ 945,000
2024	246,976	698,024	945,000
2025	232,697	712,303	945,000
<b>Total</b>	<u>\$ 741,759</u>	<u>\$ 2,093,241</u>	<u>\$ 2,835,000</u>

**2007 Public Improvement Revenue and Refunding Bonds**

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

The Series 2007 Bonds are special obligations of the Board payable solely from amounts budgeted and appropriated by the Board from non-ad valorem tax revenues in accordance with the terms of the resolution. Annual principal and interest on the bonds are expected to require approximately 21% of such non-ad valorem tax revenue and are payable through 2031. Principal and interest payments for the current year totaled \$2,322,000 and non-ad valorem tax revenues totaled \$11,203,335. At year-end, pledged future revenues totaled \$20,910,500, which was the amount of remaining principal and interest on the bonds. Other Board revenues are not available to finance this bond issue.

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In addition, the bondholders do not have any authority to compel the Board to increase ad valorem taxes for financing this bond issue. Such bonds, bearing interest rates between 4.0% and 5.0% per annum, are dated June 12, 2007, and are in denominations of \$5,000 each. A portion of such bonds mature annually beginning May 2008, with term maturities in May of 2023, 2025, 2027, and 2031.

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

<b>Year Ending September 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 1,500,000	\$ 825,750	\$ 2,325,750
2024	1,575,000	750,750	2,325,750
2025	1,650,000	672,000	2,322,000
2026	1,735,000	589,500	2,324,500
2027	1,820,000	502,750	2,322,750
2028-2031	<u>8,235,000</u>	<u>1,054,750</u>	<u>9,289,750</u>
<b>Total</b>	<u>\$ 16,515,000</u>	<u>\$ 4,395,500</u>	<u>\$ 20,910,500</u>

*Compensated Absences*—Are not recorded on the accompanying governmental fund financial statements; however, it will be recorded on the County-wide financial statements. Following is a summary of annual sick, bonus, and compensatory leave benefits liabilities at September 30, 2022:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>(Deletions)</b>	<b>Ending Balance</b>
Vacation Leave	\$ 2,545,468	\$ 1,393,582	\$ (1,142,553)	\$ 2,796,497
Paid Time Off	857,254	1,088,489	(909,067)	1,036,676
Sick Leave	3,205,695	841,906	(510,502)	3,537,099
Bonus Leave	16,905	30,255	(30,276)	16,884
Compensatory Leave	<u>20,650</u>	<u>73,338</u>	<u>(60,581)</u>	<u>33,407</u>
<b>Total</b>	<u>\$ 6,645,972</u>	<u>\$ 3,427,570</u>	<u>\$ (2,652,979)</u>	<u>\$ 7,420,563</u>

**Business-Type Activities**

*Advance Refunding*—On April 9, 2013, the Board issued, through a direct replacement, 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 amount of the Board'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 system. Annual principal and interest on the bond is expected to require approximately 60% of such revenue and are payable through 2028. Principal and interest payments for the current year totaled \$1,195,767, and revenues totaled \$1,889,976. At year-end, pledged future revenues totaled \$7,167,523, which was the amount of remaining principal and interest on the bond. The Series 2013 Bond shall not be or constitute a general obligation or indebtedness of the County.

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**Rate Covenant**

The Board has covenanted to establish and collect fees from users of the Water and Sewer System (gross revenues of the system, as defined in the bond ordinance) sufficient to pay the costs of operation and maintenance of the system (as defined in the bond ordinance) plus 120% of the bond service requirements for that year. The Board met the 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:

<b>Year Ending September 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 1,065,000	\$ 133,139	\$ 1,198,139
2024	1,085,000	110,026	1,195,026
2025	1,105,000	86,484	1,191,484
2026	1,135,000	62,403	1,197,403
2027	1,155,000	37,786	1,192,786
2028	<u>1,180,000</u>	<u>12,685</u>	<u>1,192,685</u>
<b>Total</b>	<u>\$ 6,725,000</u>	<u>\$ 442,523</u>	<u>\$ 7,167,523</u>

*Compensated Absences*—Following is a summary of annual, sick, and bonus leave benefits liabilities at September 30, 2022, for the proprietary funds:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>(Deletions)</b>	<b>Ending Balance</b>
Vacation Leave	\$ 8,352	\$ 7,190	\$ (9,287)	\$ 6,255
Sick Leave	24,802	4,827	-	29,629
Bonus Leave	<u>264</u>	<u>1,055</u>	<u>(1,055)</u>	<u>264</u>
<b>Total</b>	<u>\$ 33,418</u>	<u>\$ 13,072</u>	<u>\$ (10,342)</u>	<u>\$ 36,148</u>

**Note 9 - Bond Arbitrage Rebate**

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

- \$29,630,000 Nassau County, Florida, Public Improvement Revenue and Refunding, Series 2007.
- \$19,160,000 Nassau County, Florida, Water and Sewer System Revenue Bonds, Series 2013.
- \$11,169,000 Nassau County, Florida, SAISSA Renourishment Bond, Series 2011.

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

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**Note 10 - Landfill Post-Closure Care Costs**

State and federal laws require the Board to fund landfill post-closure 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.

For the closed landfills, actual post-closure care cost incurred for each year is reported as a reduction of the post-closure liability, along with the change in required escrow balance until the required twenty-or-thirty-year post-closure care period is satisfied. The Board has accrued a total of \$15,674,600 for post-closure care cost at September 30, 2022, for the two closed landfills. The liability is based on engineering estimates of annual post-closure care cost.

These post-closure care costs are based on estimates of what it would cost to perform all post-closure care using 2022 dollars. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

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 (amounts required by state law are \$768,303 as of September 30, 2022). At September 30, 2022, the actual escrow balances are as follows:

<b>Landfills</b>	
Old West Nassau Post-Closure	\$ 45,975
New West Nassau Post-Closure	<u>722,328</u>
<b>Total Escrow Balances</b>	<u><u>\$ 768,303</u></u>

**Note 11 - Retirement Plans**

**General Information About the FRS**

The Board participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability, or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report is available from the Florida Department of Management Services' website ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

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The FRS pension plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools, and metropolitan planning organizations is optional.

The HIS program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

**Benefits Provided**

Benefits under the FRS pension plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings.

The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes.

**Contributions.** The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2021-2022 fiscal year were as follows:

Class	Year Ended June 30, 2023		Year Ended June 30, 2022	
	Percent of Gross Salary		Percent of Gross Salary	
	Employee	Employer (2)	Employee	Employer (2)
FRS, Regular	3.00	11.91	3.00	10.82
FRS, Special Risk Class	3.00	27.83	3.00	25.89
FRS, Elected County Officers	3.00	57.00	3.00	51.42
FRS, Senior Management Service	3.00	31.57	3.00	29.01
DROP - Applicable to Members				
from All of the Above Classes	0.00	18.60	0.00	18.34
FRS, Reemployed Retiree	(1)	(1)	(1)	(1)

**Notes:** (1) Contribution rates are dependent upon retirement class in which reemployed.

(2) These rates include the contribution for Retiree Health Insurance Subsidy of 1.66% and the fee of 0.06% for administration of the FRS Investment Plan.



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The Board's contributions (employer) to the Plan totaled \$4,559,606 for the fiscal year ended September 30, 2022. This excludes the HIS defined benefit pension plan contributions.

*Pension Liabilities and Pension Expense.* At September 30, 2022, the Board's proportionate share of the FRS net pension liability was \$37,970,130. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The Board's proportionate share of the net pension liability was based on the Board's contributions during the FRS pension plan's fiscal year relative to the contributions of all participating members. At June 30, 2022, the Board's proportion was 0.102048198%, which was an increase of 0.003025676% from its proportion measured as of June 30, 2021.

Further details of the FRS Plan net position liability, annual pension expense, actuarial assumptions, sensitivity analysis, and the other required disclosures can be found in the County-wide annual financial report.

**HIS Pension Plan**

*Plan Description.* The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of state-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Florida Department of Management Services.

*Benefits Provided.* For the fiscal year ended September 30, 2022, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

*Contributions.* The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. Contribution rates during the County's fiscal years 2022 and 2021 were 1.66%. The Board contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The Board's contributions to the HIS Plan totaled \$451,689 for the fiscal year ended September 30, 2022.

