

2023

Nassau County Board of County
Commissioners

Financial Statements and
Independent Auditor's Report

September 30, 2023

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

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

**NASSAU COUNTY BOARD
OF COUNTY COMMISSIONERS
NASSAU COUNTY, FLORIDA
SEPTEMBER 30, 2023**

TABLE OF CONTENTS

INTRODUCTORY SECTION

List of Elected and Appointed Officials i

FINANCIAL SECTION

Independent Auditor's Report 1-3

Financial Statements

Balance Sheet - Governmental Funds..... 4-5
 Statement of Revenues, Expenditures, and Changes in Fund
 Balances - Governmental Funds 6-7
 Statement of Net Position - Proprietary Fund..... 8
 Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Fund 9
 Statement of Cash Flows - Proprietary Fund..... 10-11
 Statement of Fiduciary Net Position - Custodial Funds..... 12
 Statement of Changes in Fiduciary Net Position - Custodial Funds 13
 Notes to Financial Statements 14-41

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balances
 Budget and Actual - General Fund..... 42
 Schedule of Revenues, Expenditures, and Changes in Fund Balances
 Budget and Actual - County Transportation Fund 43
 Schedule of Revenues, Expenditures, and Changes in Fund Balances
 Budget and Actual - Municipal Services Fund 44
 Note to Schedules of Revenues, Expenditures, and Changes in Fund
 Balances - Budget and Actual 45-46

Supplementary Information

Combining Non-Major Governmental Funds

Combining Balance Sheet - Non-Major Governmental Funds..... 47-53
 Combining Statement of Revenues, Expenditures, and Changes in
 Fund Balance - Non-Major Governmental Funds 54-60

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 61-62
 Independent Accountant's Report on Compliance with Section 218.415,
 Florida Statutes 63
 Management Letter 64-66

INTRODUCTORY SECTION

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

LIST OF ELECTED AND APPOINTED OFFICIALS

Serving as of September 30, 2023

ELECTED OFFICIALS

Commissioner—District 5, Chairman..... Klynt A. Farmer
Commissioner—District 1, Vice Chairman John F. Martin
Commissioner—District 2 A.M. “Hupp” Huppmann
Commissioner—District 3Jeff Gray
Commissioner—District 4Alyson R. McCullough

APPOINTED OFFICIALS

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

FINANCIAL STATEMENTS

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, 2023, 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, 2023, 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 the 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, 2023, 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 | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

An Independent Member of the BDO Alliance USA

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 15, 2024, 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 15, 2024
Gainesville, Florida

NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

| | <u>General</u> | <u>County Transportation</u> | <u>Municipal Services</u> |
|--|----------------------|----------------------------------|-------------------------------|
| Assets | | | |
| Cash and Cash Equivalents | \$ 350,382 | \$ 3,743,986 | \$ 591,293 |
| Cash and Cash Equivalents - Restricted | 822,084 | - | - |
| Equity in Pooled Investments | 71,646,583 | 13,935,711 | 17,864,208 |
| Accounts Receivable, (Net of Allowance for Uncollectibles) | 578,265 | 1,563 | 3,816 |
| Loans Receivable, (Net of Allowance for Uncollectibles) | - | - | - |
| Due from Other Funds | 1,376,624 | - | - |
| Due from Constitutional Officers | 2,191,382 | 46,475 | 85,390 |
| Due from Other Governments | 3,193,305 | 611,187 | 337,743 |
| Inventories | 274,366 | 244,358 | - |
| Prepaid Expenditures | 164,371 | 5,698 | 1,582,176 |
| Total Assets | <u>80,597,362</u> | <u>18,588,978</u> | <u>20,464,626</u> |
| Liabilities | | | |
| Accounts Payable | 4,297,092 | 2,903,916 | 348,414 |
| Accrued Liabilities | 629,129 | - | - |
| Retainage Payable | 1,565 | - | - |
| Due to Other Funds | 974,180 | 77,165 | 274,599 |
| Due to Constitutional Officers | 69,857 | - | 139 |
| Due to Other Governments | 45,788 | 52,606 | - |
| Deposits | 2,200 | 1,000 | - |
| Unearned Revenue | - | - | - |
| Total Liabilities | <u>6,019,811</u> | <u>3,034,687</u> | <u>623,152</u> |
| Deferred Inflows of Resources | | | |
| Unavailable Revenues | 1,510,564 | 5,036 | 142,518 |
| Fund Balances | | | |
| Non-Spendable | 438,737 | 250,056 | 1,582,206 |
| Restricted | 956,833 | - | 93,446 |
| Committed | 18,843,346 | 2,978,700 | 7,344,225 |
| Assigned | 30,128,140 | 12,320,499 | 10,679,079 |
| Unassigned | 22,699,931 | - | - |
| Total Fund Balances | <u>73,066,987</u> | <u>15,549,255</u> | <u>19,698,956</u> |
| Total Liabilities and Deferred Inflows of Resources and Fund Balances | <u>\$ 80,597,362</u> | <u>\$ 18,588,978</u> | <u>\$ 20,464,626</u> |

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

| Capital Projects - Transportation | Capital Projects | Non-Major Governmental Funds | Total Governmental Funds |
|--|-----------------------------|---|---|
| \$ 2,671,745 | \$ 3,507,061 | \$ 24,330,558 | \$ 35,195,025 |
| - | - | - | 822,084 |
| 36,119,816 | 23,144,260 | 45,028,618 | 207,739,196 |
| - | - | 28,914 | 612,558 |
| - | - | 24,000 | 24,000 |
| - | - | - | 1,376,624 |
| - | - | 144,730 | 2,467,977 |
| 6,384,778 | - | 587,958 | 11,114,971 |
| - | - | - | 518,724 |
| - | - | 42,497 | 1,794,742 |
| <u>45,176,339</u> | <u>26,651,321</u> | <u>70,187,275</u> | <u>261,665,901</u> |
| 5,055,798 | 1,045,740 | 1,455,879 | 15,106,839 |
| - | - | - | 629,129 |
| 418,272 | 51,000 | 23,179 | 494,016 |
| - | - | 48,835 | 1,374,779 |
| - | - | 19,350 | 89,346 |
| - | - | 45,836 | 144,230 |
| - | - | 216,621 | 219,821 |
| - | - | - | - |
| <u>5,474,070</u> | <u>1,096,740</u> | <u>1,809,700</u> | <u>18,058,160</u> |
| <u>6,384,778</u> | <u>-</u> | <u>737,048</u> | <u>8,779,944</u> |
| - | - | 45,530 | 2,316,529 |
| - | - | 67,480,832 | 68,531,111 |
| 33,317,491 | 25,554,581 | 3 | 88,038,346 |
| - | - | 118,574 | 53,246,292 |
| - | - | (4,412) | 22,695,519 |
| <u>33,317,491</u> | <u>25,554,581</u> | <u>67,640,527</u> | <u>234,827,797</u> |
| <u>\$ 45,176,339</u> | <u>\$ 26,651,321</u> | <u>\$ 70,187,275</u> | <u>\$ 261,665,901</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, 2023