*Pension Liabilities and Pension Expense.* At September 30, 2022, the Board's proportionate share of the HIS net pension liability was \$7,615,126. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The Board's proportionate share of the net pension liability was based on the Board's contributions during the HIS Plan's fiscal year relative to the contributions of all participating members. At June 30, 2022, the Board's proportion was 0.071897806%, which was an increase of 0.001853803% from its proportion measured as of June 30, 2021.

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**FRS – Defined Contribution Pension Plan**

The Board contributes to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the State Board of Administration of Florida (SBA), and is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report. Service retirement benefits are based upon the value of the member's account upon retirement.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Board employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Allocations to the investment members' accounts during the 2021-2022 fiscal year were as follows:

<b>Class</b>	<b>Year Ended June 30, 2022</b>		<b>Year Ended June 30, 2023</b>	
	<b>Percent of Gross Salary</b>		<b>Percent of Gross Salary</b>	
	<b>Employee</b>	<b>Employer</b>	<b>Employee</b>	<b>Employer</b>
FRS, Regular	3.00	3.30	3.00	6.30
FRS, Special Risk Regular	3.00	11.00	3.00	14.00
FRS, Elected County Officers	3.00	8.34	3.00	11.34
FRS, Senior Management	3.00	4.67	3.00	7.67

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS pension plan is transferred to the Investment Plan, the member must have the years of service required for FRS pension plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended September 30, 2022, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Board.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS pension plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS pension plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

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The Board's Investment Plan pension expense totaled \$535,633 for the fiscal year ended September 30, 2022.

**Note 12 - Deferred Compensation Plan**

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

The Board has contracted with a third-party for the establishment of custodial accounts to administer these funds for the exclusive benefit of participants and their beneficiaries. The Board has no administrative involvement, and does not perform the investing function for this plan.

**Note 13 - Other Postemployment Benefits**

Pursuant to the Nassau County Personnel, Policies and Procedures Manual, the Board allows retired employees and their spouses to remain members of the Board's health insurance program. The Board pays a percentage of the single premium for former employees until age sixty-five that retire under the terms and conditions of the system as follows:

<b>Years of Service With Nassau County</b>	<b>Hired Before 10/1/05</b>	<b>Hired on or After 10/1/05</b>
At Least 6	100%	0%
15 Years	100%	50%
20 Years	100%	65%
25 Years	100%	80%
30 or More Years	100%	100%

As of the most recent actuarial date, there are 331 active employees and 65 retired employees participating in the plan. The Board's net OPEB obligation totaled \$10,104,671, of which \$78,331 has been recorded in the proprietary funds. The remainder has been included in long-term debt of the County as a whole. Details of the annual cost, the accrued obligation, and the other required disclosures can be found in the County-wide annual financial report.

**Note 14 - Fund Balance Classification and Minimum Fund Balance Policy**

The following is a summary of the Board's fund balance classifications and the purpose of each as of September 30, 2022:

<b>Non-Spendable Fund Balance</b>	
Prepaid Expenses	\$ 1,530,939
Inventory	360,347
A/R - Dishonored Checks	<u>439</u>
<b>Total Non-Spendable Fund Balance</b>	<u>1,891,725</u>

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**Restricted Fund Balance**

General Government	\$ 283,501
General Government - Court-Related	1,835,456
Public Safety	1,606,483
Economic Development	383,039
Other Human Services	95,385
Physical Environment	4,621,206
Impact Fees	20,429,439
Law Library	109,000
Other Culture/Recreation	250,281
State Housing Initiative Program	2,007,231
Court Facilities	671,850
Criminal Justice	104,617
Tourist Development	18,261,576
Building Department	7,680,170
Debt Services - Bonds	1,496,250
Capital Projects - Transportation	5,755,560
<b>Total Restricted Fund Balance</b>	<u>65,591,044</u>

**Committed Fund Balance**

General Government	227,607
General Government - Court-Related	124,121
Culture/Recreation	4,922,567
Physical Environment	288,946
Public Safety	4,055,394
Human Services	750,100
Transportation	29,311,809
Other Uses	11,130,486
<b>Total Committed Fund Balance</b>	<u>50,811,030</u>

**Assigned Fund Balance**

General Government	728,343
Public Safety	2,472,258
Economic Development	117,696
Transportation	1,418,090
Human Services	126,171
Culture and Recreation	107,214
Court-Related	82,659
Physical Environment	360,945
Reserves - Capital Projects	20,561,253
Reserves - Capital Plan	8,242,180
Minimum Fund Balance	17,960,595
<b>Total Assigned Fund Balance</b>	<u>52,177,404</u>

<b>Unassigned Fund Balance</b>	<u>21,066,673</u>
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<b>Total</b>	<u>\$ 191,537,876</u>
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**Minimum Fund Balance Reserve Policy**

The County has adopted a policy that requires a reserve for minimum fund balance be budgeted at a target level equal to two months of County-wide operating expenditures as reported in the previous year's audited financial statements for the General Fund, County Transportation Fund, and Municipal Services Fund. The purpose of the minimum fund balance is to protect the County against potential financial risk, ensure cash flow prior to receipt of budgeted revenue for use in the event of a disaster or emergency, and to protect the County's credit rating.

**Note 15 - 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 coverage. 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 has been no reduction in insurance coverages from the previous year.

**Note 16 - Commitments and Contingencies**

The Board is a party to a number of lawsuits and claims arising out of the normal conduct of its activities. While the results of these lawsuits and claims against the Board cannot be predicted with certainty, management does not expect that these matters will have a material adverse effect on the financial position of the County. On February 6, 2023, Raydient Places + Properties LLC, and the Nassau County Board of Commissioners agreed to settle their dispute with orders entered in the 4th Judicial Circuit. In addition to ending all pending litigation, the settlement sets forth that Nassau County agrees to reimburse Raydient \$300,000 for attorney fees and costs.

The following is a summary of major commitments of the Board and contracts in progress as of September 30, 2022:

<u>Project</u>	<u>Source of Payment</u>	<u>Paid to Date</u>	<u>Commitment Remaining</u>
Road Overlays	Current Available Resources	\$ 1,620,856	\$ 1,825,191
Booster Pump Station	Current Available Resources	2,111,035	1,376,693
William Burgess Extension - Design/Eng	Current Available Resources	1,146,559	20,826
Tributary Regional Park	Current Available Resources	709,747	308,136
West Side Regional Park	Current Available Resources	348,654	270,086
<b>Total</b>		<u>\$ 5,936,851</u>	<u>\$ 3,800,932</u>

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**Note 17 - Conduit Debt Obligations**

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

As of September 30, 2022, there was one series of such bonds outstanding with a principal amount payable of \$8,745,000. The issue amount and the September 30, 2022, outstanding balance is as follows:

<u>Original Issuance</u>	<u>Year</u>	<u>9/30/22 Balance</u>	<u>Description</u>
\$ 11,150,000	2008	\$ 8,745,000	AICC, Inc. and Nassau Care Centers—70 Bed Care Intermediate Care and Day Program Service Facilities

**Note 18 - No Commitment Special Assessment Debt**

To finance the costs of certain capital improvements benefitting property within the South Amelia Island Shore Stabilization MSBU, the County has issued the South Amelia Island Shore Stabilization Special Assessment Bonds, Series 2021. The bonds do not constitute a debt or pledge of the faith and credit of the County, and accordingly, have not been reported in the accompanying financial statements.

At September 30, 2022, the Special Assessment Bond outstanding totaled \$5,419,448.

**Note 19 - 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, 2022, the only existing EDG agreement potentially material in size (fiscal year abatement >\$300,000) was with LignoTech Florida, LLC (LignoTech).

During the year, LignoTech submitted applications for reimbursement for the years of 2019, 2020, and 2021 which were approved by the County and paid out in July 2022 in the amount of \$1,068,335. LignoTech may receive additional tax abatements if they meet the agreement requirements in future periods.

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**Note 20 - East Nassau County Planning Area (ENCPA) Mobility Network**

The Nassau County 2030 Comprehensive Plan includes provision for the development of the ENCPA, comprised of approximately 24,000 acres, and a related mobility fee and tax increment district, which are designed to pay for transportation improvements within the ENCPA. The ENCPA Mobility Network is funded by two fee components: 1) a fee per residential unit or square foot of commercial/industrial development; and 2) a tax increment (TIF) calculation which allocates 12% of incremental property tax revenues generated since the 2015 Base Year Valuation within the ENCPA to subsidize the cost of transportation infrastructure within the ENCPA.

Developers of property within the ENCPA may elect to construct and dedicate transportation infrastructure and right of way to the County and request reimbursement for the value of such improvements from accumulated and future accumulation of ENCPA Mobility Network funds by filing a Reservation Agreement with the County. As of the most recent study, the cost of transportation infrastructure within the ENCPA is projected to be \$199.3 million. As of September 30, 2022, \$3.6 million of approved reservation agreements have been filed with the County, of which \$1.25 million are unpaid awaiting accumulation of future TIF funds.

**Note 21 - Developer Agreements**

The County sometimes enters into development agreements under which real property and improvements are transferred to the County, the fair value of which is in exchange for credits against future County impact fees. The County recognizes impact fee revenue in the Statement of Activities upon title transfer of property and improvements to the County. At September 30, 2022, the County has \$2,081,084 of impact fee credits unused and outstanding for which revenue was recognized upon receipt of property and improvements.

**Note 22 - Prior Period Adjustment**

The Board has determined that certain transactions were not recorded in a prior year in the County's government wide financial statements.

**Governmental Activities** - In the Government-wide statements, developer land and improvements donated in a prior year were not properly reflected in the County's financial statements. This resulted in the understatement of capital assets and revenues. An adjustment was made to add the donated assets to the governmental activities in the amount of \$2,629,000. See the County's government-wide financial statements for more information.

## **REQUIRED SUPPLEMENTARY INFORMATION**



**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues</b>				
Taxes	\$ 83,006,933	\$ 83,006,933	\$ 87,923,322	\$ 4,916,389
Licenses and Permits	39,304	39,304	85,117	45,813
Intergovernmental Revenues	12,762,538	9,170,551	10,551,466	1,380,915
Charges for Services	2,170,788	2,170,788	3,164,976	994,188
Fines and Forfeitures	42,421	43,821	44,231	410
Interest Earnings (Loss)	301,500	301,218	(101,086)	(402,304)
Miscellaneous	214,544	250,424	2,386,925	2,136,501
<b>Total Revenues</b>	<b>98,538,028</b>	<b>94,983,039</b>	<b>104,054,951</b>	<b>9,071,912</b>
<b>Expenditures</b>				
Current:				
General Government Services	13,107,041	13,503,368	11,288,650	2,214,718
Public Safety	17,356,194	17,712,826	15,744,814	1,968,012
Physical Environment	2,541,776	2,621,945	1,859,175	762,770
Transportation	3,978	3,978	-	3,978
Economic Environment	192,084	1,258,863	1,229,760	29,103
Human Services	3,046,875	3,113,075	2,981,860	131,215
Culture and Recreation	2,915,676	3,098,382	2,664,195	434,187
Court-Related Expenditures	1,608,911	1,734,907	921,630	813,277
Capital Outlay	3,481,139	4,756,673	2,218,132	2,538,541
Debt Service:				
Principal Retirement	-	-	104,542	(104,542)
Interest and Fiscal Charges	-	-	1,897	(1,897)
<b>(Total Expenditures)</b>	<b>44,253,674</b>	<b>47,804,017</b>	<b>39,014,655</b>	<b>8,789,362</b>
<b>Excess (Deficiency) of Revenues Over</b>				
<b>(Under) Expenditures</b>	<b>54,284,354</b>	<b>47,179,022</b>	<b>65,040,296</b>	<b>17,861,274</b>
<b>Other Financing Sources (Uses)</b>				
Transfers from Constitutional Officers	578,621	580,409	1,738,282	1,157,873
Transfers to Constitutional Officers	(42,393,169)	(42,574,161)	(41,675,139)	899,022
Transfers in	693,473	693,755	401,794	(291,961)
Transfers (out)	(12,338,785)	(14,537,958)	(14,261,866)	276,092
Leases (Lessee)	-	-	436,369	436,369
Sale of Capital Assets	-	-	7,601	7,601
<b>Total Other Financing Sources (Uses)</b>	<b>(53,459,860)</b>	<b>(55,837,955)</b>	<b>(53,352,959)</b>	<b>2,484,996</b>
<b>Net Change in Fund Balances</b>	<b>824,494</b>	<b>(8,658,933)</b>	<b>11,687,337</b>	<b>20,346,270</b>
<b>Fund Balances at Beginning of Year</b>	<b>33,079,529</b>	<b>55,498,028</b>	<b>56,196,804</b>	<b>698,776</b>
<b>Fund Balances at End of Year</b>	<b>\$ 33,904,023</b>	<b>\$ 46,839,095</b>	<b>\$ 67,884,141</b>	<b>\$ 21,045,046</b>

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - COUNTY TRANSPORTATION FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues</b>				
Taxes	\$ 8,992,520	\$ 8,992,520	\$ 9,843,368	\$ 850,848
Licenses and Permits	7,419	7,419	17,507	10,088
Intergovernmental Revenues	2,120,601	2,115,771	2,181,769	65,998
Charges for Services	20,401	20,401	30,391	9,990
Interest Earnings	35,000	35,000	82,331	47,331
Miscellaneous	111,203	111,203	130,889	19,686
<b>Total Revenues</b>	<b>11,287,144</b>	<b>11,282,314</b>	<b>12,286,255</b>	<b>1,003,941</b>
<b>Expenditures</b>				
Current:				
Transportation	11,835,957	12,682,873	10,030,643	2,652,230
Capital Outlay	632,164	796,432	662,319	134,113
<b>(Total Expenditures)</b>	<b>12,468,121</b>	<b>13,479,305</b>	<b>10,692,962</b>	<b>2,786,343</b>
<b>Excess (Deficiency) of Revenues Over</b>				
<b>(Under) Expenditures</b>	<b>(1,180,977)</b>	<b>(2,196,991)</b>	<b>1,593,293</b>	<b>3,790,284</b>
<b>Other Financing Sources (Uses)</b>				
Transfers from Constitutional Officers	15,000	15,000	17,199	2,199
Transfers to Constitutional Officers	(124,499)	(127,039)	(127,039)	-
Transfers in	1,300,000	1,300,000	1,300,000	-
Transfers (out)	(5,122,111)	(5,323,984)	(5,323,984)	-
Sale of General Capital Assets	-	-	14,707	14,707
<b>Total Other Financing Sources (Uses)</b>	<b>(3,931,610)</b>	<b>(4,136,023)</b>	<b>(4,119,117)</b>	<b>16,906</b>
<b>Net Change in Fund Balances</b>	<b>(5,112,587)</b>	<b>(6,333,014)</b>	<b>(2,525,824)</b>	<b>3,807,190</b>
<b>Fund Balances at Beginning of Year</b>	<b>7,592,158</b>	<b>12,736,736</b>	<b>12,790,388</b>	<b>53,652</b>
<b>Fund Balances at End of Year</b>	<b>\$ 2,479,571</b>	<b>\$ 6,403,722</b>	<b>\$ 10,264,564</b>	<b>\$ 3,860,842</b>