| | <u>General</u> | <u>County Transportation</u> | <u>Municipal Services</u> |
|--|----------------------|----------------------------------|-------------------------------|
| Revenues | | | |
| Taxes | \$ 97,367,524 | \$ 11,129,150 | 19,966,983 |
| Licenses and Permits | 62,531 | - | 510,896 |
| Intergovernmental Revenues | 11,701,556 | 2,271,897 | 1,943,230 |
| Charges for Services | 3,562,560 | 8,902 | 787,136 |
| Fines and Forfeitures | 39,832 | - | 4,620 |
| Investment Earnings | 4,350,813 | 572,731 | 929,040 |
| Miscellaneous | 1,067,957 | 38,096 | 295,120 |
| Total Revenues | <u>118,152,773</u> | <u>14,020,776</u> | <u>24,437,025</u> |
| Expenditures | | | |
| Current: | | | |
| General Government Services | 12,449,442 | - | 2,222,351 |
| Public Safety | 16,632,375 | - | 13,068,261 |
| Physical Environment | 6,910,238 | - | - |
| Transportation | - | 13,584,129 | 782,394 |
| Economic Environment | 474,233 | - | - |
| Human Services | 2,958,838 | - | 1,859,141 |
| Culture and Recreation | 2,959,298 | - | - |
| Court-Related Expenditures | 1,129,804 | - | - |
| Capital Outlay | 2,432,918 | 717,871 | 870,044 |
| Debt Service: | | | |
| Principal Retirement | 308,027 | 133 | 4,927 |
| Interest and Fiscal Charges | 5,927 | 12 | 458 |
| (Total Expenditures) | <u>46,261,100</u> | <u>14,302,145</u> | <u>18,807,576</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>71,891,673</u> | <u>(281,369)</u> | <u>5,629,449</u> |
| Other Financing Sources (Uses) | | | |
| Transfers from Constitutional Officers | 2,500,346 | 21,800 | 85,385 |
| Transfers to Constitutional Officers | (48,217,142) | (139,573) | (3,187,961) |
| Transfers in | 14,886,256 | 10,744,341 | 9,500,487 |
| Transfers (out) | (35,901,719) | (5,169,244) | (5,929,244) |
| SBITA's/Leases (Lessee) | 14,016 | - | 14,529 |
| Sale of General Capital Assets | 9,416 | 108,736 | - |
| Total Other Financing Sources (Uses) | <u>(66,708,827)</u> | <u>5,566,060</u> | <u>483,196</u> |
| Net Change in Fund Balances | 5,182,846 | 5,284,691 | 6,112,645 |
| Fund Balances at Beginning of Year | <u>67,884,141</u> | <u>10,264,564</u> | <u>13,586,311</u> |
| Fund Balances at End of Year | <u>\$ 73,066,987</u> | <u>\$ 15,549,255</u> | <u>19,698,956</u> |

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

| Capital Projects - Transportation | Capital Projects | Non-Major Governmental Funds | Total Governmental Funds |
|--|-----------------------------|---|---|
| \$ - | \$ - | \$ 12,820,465 | \$ 141,284,122 |
| 22,805 | - | 12,727,449 | 13,323,681 |
| 768,652 | - | 17,486,162 | 34,171,497 |
| - | - | 1,112,064 | 5,470,662 |
| - | - | 116,736 | 161,188 |
| 1,241,213 | 274,338 | 2,433,126 | 9,801,261 |
| - | - | 102,034 | 1,503,207 |
| <u>2,032,670</u> | <u>274,338</u> | <u>46,798,036</u> | <u>205,715,618</u> |
| - | - | 2,511,349 | 17,183,142 |
| - | - | 751,379 | 30,452,015 |
| - | - | 1,187,193 | 8,097,431 |
| - | - | 809,081 | 15,175,604 |
| - | - | 8,249,050 | 8,723,283 |
| - | - | 114,299 | 4,932,278 |
| - | - | 298,203 | 3,257,501 |
| - | - | 210,694 | 1,340,498 |
| 9,948,598 | 2,134,359 | 1,863,510 | 17,967,300 |
| - | - | 1,763,567 | 2,076,654 |
| - | - | 1,509,318 | 1,515,715 |
| <u>9,948,598</u> | <u>2,134,359</u> | <u>19,267,643</u> | <u>110,721,421</u> |
| <u>(7,915,928)</u> | <u>(1,860,021)</u> | <u>27,530,393</u> | <u>94,994,197</u> |
| - | - | 94,024 | 2,701,555 |
| - | - | (3,072,672) | (54,617,348) |
| 14,930,359 | 20,283,044 | 2,523,979 | 72,868,466 |
| (2,160,248) | - | (23,643,191) | (72,803,646) |
| - | - | - | 28,545 |
| - | - | - | 118,152 |
| <u>12,770,111</u> | <u>20,283,044</u> | <u>(24,097,860)</u> | <u>(51,704,276)</u> |
| 4,854,183 | 18,423,023 | 3,432,533 | 43,289,921 |
| 28,463,308 | 7,131,558 | 64,207,994 | 191,537,876 |
| <u>\$ 33,317,491</u> | <u>\$ 25,554,581</u> | <u>\$ 67,640,527</u> | <u>\$ 234,827,797</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, 2023

| | Business-Type Activities - Enterprise Funds | | |
|--|--|--|----------------------|
| | Water and Sewer | American Beach Water and Sewer District | Total |
| Assets | | | |
| Current Assets: | | | |
| Cash and Cash Equivalents | \$ 3,061,419 | \$ 1,596,036 | \$ 4,657,455 |
| Cash and Cash Equivalents - Restricted | 910,666 | 47,342 | 958,008 |
| Equity in Pooled Investments | 204,264 | - | 204,264 |
| Accounts Receivable, Net | 692,055 | - | 692,055 |
| Due from Other Constitutional Officers | - | 418 | 418 |
| Due from Other Governmental Units | - | 4,200,335 | 4,200,335 |
| Inventories - Materials and Supplies | 51,327 | - | 51,327 |
| Prepays | 623 | - | 623 |
| Total Current Assets | 5,894,534 | 5,844,131 | 11,738,665 |
| Non-Current Assets: | | | |
| Capital Assets (Net of Accumulated Depreciation Where Applicable) | 17,429,323 | 4,848,139 | 22,277,462 |
| Total Non-Current Assets | 17,429,323 | 4,848,139 | 22,277,462 |
| Total Assets | 23,323,857 | 10,692,270 | 34,016,127 |
| Deferred Outflow of Resources | | | |
| Unamortized Refunding Loss | 224,448 | - | 224,448 |
| Pension Related | 8,300 | - | 8,300 |
| OPEB Related | 28,739 | - | 28,739 |
| Total Deferred Outflow of Resources | 261,487 | - | 261,487 |
| Total Assets and Deferred Outflows | 23,585,344 | 10,692,270 | 34,277,614 |
| Liabilities | | | |
| Current Liabilities: | | | |
| Accounts Payable | 284,849 | 2,662,348 | 2,947,197 |
| Retainage Payable | 189,298 | 179,673 | 368,971 |
| Due to Other Funds | 1,845 | 974,180 | 976,025 |
| Due to Other Governments | 420,379 | - | 420,379 |
| Deposits | 85,068 | - | 85,068 |
| Bonds Payable | 1,085,000 | - | 1,085,000 |
| Other Postemployment Benefits - Current Portion | 2,674 | - | 2,674 |
| Compensated Absences | 9,187 | - | 9,187 |
| Unearned Revenues | 77,731 | - | 77,731 |
| Lease Liability - Current Portion | 20,604 | - | 20,604 |
| Total Current Liabilities | 2,176,635 | 3,816,201 | 5,992,836 |
| Non-Current Liabilities: | | | |
| Compensated Absences | 30,132 | - | 30,132 |
| Other Postemployment Benefits | 74,402 | - | 74,402 |
| Bonds Payable Long-Term | 4,575,000 | - | 4,575,000 |
| Net Pension Liability | 121,310 | - | 121,310 |
| Lease Liability | 13,304 | - | 13,304 |
| Total Non-Current Liabilities | 4,814,148 | - | 4,814,148 |
| Total Liabilities | 6,990,783 | 3,816,201 | 10,806,984 |
| Deferred Inflow of Resources | | | |
| Pension Related | 3,133 | - | 3,133 |
| OPEB Related | 13,134 | - | 13,134 |
| Total Deferred Inflow of Resources | 16,267 | - | 16,267 |
| Net Position | | | |
| Net Investment in Capital Assets | 11,770,565 | 4,668,466 | 16,439,031 |
| Restricted for: | | | |
| Debt Service | 572,922 | - | 572,922 |
| Renewal and Replacement | 252,038 | - | 252,038 |
| Unrestricted | 3,982,769 | 2,207,603 | 6,190,372 |
| Net Position | \$ 16,578,294 | \$ 6,876,069 | \$ 23,454,363 |

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, 2023

| | Business-Type Activities - Enterprise Funds | | |
|---|--|-------------------------------------|----------------------|
| | American Beach | | Totals |
| | Water and Sewer | Water and Sewer District | |
| Operating Revenues | | | |
| Charges for Services | \$ 5,312,590 | \$ - | \$ 5,312,590 |
| Connection and Impact Fees | 59,247 | 147,992 | 207,239 |
| Other Income | 59,634 | - | 59,634 |
| Total Operating Revenues | <u>5,431,471</u> | <u>147,992</u> | <u>5,579,463</u> |
| Operating Expenses | | | |
| Contractual Services | 1,323 | - | 1,323 |
| Professional Services | 2,503,146 | 10,558 | 2,513,704 |
| Salaries and Benefits | 118,256 | - | 118,256 |
| Rentals and Leases | 9,462 | - | 9,462 |
| Utilities | 444,348 | - | 444,348 |
| Repairs and Maintenance | 164,621 | - | 164,621 |
| Depreciation | 1,057,167 | - | 1,057,167 |
| Other Expenses | 120,139 | 1,515 | 121,654 |
| (Total Operating Expenses) | <u>4,418,462</u> | <u>12,073</u> | <u>4,430,535</u> |
| Operating Income | <u>1,013,009</u> | <u>135,919</u> | <u>1,148,928</u> |
| Non-Operating Revenues (Expenses) | | | |
| Interest Earnings | 27,946 | 54 | 28,000 |
| Interest and Other Debt Service Costs | (178,245) | - | (178,245) |
| Intergovernmental Revenues | 10,000 | - | 10,000 |
| Total Non-Operating Revenues (Expenses) | <u>(140,299)</u> | <u>54</u> | <u>(140,245)</u> |
| Income Before Capital Grants and Transfers | <u>872,710</u> | <u>135,973</u> | <u>1,008,683</u> |
| Capital Grants and Transfers | | | |
| Capital Grants | - | 4,200,335 | 4,200,335 |
| Transfers from Constitutional Officers | - | 418 | 418 |
| Transfers to Constitutional Officers | - | (5,349) | (5,349) |
| Transfers in | 974,180 | - | 974,180 |
| Transfers (out) | (64,820) | (974,180) | (1,039,000) |
| Total Capital Grants and Transfers | <u>909,360</u> | <u>3,221,224</u> | <u>4,130,584</u> |
| Change in Net Position | <u>1,782,070</u> | <u>3,357,197</u> | <u>5,139,267</u> |
| Net Position, Beginning of Year | <u>14,796,224</u> | <u>3,518,872</u> | <u>18,315,096</u> |
| Total Net Position, End of Year | <u>\$ 16,578,294</u> | <u>\$ 6,876,069</u> | <u>\$ 23,454,363</u> |