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - MUNICIPAL SERVICES FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues</b>				
Taxes	\$ 17,559,038	\$ 17,559,038	\$ 17,893,886	\$ 334,848
Licenses and Permits	428,470	428,470	702,818	274,348
Intergovernmental Revenues	1,630,641	1,435,634	1,701,861	266,227
Charges for Services	410,789	410,789	554,276	143,487
Fines and Forfeitures	2,010	2,010	62,682	60,672
Interest Earnings	40,000	40,000	106,748	66,748
Miscellaneous	32,300	69,814	170,134	100,320
<b>Total Revenues</b>	<b>20,103,248</b>	<b>19,945,755</b>	<b>21,192,405</b>	<b>1,246,650</b>
<b>Expenditures</b>				
Current:				
General Government Services	2,569,628	2,448,811	2,018,182	430,629
Public Safety	11,958,468	12,212,057	11,892,295	319,762
Transportation	-	1,059	1,040	19
Human Services	1,673,707	1,633,344	1,488,511	144,833
Capital Outlay	2,520,208	3,199,473	1,544,758	1,654,715
Debt Service:				
Principal Retirement	-	-	940	(940)
Interest and Fiscal Charges	-	-	56	(56)
<b>(Total Expenditures)</b>	<b>18,722,011</b>	<b>19,494,744</b>	<b>16,945,782</b>	<b>2,548,962</b>
<b>Excess (Deficiency) of Revenues Over</b>				
<b>(Under) Expenditures</b>	<b>1,381,237</b>	<b>451,011</b>	<b>4,246,623</b>	<b>3,795,612</b>
<b>Other Financing Sources (Uses)</b>				
Transfers from Constitutional Officers	25,000	25,000	66,355	41,355
Transfers to Constitutional Officers	(3,143,896)	(3,153,079)	(3,152,522)	557
Transfers in	235,730	235,730	235,730	-
Transfers (out)	(4,218,816)	(8,995,587)	(85,470)	8,910,117
Leases (Lessee)	-	-	15,247	15,247
<b>Total Other Financing Sources (Uses)</b>	<b>(7,101,982)</b>	<b>(11,887,936)</b>	<b>(2,920,660)</b>	<b>8,967,276</b>
<b>Net Change in Fund Balances</b>	<b>(5,720,745)</b>	<b>(11,436,925)</b>	<b>1,325,963</b>	<b>12,762,888</b>
<b>Fund Balances at Beginning of Year</b>	<b>5,720,745</b>	<b>11,436,925</b>	<b>12,260,348</b>	<b>823,423</b>
<b>Fund Balances at End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,586,311</b>	<b>\$ 13,586,311</b>

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - GRANTS FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues</b>				
Intergovernmental Revenues	\$ 8,607,184	\$ 8,607,184	\$ 984	\$ (8,606,200)
Interest Earnings	-	-	94,435	94,435
<b>Total Revenues</b>	<u>8,607,184</u>	<u>8,607,184</u>	<u>95,419</u>	<u>(8,511,765)</u>
<b>Expenditures</b>				
Current:				
General Government Services	-	500,545	542	500,003
<b>(Total Expenditures)</b>	<u>-</u>	<u>500,545</u>	<u>542</u>	<u>500,003</u>
<b>Excess (Deficiency) of Revenues Over</b>				
<b>(Under) Expenditures</b>	<u>8,607,184</u>	<u>8,106,639</u>	<u>94,877</u>	<u>(8,011,762)</u>
<b>Net Change in Fund Balances</b>	<u>8,607,184</u>	<u>8,106,639</u>	<u>94,877</u>	<u>(8,011,762)</u>
<b>Fund Balances at Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>7,689</u>	<u>7,689</u>
<b>Fund Balances at End of Year</b>	<u>\$ 8,607,184</u>	<u>\$ 8,106,639</u>	<u>\$ 102,566</u>	<u>\$ (8,004,073)</u>

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS  
NOTE TO SCHEDULES OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**Budgets and Budgetary Accounting**

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

Chapter 129, Florida Statutes, provides that it is unlawful to make expenditures that exceed the total amount budgeted for each fund. Chapter 129, Florida Statutes, also governs the manner in which the budget may be legally amended once it has been approved.

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 in the enterprise funds where depreciation, amortization of bond costs, and change in post-closure 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 appropriation for a fund, are approved by the Board.

If during the fiscal year, additional revenues become available for appropriations in excess of those estimated in the budget, the Board, by resolution, may make supplemental appropriations for the year up to the amount of such excess. During the fiscal year ended September 30, 2022, various supplemental appropriations were approved by the Board in accordance with Florida Statutes. The following funds received supplemental appropriations during the year ended September 30, 2022:

<b>Governmental Funds</b>	
General Fund	\$ 18,865,580
Special Revenue Funds	37,844,665
Capital Projects Funds	<u>8,306,108</u>
<b>Total</b>	<u><b>\$ 65,016,353</b></u>

**COMBINING NON-MAJOR  
GOVERNMENTAL FUNDS**

## NON-MAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

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

- **Law Enforcement Training**—to account for criminal justice education degree programs and training courses. Financing is provided by the imposition of a court cost surcharge.
- **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 a court service charge.
- **Law Library Trust**—to account for the costs associated with furnishing and maintaining Nassau County's law library. Funding is provided from a surcharge on civil court filings.
- **Criminal Justice Trust**—to account for the reimbursement of expenditures incurred by the County in providing for the services of the State Attorney and Public Defender. Funding is provided by a surcharge on felony, misdemeanor, and criminal traffic cases.
- **Legal Aid Trust**—to account for expenditures incurred in providing legal aid to Nassau County residents. Funding is provided for by a service charge on the filing of circuit and county civil court proceedings.
- **Special Drug/Alcohol Rehabilitation**—to account for expenditures associated with Nassau County's drug and alcohol rehabilitative programs. Funding is provided by a fine imposed for alcohol/drug-related offenses.
- **Drivers Ed Safety Trust**—to account for driver education programs in public and non-public schools. Funding is provided by a surcharge on civil traffic penalties.
- **911 Operations and Maintenance**—to account for the expenditures associated with providing a uniform addressing system for 911 equipment. Funding is principally provided from telephone user charges.
- **EMS County Awards HRS**—to account for expenditures associated with EMS prehospital care. Funding is provided by Florida 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.
- **South Amelia Island Shore Stabilization MSBU 2021**—is used to account for revenues and expenditures relating to the Amelia Island Beach Restoration, local improvement and maintenance costs.
- **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.

## NON-MAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

- **South Amelia Island Shore Stabilization MSBU 2011**—is used to account for revenues and expenditures relating to the Amelia Island Beach Restoration, local improvement, and maintenance cost.
- **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 the 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 Fund**—to account for State/other restricted revenues from general revenues.

### 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.
- **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 on May 2031.

### Capital Projects Funds

The 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**—is used 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 building projects at the County Complex. Financing for the completed Courthouse Annex and Detention Center was primarily provided by the 2001 Public Improvement Revenue Bonds.
- **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**—is used to account for the District expenditures associated with capital expansion. Funding is provided from fees on new construction.
- **Capital Projects**—to account for various capital projects. Some projects may have their own fund.



**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS  
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2022**

	<b>Special Revenue Funds</b>		
	<b>Law Enforcement Training</b>	<b>Sheriff Donations</b>	<b>Law Enforcement Trust</b>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 203,153	\$ 3,109	\$ 695,583
Equity in Pooled Investments	-	-	-
Accounts Receivable	-	-	-
Loans Receivable			
(Net of Allowance for Uncollectibles)	-	-	-
Prepays	-	-	-
Due from Constitutional Officers	1,302	-	-
Due from Other Governments	-	-	-
<b>Total Assets</b>	<b>204,455</b>	<b>3,109</b>	<b>695,583</b>
<b>Liabilities and Deferred Inflows of Resources and Fund Balance</b>			
<b>Liabilities</b>			
Accounts Payable	-	-	-
Due to Other Funds	-	-	-
Due to Constitutional Officers	-	-	186,500
Due to Other Governments	-	-	-
Deposits	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>186,500</b>
<b>Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>			
Non-Spendable	-	-	-
Restricted	204,455	3,109	509,083
Committed	-	-	-
Assigned	-	-	-
<b>Total Fund Balances</b>	<b>204,455</b>	<b>3,109</b>	<b>509,083</b>
<b>Total Liabilities and Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 204,455</b>	<b>\$ 3,109</b>	<b>\$ 695,583</b>