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

NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

| | Business-Type Activities - Enterprise Funds | | |
|--|--|--|---------------------|
| | Water and Sewer | American Beach Water and Sewer District | Totals |
| Cash Flows from Operating Activities | | | |
| Cash Received from Customers | \$ 5,220,853 | \$ 147,992 | \$ 5,368,845 |
| Cash Payments to Vendors for Goods and Services | (3,130,050) | (12,073) | (3,142,123) |
| Cash Payments to Employees | (114,981) | - | (114,981) |
| Net Cash Provided by (Used in) Operating Activities | 1,975,822 | 135,919 | 2,111,741 |
| Non-Capital Financing Activities | | | |
| Due to Other Funds | - | 974,180 | 974,180 |
| Operating Grants | 10,000 | - | 10,000 |
| Transfers (to) from Other Funds | (64,820) | (979,111) | (1,043,931) |
| Transfers (to) from Constitutional Officers | 22 | (418) | (396) |
| Net Cash Provided by (Used in) Non-Capital Financing Activities | (54,798) | (5,349) | (60,147) |
| Capital and Related Financing Activities | | | |
| Acquisition of Property, Plant and Equipment | (2,329,134) | (1,380,924) | (3,710,058) |
| Capital Grants | - | 74,727 | 74,727 |
| Principal Payments on Bonds | (1,065,000) | - | (1,065,000) |
| Principal Payments on Leases | (20,513) | - | (20,513) |
| Payment of Interest | (133,356) | - | (133,356) |
| Net Cash Provided by (Used in) Capital and Related Financing Activities | (3,548,003) | (1,306,197) | (4,854,200) |
| Investing Activities | | | |
| Interest Received | 27,946 | 54 | 28,000 |
| Sale of Investments | 980,765 | - | 980,765 |
| Net Cash Provided by (Used in) Investing Activities | 1,008,711 | 54 | 1,008,765 |
| Net Increase (Decrease) in Cash and Cash Equivalents | (618,268) | (1,175,573) | (1,793,841) |
| Cash and Cash Equivalents, Beginning of Year | 4,590,353 | 2,818,951 | 7,409,304 |
| Cash and Cash Equivalents, End of Year | \$ 3,972,085 | \$ 1,643,378 | \$ 5,615,463 |
| Reported in Statement of Net Position as: | | | |
| Cash and Cash Equivalents | \$ 3,061,419 | \$ 1,596,036 | \$ 4,657,455 |
| Cash and Cash Equivalents - Restricted | 910,666 | 47,342 | 958,008 |
| Total | \$ 3,972,085 | \$ 1,643,378 | \$ 5,615,463 |

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, 2023

| | Business-Type Activities - Enterprise Funds | | |
|--|--|--|---------------------|
| | Water and Sewer | American Beach Water and Sewer District | Totals |
| <u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u> | | | |
| Operating Income (Loss) | \$ 1,013,009 | \$ 135,919 | \$ 1,148,928 |
| Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by (Used in) Operating Activities: | | | |
| Depreciation | 1,057,167 | - | 1,057,167 |
| Changes in Assets - Decrease (Increase): | | | |
| Decrease (Increase) in Accounts Receivable | (210,781) | - | (210,781) |
| Decrease (Increase) in Inventory | 8,777 | - | 8,777 |
| Decrease (Increase) in Prepaid Expense | 590 | - | 590 |
| Decrease (Increase) in Deferred Outflows | 12,132 | - | 12,132 |
| Changes in Liabilities - Increase (Decrease): | | | |
| Increase (Decrease) in Accounts Payable | (75,955) | - | (75,955) |
| Increase (Decrease) in Due to Other Governments | 179,580 | - | 179,580 |
| Increase (Decrease) in Due to Other Funds | (32) | - | (32) |
| Increase (Decrease) in Due to Constitutional Officers | (4) | - | (4) |
| Increase (Decrease) in Deposits | 196 | - | 196 |
| Increase (Decrease) in OPEB Liability | (1,255) | - | (1,255) |
| Increase (Decrease) in Net Pension Liability | 7,347 | - | 7,347 |
| Increase (Decrease) in Deferred Inflows | (18,120) | - | (18,120) |
| Increase (Decrease) in Compensated Absences | 3,171 | - | 3,171 |
| Net Cash Provided by (Used in) Operating Activities | \$ 1,975,822 | \$ 135,919 | \$ 2,111,741 |

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, 2023**

| | <u>SAISSA</u> | <u>School Board Impact fees</u> | <u>SAISSA 2021</u> | <u>Total</u> |
|---|----------------|-------------------------------------|------------------------|------------------|
| Assets | | | | |
| Cash and Equivalents | \$ 103,440 | \$ 777,605 | \$ 706,114 | \$ 1,587,159 |
| Due from Constitutional Officers | - | - | 3,502 | 3,502 |
| Total Assets | <u>103,440</u> | <u>777,605</u> | <u>709,616</u> | <u>1,590,661</u> |
| Liabilities | | | | |
| Due to Bond Holders | 103,440 | - | 709,616 | 813,056 |
| Due to Other Governments | - | 772,174 | - | 772,174 |
| Other Liabilities | - | 5,431 | - | 5,431 |
| Total Liabilities | <u>103,440</u> | <u>777,605</u> | <u>709,616</u> | <u>1,590,661</u> |
| Net Position, Held in a Custodial Capacity to be Disbursed | <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, 2023**

| | <u>SAISSA</u> | <u>School Board Impact fees</u> | <u>SAISSA 2021</u> | <u>Total</u> |
|---|---------------|-------------------------------------|------------------------|--------------------|
| Additions | | | | |
| Impact Fees Collected for Other Governments | \$ - | \$ 3,920,360 | \$ - | \$ 3,920,360 |
| Special Assessments | - | - | 935,662 | 935,662 |
| Investment Earnings | - | 6,460 | 5,604 | 12,064 |
| Transfer from Constitutional Officer | - | - | 3,502 | 3,502 |
| Total Additions | <u>-</u> | <u>3,926,820</u> | <u>944,768</u> | <u>4,871,588</u> |
| Deductions | | | | |
| Impact Fees Distributed to Other Governments | - | 3,926,820 | - | 3,926,820 |
| Special Assessments Disbursed on Behalf of Others | - | - | 892,387 | 892,387 |
| Transfer (out) to Constitutional Officer | - | - | 52,381 | 52,381 |
| Total Deductions | <u>-</u> | <u>(3,926,820)</u> | <u>(944,768)</u> | <u>(4,871,588)</u> |
| Change in Net Position | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Position, Beginning of Year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Position, End of Year | <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, 2023. 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, 2023. 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 **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 **Capital Projects Fund**—is used to account for financial resources used for the acquisition or construction of major capital facilities and/or projects. Funding is provided from a variety of funding sources.

● **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.
- ▶ **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) Statement No. 84, fiduciary funds 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**

Effective July 10, 2023, the Board approved a revised fixed asset capitalization policy which updated the capitalization thresholds and useful lives for various capital asset categories.

| <u>Capital Asset Category</u> | <u>Capitalization Threshold</u> |
|--|--|
| Land | All |
| Buildings | \$50,000 |
| Building Improvements | \$25,000 |
| Improvements to Land Other than Buildings | \$25,000 |
| Machinery, Vehicles, and Equipment | \$5,000 |
| Works of Art, Historical Treasures, and Similar Assets | All |
| Infrastructure and Infrastructure Improvements | \$50,000 |
| Construction in Progress | Use Final Intended Asset Class Threshold |
| Software | \$50,000 |
| Easements or Right-of-Way | \$10,000 |
| Other Capital Assets | \$50,000 |

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:

| | |
|--|--|
| Land | Indefinite |
| Buildings | 10-50 Years |
| Building Improvements | 10-50 Years |
| Improvements to Land Other Than Buildings | 10-30 Years |
| Machinery, Vehicles, and Equipment | 3-20 Years |
| Works of Art, Historical Treasures, and Similar Assets | 20-50 Years |
| Infrastructure and Infrastructure Improvements | 10-50 Years |
| Construction in Progress | Use Final Intended Asset Class Useful Life |
| Software | Individually Evaluated |
| Easements or Right-of-Way | Individually Evaluated |
| Other Capital Assets | Individually Evaluated |

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 the same as governmental activities above.

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, 2023, the Board levied 7.1041 mills. An additional 2.2087 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.

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

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 reported with long-term debt on the statement of net position.

Implementation of GASB Statement No. 96

During the fiscal year ended September 30, 2023, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, became effective. This statement defines a subscription-based information technology arrangement (SBITA), establishes that a SBITA results in a “right-to-use” asset and a corresponding liability, and provided the criteria for outlays and subscription payments, as well as required specific note disclosures. The Board performed a review of its agreements and determined the arrangements met the criteria for recording under GASB Statement No. 96. See Note 8 for additional information.

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

Note 2 - Cash and Investments

Deposits with Financial Institutions

At year-end, the carrying amount of the Board’s deposits with financial institutions was \$43,218,451 and the bank balances were \$43,798,276. Cash on hand was \$1,280. 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 the 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 2023-036. 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:

| Description | Fair Value |
|---|------------------------------|
| Cash and Cash Equivalents | \$ 43,219,731 |
| Florida Local Government Investment Trust | 12,340,203 |
| Money Market Accounts | 70,997,996 |
| U.S. Treasuries | <u>124,605,261</u> |
| Total Cash and Investments | <u>\$ 251,163,191</u> |

Reported in accompanying financial statements as follows:

| | Governmental Funds | Proprietary Fund | Fiduciary Fund | Total |
|--------------------------------------|------------------------------|----------------------------|----------------------------|------------------------------|
| Cash and Cash Equivalents | \$ 35,195,025 | \$ 4,657,455 | \$ 1,587,159 | \$ 41,439,639 |
| Equity in Pooled Investments | 207,739,196 | 204,264 | - | 207,943,460 |
| Restricted Cash and Cash Equivalents | <u>822,084</u> | <u>958,008</u> | - | <u>1,780,092</u> |
| Total Cash and Investments | <u>\$ 243,756,305</u> | <u>\$ 5,819,727</u> | <u>\$ 1,587,159</u> | <u>\$ 251,163,191</u> |

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

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.

Investment maturities at September 30, 2023:

| Maturities | Fair Value | 1 Year or Less | 1-5 Years |
|-----------------------------------|-----------------------|-----------------------|----------------------|
| Type | | | |
| U.S. Treasury Notes | \$ 124,605,261 | \$ 124,605,261 | \$ - |
| Money Market Funds | 70,997,996 | 70,997,996 | - |
| Florida Government Investment | | | |
| Trust Short-Term Bond Fund | 12,340,203 | - | 12,340,203 * |
| Total Investments | <u>207,943,460</u> | <u>\$ 195,603,257</u> | <u>\$ 12,340,203</u> |
| Demand Deposits | 43,219,731 | | |
| Total Cash and Investments | <u>\$ 251,163,191</u> | | |

* Based on WAM of 1.46 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, 2023:

| Credit Ratings | Unrated | Moody's Aaa | Fitch AA Af |
|-----------------------------------|-----------------------|-----------------------|----------------------|
| Type | | | |
| U.S. Treasury Notes | \$ - | \$ 124,605,261 | \$ - |
| Money Market Funds | 70,997,996 | - | - |
| Florida Government Investment | | | |
| Trust Short-Term Bond Fund | - | - | 12,340,203 |
| Total Investments | <u>70,997,996</u> | <u>124,605,261</u> | <u>12,340,203</u> |
| Demand Deposits | 43,219,731 | - | - |
| Total Cash and Investments | <u>\$ 114,217,727</u> | <u>\$ 124,605,261</u> | <u>\$ 12,340,203</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.

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

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, 2023:

| Type Investment | Fair Value | Active Markets for Identical Assets (Level 1) | Significant Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|---|-----------------------|---|---|---|
| Board Investments by Fair Value Level | | | | |
| U.S. Treasury Bills/Notes | \$ 124,605,261 | \$ - | \$ 124,605,261 | \$ - |
| Total Investments Measure at FV | <u>124,605,261</u> | <u>\$ -</u> | <u>\$ 124,605,261</u> | <u>\$ -</u> |
| Board Investments Measured at Amortized Cost | | | | |
| | <u>Amortized Cost</u> | | | |
| Money Market Accounts | 70,997,996 | | | |
| Total Investments Measured at Amortized Cost | <u>70,997,996</u> | | | |
| Board Investments at Net Asset Value (NAV) | | | | |
| | <u>NAV</u> | | | |
| Florida Government Investment | \$ 12,340,203 | | | |
| Total Investments Measured at NAV | <u>12,340,203</u> | | | |
| Total Investments | <u>\$ 207,943,460</u> | | | |

Note 3 - Accounts Receivable

Accounts receivable (net of allowances for uncollectibles) at September 30, 2023, included the following:

| | <u>Receivable</u> | <u>Allowance</u> | <u>Net</u> |
|---------------------------------|---------------------|-----------------------|-------------------|
| Governmental Funds | | | |
| General Fund | \$ 1,962,370 | \$ (1,384,105) | \$ 578,265 |
| County Transportation | 1,563 | - | 1,563 |
| Municipal Services | 3,816 | - | 3,816 |
| Non-Major | 28,914 | - | 28,914 |
| Total Governmental Funds | <u>\$ 1,996,663</u> | <u>\$ (1,384,105)</u> | <u>\$ 612,558</u> |
| Business-Type Funds | | | |
| Water and Sewer | \$ 768,220 | \$ (76,165) | \$ 692,055 |