## Special Revenue Funds

Nassau County Anti-Drug Enforcement	Court Facility Fees	Law Library Trust	Criminal Justice Trust	Legal Aid Trust	Special Drug/Alcohol Rehabilitation	Drivers Ed Safety Trust
\$ 22,955	\$ 473,378	\$ 110,033	\$ 102,864	\$ 19,763	\$ -	\$ 25,301
-	211,979	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
248	12,973	1,151	2,301	1,151	274	2,344
26,792	77,237	-	-	-	-	-
49,995	775,567	111,184	105,165	20,914	274	27,645
3,571	26,480	2,125	243	20,914	-	-
-	-	59	-	-	274	-
-	-	-	-	-	-	-
-	-	-	304	-	-	-
-	-	-	-	-	-	-
3,571	26,480	2,184	547	20,914	274	-
26,792	77,237	-	-	-	-	-
-	-	-	-	-	-	-
19,632	671,850	109,000	104,618	-	-	27,645
-	-	-	-	-	-	-
-	-	-	-	-	-	-
19,632	671,850	109,000	104,618	-	-	27,645
\$ 49,995	\$ 775,567	\$ 111,184	\$ 105,165	\$ 20,914	\$ 274	\$ 27,645

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS  
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2022**

	<b>Special Revenue Funds</b>		
	<b>911 Operations and Maintenance</b>	<b>EMS County Awards HRS</b>	<b>Amelia Island Beach Renourishment</b>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 454,657	\$ -	\$ 218,679
Equity in Pooled Investments	244,514	-	1,817,556
Accounts Receivable	-	-	-
Loans Receivable			
(Net of Allowance for Uncollectibles)	-	-	-
Prepays	-	-	-
Due from Constitutional Officers	-	-	1,298
Due from Other Governments	-	-	-
<b>Total Assets</b>	<b>699,171</b>	<b>-</b>	<b>2,037,533</b>
<b>Liabilities and Deferred Inflows of Resources and Fund Balance</b>			
<b>Liabilities</b>			
Accounts Payable	-	-	-
Due to Other Funds	-	-	-
Due to Constitutional Officers	-	-	-
Due to Other Governments	-	-	-
Deposits	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>			
Non-Spendable	-	-	-
Restricted	699,171	-	2,037,533
Committed	-	-	-
Assigned	-	-	-
<b>Total Fund Balances</b>	<b>699,171</b>	<b>-</b>	<b>2,037,533</b>
<b>Total Liabilities and Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 699,171</b>	<b>\$ -</b>	<b>\$ 2,037,533</b>

Special Revenue Funds					
Amelia Island Tourist Development	South Amelia Island Shore Stabilization MSBU - 2021	Local Affordable Housing Trust (SHIP)	South Amelia Island Shore Stabilization MSBU - 2011	Building Department	Amelia Concourse MSBU
\$ 1,414,536	\$ 173,658	\$ 2,007,263	\$ 904,852	\$ 3,364,336	\$ 165,032
17,339,720	31,845	-	-	4,648,691	761,052
23,770	-	-	-	137	-
-	-	32,000	-	-	-
6,660	-	-	-	-	-
-	-	-	-	-	505
-	-	-	-	-	-
<u>18,784,686</u>	<u>205,503</u>	<u>2,039,263</u>	<u>904,852</u>	<u>8,013,164</u>	<u>926,589</u>
484,912	-	32	96,125	21,315	7,486
-	-	-	-	48,292	-
12,559	-	-	-	-	-
18,982	-	-	-	25,752	4,790
-	-	-	-	237,498	-
<u>516,453</u>	<u>-</u>	<u>32</u>	<u>96,125</u>	<u>332,857</u>	<u>12,276</u>
-	-	32,000	-	-	-
6,660	-	-	-	137	-
18,261,573	205,503	2,007,231	808,727	7,680,170	914,313
-	-	-	-	-	-
-	-	-	-	-	-
<u>18,268,233</u>	<u>205,503</u>	<u>2,007,231</u>	<u>808,727</u>	<u>7,680,307</u>	<u>914,313</u>
<u>\$ 18,784,686</u>	<u>\$ 205,503</u>	<u>\$ 2,039,263</u>	<u>\$ 904,852</u>	<u>\$ 8,013,164</u>	<u>\$ 926,589</u>

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS  
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2022**

	<b>Special Revenue Funds</b>		
	<b>Firefighter Education Trust</b>	<b>F.S. Special Revenues Fund</b>	<b>Total Special Revenue Funds</b>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 3	\$ 2,020,975	\$ 12,380,130
Equity in Pooled Investments	-	-	25,055,357
Accounts Receivable	-	-	23,907
Loans Receivable			
(Net of Allowance for Uncollectibles)	-	-	32,000
Prepays	-	-	6,660
Due from Constitutional Officers	-	21,534	45,081
Due from Other Governments	-	40	104,069
<b>Total Assets</b>	<b>3</b>	<b>2,042,549</b>	<b>37,647,204</b>
<b>Liabilities and Deferred Inflows of Resources and Fund Balance</b>			
<b>Liabilities</b>			
Accounts Payable	-	6,968	670,171
Due to Other Funds	-	-	48,625
Due to Constitutional Officers	-	-	199,059
Due to Other Governments	-	29	49,857
Deposits	-	-	237,498
<b>Total Liabilities</b>	<b>-</b>	<b>6,997</b>	<b>1,205,210</b>
<b>Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>136,029</b>
<b>Fund Balances</b>			
Non-Spendable	-	-	6,797
Restricted	-	2,035,552	36,299,165
Committed	3	-	3
Assigned	-	-	-
<b>Total Fund Balances</b>	<b>3</b>	<b>2,035,552</b>	<b>36,305,965</b>
<b>Total Liabilities and Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 3</b>	<b>\$ 2,042,549</b>	<b>\$ 37,647,204</b>

Debt Service Funds			Capital Projects Funds			
Optional Gas Tax 2000	County Complex	Total Debt Service Funds	Grants	NC Mobility Fee Fund	County Complex	ENCPA Mobility Network Fund
\$ 545,867	\$ -	\$ 545,867	\$ 3,284	\$ 3,249,046	\$ 117,695	\$ 652,573
950,383	-	950,383	-	1,761,052	-	89,606
-	-	-	-	-	-	-
-	-	-	-	-	-	-
517	-	517	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,496,767</u>	<u>-</u>	<u>1,496,767</u>	<u>3,284</u>	<u>5,010,098</u>	<u>117,695</u>	<u>742,179</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
517	-	517	-	-	-	-
1,496,250	-	1,496,250	3,284	5,010,098	-	742,179
-	-	-	-	-	-	-
-	-	-	-	-	117,695	-
<u>1,496,767</u>	<u>-</u>	<u>1,496,767</u>	<u>3,284</u>	<u>5,010,098</u>	<u>117,695</u>	<u>742,179</u>
<u>\$ 1,496,767</u>	<u>\$ -</u>	<u>\$ 1,496,767</u>	<u>\$ 3,284</u>	<u>\$ 5,010,098</u>	<u>\$ 117,695</u>	<u>\$ 742,179</u>

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS  
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2022**

	<b>Capital Projects Funds</b>			
	<b>Capital Projects Impact Fees</b>	<b>Capital Projects</b>	<b>Total Capital Project Funds</b>	<b>Total Non-Major Governmental Funds</b>
<b>Assets</b>				
Cash and Cash Equivalents	\$ 219	\$ 2,405,247	\$ 6,428,064	\$ 19,354,061
Equity in Pooled Investments	3,866,717	4,881,906	10,599,281	36,605,021
Accounts Receivable	-	-	-	23,907
Loans Receivable				
(Net of Allowance for Uncollectibles)	-	-	-	32,000
Prepays	-	-	-	7,177
Due from Constitutional Officers	-	-	-	45,081
Due from Other Governments	-	-	-	104,069
<b>Total Assets</b>	<b>3,866,936</b>	<b>7,287,153</b>	<b>17,027,345</b>	<b>56,171,316</b>
<b>Liabilities and Deferred Inflows of Resources and Fund Balance</b>				
<b>Liabilities</b>				
Accounts Payable	-	155,595	155,595	825,766
Due to Other Funds	-	-	-	48,625
Due to Constitutional Officers	-	-	-	199,059
Due to Other Governments	-	-	-	49,857
Deposits	-	-	-	237,498
<b>Total Liabilities</b>	<b>-</b>	<b>155,595</b>	<b>155,595</b>	<b>1,360,805</b>
<b>Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>136,029</b>
<b>Fund Balances</b>				
Non-Spendable	-	-	-	7,314
Restricted	3,866,936	-	9,622,497	47,417,912
Committed	-	7,131,558	7,131,558	7,131,561
Assigned	-	-	117,695	117,695
<b>Total Fund Balances</b>	<b>3,866,936</b>	<b>7,131,558</b>	<b>16,871,750</b>	<b>54,674,482</b>
<b>Total Liabilities and Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 3,866,936</b>	<b>\$ 7,287,153</b>	<b>\$ 17,027,345</b>	<b>\$ 56,171,316</b>