Note 4 - Restricted Assets

Restricted assets in the general fund and the proprietary funds at September 30, 2023, 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, 2023, were restricted for the following purposes:

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

| | |
|-----------------------------|----------------------------|
| Customer Deposits | \$ 85,706 |
| Landfill Post-Closure Costs | 822,084 |
| Impact Fees (Water/Sewer) | 252,038 |
| Debt Service | 572,922 |
| Cash Reserve | <u>47,342</u> |
| Total | <u>\$ 1,780,092</u> |

Reported in accompanying financial statements as follows:

| Account | Reported Amount |
|--|----------------------------|
| Current: Restricted Cash and Cash Equivalents - General Fund | \$ 822,084 |
| Current: Restricted Cash and Cash Equivalents - Business-Type Activities | <u>958,008</u> |
| Total Restricted Assets | <u>\$ 1,780,092</u> |

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, 2023, was as follows:

| | Beginning Balance Restated | Increases | Decreases | Adjustments | Ending Balance |
|--|---|----------------------------|------------------------------|--------------------|------------------------------|
| Governmental Activities | | | | | |
| Capital Assets not Being Depreciated: | | | | | |
| Land | \$ 85,318,284 | \$ 913,819 | \$ (54,250) | \$ - | \$ 86,177,853 |
| Construction/Purchase in Progress | <u>6,846,525</u> | <u>15,486,498</u> | <u>(1,659,262)</u> | <u>582,844</u> | <u>21,256,605</u> |
| Total not Being Depreciated | <u>92,164,809</u> | <u>16,400,317</u> | <u>(1,713,512)</u> | <u>582,844</u> | <u>107,434,458</u> |
| Capital Assets Being Depreciated: | | | | | |
| Buildings and Improvements | 78,274,063 | 517,489 | (49,995) | 361,156 | 79,102,713 |
| Machinery and Equipment | 45,370,257 | 3,413,475 | (1,091,665) | - | 47,692,067 |
| Improvements Other than Buildings | 993,723 | - | - | - | 993,723 |
| Leasehold Improvements | 1,040,516 | - | - | - | 1,040,516 |
| Infrastructure | 657,941,855 | 738,822 | - | (944,000) | 657,736,677 |
| Leased Assets | 591,409 | 80,505 | (93,504) | - | 578,410 |
| SBITA Assets | 729,437 | 14,016 | - | - | 743,453 |
| Total Being Depreciated | <u>784,941,260</u> | <u>4,764,307</u> | <u>(1,235,164)</u> | <u>(582,844)</u> | <u>787,887,559</u> |
| Less Accumulated Depreciation for: | | | | | |
| Buildings and Improvements | (35,024,397) | (1,808,162) | 49,995 | - | (36,782,564) |
| Machinery and Equipment | (28,198,890) | (3,600,792) | 952,680 | - | (30,847,002) |
| Leasehold Improvements | (571,963) | (73,043) | - | - | (645,006) |
| Infrastructure | (419,948,145) | (16,070,045) | 3,367 | - | (436,014,823) |
| Leased Assets | (157,217) | (159,127) | 64,112 | - | (252,232) |
| SBITA Assets | - | (406,289) | - | - | (406,289) |
| Total Accumulated Depreciation | <u>(483,900,612)</u> | <u>(22,117,458)</u> | <u>1,070,154</u> | <u>-</u> | <u>(504,947,916)</u> |
| Total Being Depreciated, Net | <u>301,040,648</u> | <u>(17,353,151)</u> | <u>(165,010)</u> | <u>(582,844)</u> | <u>282,939,643</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 393,205,457</u> | <u>\$ (952,834)</u> | <u>\$ (1,878,522)</u> | <u>\$ -</u> | <u>\$ 390,374,101</u> |

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

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|--|------------------------------|---------------------|------------------|-----------------------|
| Business-Type Activities | | | | |
| Capital Assets not Being Depreciated: | | | | |
| Land | \$ 167,966 | \$ - | \$ - | \$ 167,966 |
| Construction Work in Progress | 3,420,271 | 5,593,124 | - | 9,013,395 |
| Total not Being Depreciated | 3,588,237 | 5,593,124 | - | 9,181,361 |
| Capital Assets Being Depreciated: | | | | |
| Buildings and Improvements | 754,865 | - | - | 754,865 |
| Infrastructure | 25,080,255 | 835,979 | - | 25,916,234 |
| Equipment | 1,168,693 | - | - | 1,168,693 |
| Leased Assets | 74,872 | - | - | 74,872 |
| Total Being Depreciated | 27,078,685 | 835,979 | - | 27,914,664 |
| Less Accumulated Depreciation for: | | | | |
| Buildings and Improvements | (348,167) | (19,839) | - | (368,006) |
| Infrastructure | (12,885,659) | (904,372) | - | (13,790,031) |
| Equipment | (507,018) | (112,404) | - | (619,422) |
| Leased Assets | (20,552) | (20,552) | - | (41,104) |
| Total Accumulated Depreciation | (13,761,396) | (1,057,167) | - | (14,818,563) |
| Total Being Depreciated, Net | 13,317,289 | (221,188) | - | 13,096,101 |
| Total Business-Type Capital Assets, Net | \$ 16,905,526 | \$ 5,371,936 | \$ - | \$ 22,277,462 |

Note 6 - Interfund Activity

Interfund balances at September 30, 2023, consisted of the following:

Due to/from other funds:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Total</u> |
|------------------------|-----------------------|---------------------|
| General | Municipal Service | \$ 274,599 |
| General | County Transportation | 77,165 |
| General | Non-Major | 48,835 |
| General | Water and Sewer | 1,845 |
| General | American Beach | 974,180 |
| Water and Sewer | General Fund | 974,180 |
| Total | | \$ 2,350,804 |

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 \$2,471,897 due from the Constitutional Officers, and \$89,346 due to the Constitutional Officers.

Interfund transfers:

| <u>Transfers Out</u> | <u>Transfers In</u> | | | | | | | <u>Total</u> |
|----------------------------|----------------------|----------------------------------|-------------------------------|---|-----------------------------|---------------------------------|----------------------------|----------------------|
| | <u>General</u> | <u>County Transportation</u> | <u>Municipal Services</u> | <u>Capital Project Transportation</u> | <u>Capital Projects</u> | <u>Non-Major Government</u> | <u>Water and Sewer</u> | |
| General | \$ - | \$ 5,707,366 | \$ 2,270,183 | \$ 10,715,795 | \$ 13,843,044 | \$ 2,391,151 | \$ 974,180 | \$ 35,901,719 |
| County Transportation | 2,876,727 | - | - | 2,172,564 | - | 119,953 | - | 5,169,244 |
| Municipal Services | 929,244 | - | - | - | 5,000,000 | - | - | 5,929,244 |
| Cap Projs - Transportation | - | 2,160,248 | - | - | - | - | - | 2,160,248 |
| Non-Major Governmental | 10,041,285 | 2,876,727 | 7,230,304 | 2,042,000 | 1,440,000 | 12,875 | - | 23,643,191 |
| Water and Sewer | 64,820 | - | - | - | - | - | - | 64,820 |
| American Beach | 974,180 | - | - | - | - | - | - | 974,180 |
| Total | \$ 14,886,256 | \$ 10,744,341 | \$ 9,500,487 | \$ 14,930,359 | \$ 20,283,044 | \$ 2,523,979 | \$ 974,180 | \$ 73,842,646 |

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

In addition to the interfund transfers, there were transfers out to the Constitutional Officers of \$54,675,078 and transfers in from the Constitutional Officers of \$2,705,475.

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

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 \$653,284, less accumulated amortization of \$293,336.

Amount of Lease Assets by Major Classes of Underlying Asset

| Asset Class | As of Fiscal Year-End | |
|---------------------|-----------------------|-----------------------------|
| | Lease Asset Value | Accumulated Amortization |
| Equipment | \$ 105,520 | \$ 40,548 |
| Buildings | 357,849 | 174,204 |
| Infrastructure | 189,915 | 78,584 |
| Total Leases | \$ 653,284 | \$ 293,336 |

Principal and Interest Requirements to Maturity

| Fiscal Year | Governmental Activities | | |
|----------------|-------------------------|----------------------|-------------------|
| | Principal Payments | Interest Payments | Total Payments |
| 2024 | \$ 155,297 | \$ 2,677 | \$ 157,974 |
| 2025 | 121,328 | 1,084 | 122,412 |
| 2026 | 54,008 | 355 | 54,363 |
| 2027 | 3,950 | 29 | 3,979 |
| Total | \$ 334,583 | \$ 4,145 | \$ 338,728 |

| Fiscal Year | Business-Type Activities | | |
|----------------|--------------------------|----------------------|-------------------|
| | Principal Payments | Interest Payments | Total Payments |
| 2024 | \$ 20,604 | \$ 112 | \$ 20,716 |
| 2025 | 13,304 | 29 | 13,333 |
| Total | \$ 33,908 | \$ 141 | \$ 34,049 |

Note 8 - Subscription-Based Information Technology Arrangements

The Board implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, in fiscal year 2023. The Board has various information technology security software and various desktop, cloud-based, and server software subscription, arrangements that require recognition under GASB Statement No. 96.

The Board's intangible assets, are included in Note 5 as Intangible Right-to-Use Software Arrangements (SBITA). The Board now recognizes a subscription-based information technology arrangements (SBITA) liability and an intangible right-to-use asset for the various software arrangements.

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

The total of the Board's subscription assets is recorded at a cost of \$743,453 and accumulated amortization of \$406,289 at September 30, 2023.

The future subscription payments under SBITA arrangements are as follows:

Principal and Interest Requirements to Maturity

| Fiscal Year | Governmental Activities | | |
|------------------------|--------------------------------|------------------------------|---------------------------|
| | Principal Payments | Interest Payments | Total Payments |
| 2024 | \$ 260,026 | \$ 10,160 | \$ 270,186 |
| 2025 | 36,621 | 1,829 | 38,450 |
| 2026 | 19,367 | 633 | 20,000 |
| Total | \$ 316,014 | \$ 12,622 | \$ 328,636 |

Note 9 - Long-Term Obligations

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

The following is a summary of changes in long-term obligations for the year ended September 30, 2023:

| | (Restated) | | | Balance 9/30/23 | Due Within One Year |
|---------------------------------------|----------------------------|----------------------|-----------------------|----------------------------|--------------------------------|
| | Balance 10/1/22 | Additions | Reductions | | |
| Governmental Activities | | | | | |
| Bonds Payable | \$ 19,132,255 | \$ - | \$ (2,323,057) | \$ 16,809,198 | \$ 1,821,976 |
| Premium on Bonds Payable | 668,235 | - | (74,248) | 593,987 | 74,248 |
| Total Bonds and Notes Payable | <u>19,800,490</u> | <u>-</u> | <u>(2,397,305)</u> | <u>17,403,185</u> | <u>1,896,224</u> |
| Compensated Absences | 7,420,563 | 4,922,221 | (4,847,490) | 7,495,294 | 3,004,347 |
| Other Postemployment Benefits | 10,026,340 | - | (469,233) | 9,557,107 | 472,765 |
| Landfill Post-Closure | 15,674,600 | 275,138 | - | 15,949,738 | 822,083 |
| Net Pension Liability | 45,471,293 | 7,150,698 | - | 52,621,991 | - |
| Lease Liability | 438,355 | 80,505 | (184,277) | 334,583 | 155,297 |
| SBITA Liability | <u>743,453</u> | <u>14,016</u> | <u>(441,455)</u> | <u>316,014</u> | <u>260,026</u> |
| Total Governmental Activities | | | | | |
| Long-Term Liabilities | <u>\$ 99,575,094</u> | <u>\$ 12,442,578</u> | <u>\$ (8,339,760)</u> | <u>\$ 103,677,912</u> | <u>\$ 6,610,742</u> |
| Business-Type Activities | | | | | |
| Bonds Payable | | | | | |
| (Direct Placement) | \$ 6,725,000 | \$ - | \$ (1,065,000) | \$ 5,660,000 | \$ 1,085,000 |
| Compensated Absences | 36,148 | 11,202 | (8,031) | 39,319 | 9,187 |
| Other Postemployment Benefits | 78,331 | - | (1,255) | 77,076 | 2,674 |
| Net Pension Liability | 113,963 | 7,347 | - | 121,310 | - |
| Lease Liability | <u>54,421</u> | <u>-</u> | <u>(20,513)</u> | <u>33,908</u> | <u>20,604</u> |
| Total Business-Type Activities | | | | | |
| Long-Term Liabilities | <u>\$ 7,007,863</u> | <u>\$ 18,549</u> | <u>\$ (1,094,799)</u> | <u>\$ 5,931,613</u> | <u>\$ 1,117,465</u> |

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

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, 2023, follows:

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, 2023, totaled \$1,314,525.