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<b>Special Revenue Funds</b>		
	<b>Law Enforcement Training</b>	<b>Sheriff Donations</b>	<b>Law Enforcement Trust</b>
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental Revenues	-	-	207,237
Charges for Services	8,231	-	-
Fines and Forfeitures	10,727	-	26,925
Investment Earnings (Loss)	-	-	-
Miscellaneous	-	-	183
<b>Total Revenues</b>	<b>18,958</b>	<b>-</b>	<b>234,345</b>
<b>Expenditures</b>			
Current:			
General Government Services	-	-	-
Public Safety	-	-	25,000
Physical Environment	-	-	-
Transportation	-	-	-
Economic Environment	-	-	-
Human Services	-	-	-
Culture and Recreation	-	-	-
Court-Related Expenditures	-	-	-
Capital Outlay	-	-	-
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
<b>(Total Expenditures)</b>	<b>-</b>	<b>-</b>	<b>25,000</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>18,958</b>	<b>-</b>	<b>209,345</b>
<b>Other Financing Sources (Uses)</b>			
Aid from Individuals	-	-	-
Transfers from Constitutional Officers	-	-	-
Transfers to Constitutional Officers	-	-	(330,360)
Transfers in	-	-	-
Transfers (out)	-	-	-
Leases (Lessee)	-	-	-
Debt Proceeds	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(330,360)</b>
<b>Net Change in Fund Balances</b>	<b>18,958</b>	<b>-</b>	<b>(121,015)</b>
<b>Fund Balances at Beginning of Year</b>	<b>185,497</b>	<b>3,109</b>	<b>630,098</b>
<b>Fund Balances at End of Year</b>	<b>\$ 204,455</b>	<b>\$ 3,109</b>	<b>\$ 509,083</b>



## Special Revenue Funds

Nassau County Anti-Drug Enforcement	Court Facility Fees	Law Library Trust	Criminal Justice Trust	Legal Aid Trust	Special Drug/Alcohol Rehabilitation	Drivers Ed Safety Trust
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
13,124	-	-	-	-	-	-
-	162,872	18,707	37,413	18,707	3,603	-
8,431	-	-	-	-	-	27,645
-	1,361	-	-	-	-	-
-	488	-	-	-	-	-
21,555	164,721	18,707	37,413	18,707	3,603	27,645
-	-	-	-	-	-	-
39,916	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	83,655	3,603	27,585
-	-	-	-	-	-	-
-	42,733	17,986	52,191	-	-	-
5,500	105,256	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
45,416	147,989	17,986	52,191	83,655	3,603	27,585
(23,861)	16,732	721	(14,778)	(64,948)	-	60
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	721	64,948	-	-
-	-	(721)	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	(721)	721	64,948	-	-
(23,861)	16,732	-	(14,057)	-	-	60
43,493	655,118	109,000	118,675	-	-	27,585
\$ 19,632	\$ 671,850	\$ 109,000	\$ 104,618	\$ -	\$ -	\$ 27,645

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<b>Special Revenue Funds</b>		
	<b>911 Operations and Maintenance</b>	<b>EMS County Awards HRS</b>	<b>Amelia Island Beach Renourishment</b>
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ 442,659
Licenses and Permits	-	-	-
Intergovernmental Revenues	-	6,575	-
Charges for Services	559,873	-	-
Fines and Forfeitures	-	-	-
Investment Earnings (Loss)	837	-	16,461
Miscellaneous	-	-	-
<b>Total Revenues</b>	<b>560,710</b>	<b>6,575</b>	<b>459,120</b>
<b>Expenditures</b>			
Current:			
General Government Services	-	-	-
Public Safety	673	6,575	-
Physical Environment	-	-	22,092
Transportation	-	-	-
Economic Environment	-	-	-
Human Services	-	-	-
Culture and Recreation	-	-	-
Court-Related Expenditures	-	-	-
Capital Outlay	-	-	-
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
<b>(Total Expenditures)</b>	<b>673</b>	<b>6,575</b>	<b>22,092</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>560,037</b>	<b>-</b>	<b>437,028</b>
<b>Other Financing Sources (Uses)</b>			
Aid from Individuals	-	-	-
Transfers from Constitutional Officers	-	-	1,298
Transfers to Constitutional Officers	(403,640)	-	(8,925)
Transfers in	-	-	-
Transfers (out)	-	-	-
Leases (Lessee)	-	-	-
Debt Proceeds	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(403,640)</b>	<b>-</b>	<b>(7,627)</b>
<b>Net Change in Fund Balances</b>	<b>156,397</b>	<b>-</b>	<b>429,401</b>
<b>Fund Balances at Beginning of Year</b>	<b>542,774</b>	<b>-</b>	<b>1,608,132</b>
<b>Fund Balances at End of Year</b>	<b>\$ 699,171</b>	<b>\$ -</b>	<b>\$ 2,037,533</b>

Special Revenue Funds					
Amelia Island Tourist Development	South Amelia Island Shore Stabilization MSBU - 2021	Local Affordable Housing Trust (SHIP)	South Amelia Island Shore Stabilization MSBU - 2011	Building Department	Amelia Concourse MSBU
\$ 11,418,542	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	497,794	3,681,676	173,726
-	6,620,640	910,873	-	-	-
-	-	-	-	67,424	-
-	-	-	-	-	-
103,579	1,845	-	528	35,397	4,426
61,902	-	112,211	92	11,812	-
11,584,023	6,622,485	1,023,084	498,414	3,796,309	178,152
-	-	-	-	2,047,534	-
-	-	-	-	606,382	-
478,444	-	-	333,582	-	143,993
-	-	-	-	-	-
5,662,725	-	101,510	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	7,629,448	-	-	55,628	-
-	-	-	-	3,511	-
-	-	-	-	187	-
6,141,169	7,629,448	101,510	333,582	2,713,242	143,993
5,442,854	(1,006,963)	921,574	164,832	1,083,067	34,159
-	1,601,452	-	-	-	-
-	-	-	-	-	-
(342,556)	-	-	(22,946)	-	(8,260)
-	-	-	-	-	-
-	-	-	-	(246,443)	(4,499)
-	-	-	-	40,932	-
-	-	-	-	-	-
(342,556)	1,601,452	-	(22,946)	(205,511)	(12,759)
5,100,298	594,489	921,574	141,886	877,556	21,400
13,167,935	(388,986)	1,085,657	666,841	6,802,751	892,913
\$ 18,268,233	\$ 205,503	\$ 2,007,231	\$ 808,727	\$ 7,680,307	\$ 914,313

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Special Revenue Funds		
	Firefighter Education Trust	F.S. Special Revenues Fund	Total Special Revenue Funds
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ 11,861,201
Licenses and Permits	-	-	4,353,196
Intergovernmental Revenues	-	32,851	7,791,300
Charges for Services	-	289,094	1,165,924
Fines and Forfeitures	-	45,443	119,171
Investment Earnings (Loss)	-	-	164,434
Miscellaneous	-	-	186,688
<b>Total Revenues</b>	-	367,388	25,641,914
<b>Expenditures</b>			
Current:			
General Government Services	-	-	2,047,534
Public Safety	-	45,000	723,546
Physical Environment	-	-	978,111
Transportation	-	-	-
Economic Environment	-	-	5,764,235
Human Services	-	-	114,843
Culture and Recreation	-	7,925	7,925
Court-Related Expenditures	-	97,687	210,597
Capital Outlay	-	64,636	7,860,468
Debt Service:			
Principal Retirement	-	-	3,511
Interest and Fiscal Charges	-	-	187
<b>(Total Expenditures)</b>	-	215,248	17,710,957
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	-	152,140	7,930,957
<b>Other Financing Sources (Uses)</b>			
Aid from Individuals	-	-	1,601,452
Transfers from Constitutional Officers	-	-	1,298
Transfers to Constitutional Officers	-	-	(1,116,687)
Transfers in	-	-	65,669
Transfers (out)	-	-	(251,663)
Leases (Lessee)	-	-	40,932
Debt Proceeds	-	-	-
<b>Total Other Financing Sources (Uses)</b>	-	-	341,001
<b>Net Change in Fund Balances</b>	-	152,140	8,271,958
<b>Fund Balances at Beginning of Year</b>	3	1,883,412	28,034,007
<b>Fund Balances at End of Year</b>	\$ 3	\$ 2,035,552	\$ 36,305,965

Debt Service Funds			Capital Projects Funds			
Optional Gas Tax 2000	County Complex	Total Debt Service Funds	Grants	NC Mobility Fee Fund	County Complex	ENCPA Mobility Network Fund
\$ 942,283	\$ -	\$ 942,283	\$ -	\$ -	\$ -	\$ -
-	-	-	-	2,747,331	-	903,235
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,233	-	3,233	-	20,731	-	520
-	-	-	-	-	-	-
945,516	-	945,516	-	2,768,062	-	903,755
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	25,355	-	400,302
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
278,643	1,425,000	1,703,643	-	-	-	-
666,788	897,000	1,563,788	-	-	-	-
945,431	2,322,000	3,267,431	-	25,355	-	400,302
85	(2,322,000)	(2,321,915)	-	2,742,707	-	503,453
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	2,322,000	2,322,000	-	-	-	100,812
-	-	-	-	(2,501,075)	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	2,322,000	2,322,000	-	(2,501,075)	-	100,812
85	-	85	-	241,632	-	604,265
1,496,682	-	1,496,682	3,284	4,768,466	117,695	137,914
\$ 1,496,767	\$ -	\$ 1,496,767	\$ 3,284	\$ 5,010,098	\$ 117,695	\$ 742,179

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<b>Capital Projects Funds</b>			
	<b>Capital Projects Impact Fees</b>	<b>Capital Projects</b>	<b>Total Capital Project Funds</b>	<b>Total Non-Major Governmental Funds</b>
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ 12,803,484
Licenses and Permits	-	-	3,650,566	8,003,762
Intergovernmental Revenues	-	-	-	7,791,300
Charges for Services	-	-	-	1,165,924
Fines and Forfeitures	-	-	-	119,171
Investment Earnings (Loss)	34,851	34,877	90,979	258,646
Miscellaneous	-	-	-	186,688
<b>Total Revenues</b>	<b>34,851</b>	<b>34,877</b>	<b>3,741,545</b>	<b>30,328,975</b>
<b>Expenditures</b>				
Current:				
General Government Services	-	-	-	2,047,534
Public Safety	-	-	-	723,546
Physical Environment	-	-	-	978,111
Transportation	-	-	425,657	425,657
Economic Environment	-	-	-	5,764,235
Human Services	-	-	-	114,843
Culture and Recreation	-	-	-	7,925
Court-Related Expenditures	-	-	-	210,597
Capital Outlay	402,469	363,836	766,305	8,626,773
Debt Service:				
Principal Retirement	-	-	-	1,707,154
Interest and Fiscal Charges	-	-	-	1,563,975
<b>(Total Expenditures)</b>	<b>402,469</b>	<b>363,836</b>	<b>1,191,962</b>	<b>22,170,350</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(367,618)</b>	<b>(328,959)</b>	<b>2,549,583</b>	<b>8,158,625</b>
<b>Other Financing Sources (Uses)</b>				
Aid from Individuals	-	-	-	1,601,452
Transfers from Constitutional Officers	-	-	-	1,298
Transfers to Constitutional Officers	-	(1,608,251)	(1,608,251)	(2,724,938)
Transfers in	-	3,349,173	3,449,985	5,837,654
Transfers (out)	-	-	(2,501,075)	(2,752,738)
Leases (Lessee)	-	-	-	40,932
Debt Proceeds	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>1,740,922</b>	<b>(659,341)</b>	<b>2,003,660</b>
<b>Net Change in Fund Balances</b>	<b>(367,618)</b>	<b>1,411,963</b>	<b>1,890,242</b>	<b>10,162,285</b>
<b>Fund Balances at Beginning of Year</b>	<b>4,234,554</b>	<b>5,719,595</b>	<b>14,981,508</b>	<b>44,512,197</b>
<b>Fund Balances at End of Year</b>	<b>\$ 3,866,936</b>	<b>\$ 7,131,558</b>	<b>\$ 16,871,750</b>	<b>\$ 54,674,482</b>

## **OTHER INFORMATION**

**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 the Nassau County Board of County Commissioners, Nassau County, Florida (the Board) as of and for the year ended September 30, 2022, and the related notes to the financial statements, and have issued our report thereon dated March 22, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Board's internal control over financial reporting (internal control) as a basis for designing 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 controls. 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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2021-001 and 2022-001 that we consider to be significant deficiencies.

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The Honorable Board of County Commissioners  
Nassau County, Florida

**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**

**Report on 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, non-compliance with which could have a direct and material effect on the financial statements. 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

**Board's Response to Findings**

The Board's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Board's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**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.



March 22, 2023  
Gainesville, 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 the Nassau County Board of County Commissioners', Nassau County, Florida (the Board) compliance with Section 218.415, Florida Statutes, as of and for the year ended September 30, 2022, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Board's compliance with those requirements. Our responsibility is to express an opinion on the Board's compliance 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 non-compliance, 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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

In our opinion, the Board complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

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 Florida Auditor General, federal, state or other granting agencies, the Board of County Commissioners and management, and is not intended to be, and should not be, used by anyone other than these specified parties.



March 22, 2023  
Gainesville, Florida

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## MANAGEMENT LETTER

The Honorable Board of County Commissioners  
Nassau County, Florida

### Report on the Financial Statements

We have audited the financial statements of the Nassau County Board of County Commissioners, Nassau County, Florida (the Board) as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated March 22, 2023.

### Auditor's Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditor's 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 Accountant's Report on an examination conducted in accordance with AICPA *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated March 22, 2023, should be considered in conjunction with this management letter.

### Prior Audit Findings

- Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Finding 2021-001 remains outstanding.

### 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). The Board includes component units as described in Note 1 of the financial statements.

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## MANAGEMENT LETTER

### Financial Management

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

### Special District Component Units

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

### Specific Information

The specific information below has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it. As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General*, the American Beach Water and Sewer District reported:

- a. The total number of Board employees compensated in the last pay period of the Board's fiscal year as 0.
- b. The total number of independent contractors to whom non-employee compensation was paid in the last month of the Board's fiscal year as 0.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$0.
- d. All compensation earned by or awarded to non-employee independent contractors, whether paid or accrued, regardless of contingency as \$0.
- e. Each construction project with a total cost of at least \$65,000 approved by the Board that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as:

Main Improvement Project	\$ 78,254
Sewer Improvement Project	\$ 83,151

- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the Board amends a final adopted budget under Section 189.016(6), Florida Statutes is \$9,263,593.

The Nassau County Housing Finance Authority, and the Recreation and Water Conservation and Control District No. 1 had no employees or financial activity.

The Honorable Board of County Commissioners  
Nassau County, Florida

## MANAGEMENT LETTER

### Additional Matters

- Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but more than inconsequential. 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 or other granting agencies, the Board of County Commissioners and management, and is not intended to be, and should not be, used by anyone other than these specified parties.

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



March 22, 2023  
Gainesville, Florida

**NASSAU COUNTY, FLORIDA  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED SEPTEMBER 30, 2022**

**SECTION I - FINANCIAL STATEMENT FINDINGS**

**Finding 2021-001: Internal Controls Related to Nassau-Amelia Utilities (Significant Deficiency) (Repeat Comment)**

**Condition**

Effective October 1, 2020, Nassau County Board of County Commissioners, Nassau County, Florida (the Board) outsourced substantially all of the operations and billing functions of Nassau-Amelia Utilities (NAU) to a third-party. During our audit, we noted certain utility billing adjustments did not include documentation of a secondary review and approval.

**Criteria**

Proper internal control over financial reporting should be designed to allow management or employees to prevent, or detect and correct, material misstatements on a timely basis.

**Cause of Condition**

The outsourcing of NAU operations was a significant change in operations and control functions. Functions related to NAU were split between the Board and a third-party and while there was regular communication between the parties, certain internal control over financial reporting weaknesses resulted.

**Effect of Condition**

The lack of a secondary review of billing adjustments could lead to inaccurate billing or inappropriate billing adjustments.

**Recommendation**

We recommend the Board review controls over billing adjustments in order to help ensure that billing adjustments are properly reviewed and authorized.

**Finding 2022-001: Accounting for Land and Infrastructure Donations (Significant Deficiency)**

**Condition**

The County sometimes receives land and infrastructure as donations or as part of developer agreements in which developers transfer land and improvements to the County in exchange for impact fee credits. During the audit, we noted that some of these assets transferred to the County in prior years were not recorded in the County's financial statements.

**Criteria**

Proper internal control over financial reporting should be designed to allow management or employees to prevent, or detect and correct, material misstatements on a timely basis.

**NASSAU COUNTY, FLORIDA  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED SEPTEMBER 30, 2022**

**Cause of Condition**

Land and infrastructure donations and transfers typically occur outside of certain accounting processes and may require certain milestones to be met, such as dedication and completion of improvements prior to being entered into the accounting records. This may be due to the nature of construction projects which can occur over multiple accounting periods and require extensive tracking and communication. In addition, since there is no exchange of cash during these transactions, they are not captured within the certain accounting processes.

**Effect of Condition**

Transferred land and infrastructure with an appraised value of \$2,629,000 at date of donation was not reflected in prior year financial statements as impact fee revenues. As described in Note 22, a prior period adjustment was made to record these assets in the County-wide financial statements.

**Recommendation**

We recommend the County review processes and controls over the tracking of developer agreements and implement additional procedures to ensure that transfers of land and infrastructure to the County are properly reflected in the accounting records.



**NASSAU COUNTY**  
**BOARD OF COUNTY COMMISSIONERS**  
96135 Nassau Place, Suite 1  
Yulee, Florida 32097

John F. Martin  
A.M. "Hupp" Huppmann  
Jeff Gray  
Alyson R. McCullough  
Klynt A. Farmer

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

TACO E. POPE, AICP  
County Manager

JOHN A. CRAWFORD  
Ex-Officio Clerk

DENISE C. MAY  
County Attorney

March 23, 2023

Honorable Sherrill F. Norman, CPA  
Auditor General, State of Florida  
Local Government Audits/342  
Claude Pepper Building, Room 401  
111 West Madison Street  
Tallahassee, FL 32399-1450

Dear Ms. Norman,

This letter is in response to the Independent Auditors' Report on Internal Control related to Nassau-Amelia Utilities (NAU) and accounting for land and infrastructure donations related to Nassau County, for the year ended September 30, 2022.

**Finding 2021-001: Internal Controls Related to Nassau-Amelia Utilities (Significant Deficiency) (Repeat Comment)**

**Condition**

Effective October 1, 2020, Nassau County Board of County Commissioners, Nassau County, Florida (the Board) outsourced substantially all of the operations and billing functions of Nassau-Amelia Utilities (NAU) to a third-party. During our audit, we noted certain utility billing adjustments did not include documentation of a secondary review and approval.

**Criteria**

Proper internal control over financial reporting should be designed to allow management or employees to prevent, or detect and correct, material misstatements on a timely basis.

**Cause of Condition**

The outsourcing of NAU operations was a significant change in operations and control functions. Functions related to NAU were split between the Board and a third-party and while there was regular communication between the parties, certain internal control over financial reporting weaknesses resulted.

**Effect of Condition**



The lack of a secondary review of billing adjustments could lead to inaccurate billing or inappropriate billing adjustments.

#### **Recommendation**

We recommend the Board review controls over billing adjustments in order to help ensure that billing adjustments are properly reviewed and authorized.

#### **Views of Responsible Officials and Planned Corrective Actions**

As noted in the *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*, 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 significant deficiency is a deficiency, or a combination of deficiencies important enough to merit attention by those charged with governance.

Additionally, as noted in the *Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes*, it is stated that in the opinion of the Auditor, the Board complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

As further noted in the Management Letter, it notes that Section 10.554(1)(i)2., Rules of the Auditor General, requires that the Auditor communicate any recommendations to improve financial management. In connection with the audit, the Auditor did not have any such recommendations.

As noted by the Auditor, they recommend the Board review controls over financial reporting, monitoring and billing adjustments related to NAU including which controls will be performed by the Board and which will be performed by the third party operator with Board oversight.

To improve both timeliness and internal controls, it should be noted that since FY 20/21, there have been significant changes and enhancements within the Office of Management and Budget (OMB), including the appointment of a new OMB Director and Assistant OMB Director. With the addition of these new individuals with direct internal control and audit experience, there is a greater focus on developing formal proactive controls for NAU operations. Although financial and billing information was previously available for monitoring, to further assure timeliness of reviews and formal approvals are documented, the County secured a secondary audit firm to review the expansion of the internal controls to meet the request of the Auditor. This contract was executed on May 17, 2022 and the final report on internal control recommendations was issued on August 19, 2022. Although the reports recommendations have been implemented, this occurred at the end of the FY 2021/22. The County will continue to maintain and enhance the internal controls as needed.

#### **Finding 2022-001: Accounting for Land and Infrastructure Donations (Significant Deficiency) Condition**

The County sometimes receives land and infrastructure as donations or as part of developer agreements in which developers transfer land and improvements to the County in exchange for impact fee credits.

During the audit, we noted that some of these assets transferred to the County in prior years were not recorded in the County's financial statements.

**Criteria**

Proper internal control over financial reporting should be designed to allow management or employees to prevent, or detect and correct, material misstatements on a timely basis.

**Cause of Condition**

Land and infrastructure donations and transfers typically occur outside of certain accounting processes and may require certain milestones to be met, such as dedication and completion of improvements prior to being entered into the accounting records. This may be due to the nature of construction projects which can occur over multiple accounting periods and require extensive tracking and communication. In addition, since there is no exchange of cash during these transactions, they are not captured within the certain accounting processes.

**Effect of Condition**

Transferred land and infrastructure with an appraised value of \$2,629,000 at date of donation was not reflected in prior year financial statements as impact fee revenues. As described in Note 22, a prior period adjustment was made to record these assets in the County-wide financial statements.

**Recommendation**

We recommend the County review processes and controls over the tracking of developer agreements and implement additional procedures to ensure that transfers of land and infrastructure to the County are properly reflected in the accounting records.

**Views of Responsible Officials and Planned Corrective Actions**

As noted in the *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*, 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 significant deficiency is a deficiency, or a combination of deficiencies important enough to merit attention by those charged with governance.

Additionally, as noted in the *Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes*, it is stated that in the opinion of the Auditor, the Board complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

As further noted in the Management Letter, it notes that Section 10.554(1)(i)2., Rules of the Auditor General, requires that the Auditor communicate any recommendations to improve financial management. In connection with the audit, the Auditor did not have any such recommendations.

With regard to the proper and timely recording of Land and infrastructure donations, as noted by the Auditor these transfers typically occur outside of certain accounting processes and may require certain milestones to be met, such as dedication and completion of improvements prior to being entered into the

accounting records. This may be due to the nature of construction projects which can occur over multiple accounting periods and require extensive tracking and communication. In addition, since there is no exchange of cash during these transactions, they are not captured within the certain accounting processes.

As noted in the financial statements, the recording of the assets previously transferred to the County in 2019/20 has been corrected through a prior period adjustment. It should be further noted that the County in conjunction with the County Clerk's Office have continued to improve the internal processes to address new issues caused by the previously unknown levels of significant growth and development throughout the County. We continue to seek the Board of County Commissioners approval for the receipt of assets as necessary and have improved the tracking and monitoring of such events. The County along with the County Clerk's Office will further review and implement as feasible additional technology enhancements or internal forms as needed to continue to properly track and record assets.

Sincerely,



Chris Lacambra  
Office of Management & Budget Director, Nassau County

Cc: Nassau County Board of County Commissioners  
Nassau County Clerk of the Court and Comptroller  
Taco E. Pope, AICP, County Manager  
Marshall Eyerman, Assistant County Manager  
Robert Companion, Deputy County Manager

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