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 36% 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 \$2,634,626. At year-end, pledged future revenues totaled \$1,890,000, 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:

| <u>Year Ending September 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------------|-------------------|---------------------|---------------------|
| 2024 | \$ 246,976 | \$ 698,024 | \$ 945,000 |
| 2025 | 232,697 | 712,303 | 945,000 |
| Total | <u>\$ 479,673</u> | <u>\$ 1,410,327</u> | <u>\$ 1,890,000</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 19% of such non-ad valorem tax revenue and are payable through 2031. Principal and interest payments for

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

the current year totaled \$2,325,750 and non-ad valorem tax revenues totaled \$11,987,250. At year-end, pledged future revenues totaled \$18,584,750, which was the amount of remaining principal and interest on the bonds. Other Board revenues are not available to finance this bond issue.

In addition, the bondholders do not have any authority to compel the Board to increase ad valorem taxes for financing this bond issue. Such bonds, bearing interest rates between 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:

| <u>Year Ending September 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------------|----------------------|---------------------|----------------------|
| 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 | 1,910,000 | 411,750 | 2,321,750 |
| 2029-2031 | <u>6,325,000</u> | <u>643,000</u> | <u>6,968,000</u> |
| Total | <u>\$ 15,015,000</u> | <u>\$ 3,569,750</u> | <u>\$ 18,584,750</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, 2023:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>(Deletions)</u> | <u>Ending Balance</u> |
|--------------------|------------------------------|---------------------|-----------------------|---------------------------|
| Vacation Leave | \$ 2,796,497 | \$ 1,371,041 | \$ (1,521,302) | \$ 2,646,236 |
| Paid Time Off | 1,036,676 | 2,696,111 | (2,417,929) | 1,314,858 |
| Sick Leave | 3,537,099 | 756,905 | (799,030) | 3,494,974 |
| Bonus Leave | 16,884 | 32,813 | (37,756) | 11,941 |
| Compensatory Leave | <u>33,407</u> | <u>65,351</u> | <u>(71,473)</u> | <u>27,285</u> |
| Total | <u>\$ 7,420,563</u> | <u>\$ 4,922,221</u> | <u>\$ (4,847,490)</u> | <u>\$ 7,495,294</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 58% of such revenue and are payable through 2028. Principal and interest payments for the current year totaled \$1,198,139, and revenues totaled \$2,080,174. At year-end, pledged future revenues totaled \$5,969,384, 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.

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

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:

| <u>Year Ending September 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------------|---------------------|-------------------|---------------------|
| 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> |
| Total | <u>\$ 5,660,000</u> | <u>\$ 309,384</u> | <u>\$ 5,969,384</u> |

Compensated Absences—Following is a summary of annual, sick, and bonus leave benefits liabilities at September 30, 2023, for the proprietary funds:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>(Deletions)</u> | <u>Ending Balance</u> |
|----------------|------------------------------|------------------|--------------------|---------------------------|
| Vacation Leave | \$ 6,255 | \$ 7,369 | \$ (7,767) | \$ 5,857 |
| Sick Leave | 29,629 | 3,833 | - | 33,462 |
| Bonus Leave | 264 | - | (264) | - |
| Total | <u>\$ 36,148</u> | <u>\$ 11,202</u> | <u>\$ (8,031)</u> | <u>\$ 39,319</u> |

Note 10 - Bond Arbitrage Rebate

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

- \$29,630,000 Nassau County, Florida, Public Improvement Revenue and Refunding, Series 2007.
- \$15,650,000 Nassau County, Florida, Water and Sewer System Revenue Bonds, Series 2013.
- \$16,600,000 Nassau County, Florida, SAISSA Renourishment Bond, Series 2021.

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.

Note 11 - 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

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

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 \$15,949,739 for post-closure care cost at September 30, 2023, 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 2023 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 \$822,084 as of September 30, 2023). At September 30, 2023, the actual escrow balances are as follows:

| | | |
|------------------------------|--|-------------------|
| Landfills | | |
| Old West Nassau Post-Closure | | \$ 49,194 |
| New West Nassau Post-Closure | | <u>772,890</u> |
| Total Escrow Balances | | <u>\$ 822,084</u> |

Note 12 - 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).

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.

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

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 \$7.50. The minimum payment is \$45 and the maximum payment is \$225 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 2022-2023 fiscal year were as follows:

| Class | Year Ended June 30, 2023 | | Year Ended June 30, 2024 | |
|---|--------------------------|--------------|--------------------------|--------------|
| | Percent of Gross Salary | | Percent of Gross Salary | |
| | Employee | Employer (2) | Employee | Employer (2) |
| FRS, Regular | 3.00 | 10.19 | 3.00 | 11.51 |
| FRS, Special Risk Class | 3.00 | 26.11 | 3.00 | 30.61 |
| FRS, Elected County Officers | 3.00 | 55.28 | 3.00 | 56.62 |
| FRS, Senior Management Service | 3.00 | 29.85 | 3.00 | 32.46 |
| DROP - Applicable to Members from All of the Above Classes | 0.00 | 16.94 | 0.00 | 19.13 |
| FRS, Reemployed Retiree | (1) | (1) | (1) | (1) |

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

(2) These rates include the normal cost and unfunded actuarial liability contributions but do not include the contribution for Retiree Health Insurance Subsidy of 1.66% for the Plan FYE 2023 and 2.00% for the Plan FYE 2024 and the fee of 0.06% for administration of the FRS Investment Plan and provision of education tools for both plans.

The Board's contributions (employer) to the Plan totaled \$5,260,930 for the fiscal year ended September 30, 2023. This excludes the HIS defined benefit pension plan contributions.

Pension Liabilities and Pension Expense. At September 30, 2023, the Board's proportionate share of the FRS net pension liability was \$41,212,172. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. 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, 2023, the Board's proportion was 0.103426464%, which was an increase of 0.001378266% from its proportion measured as of June 30, 2022.

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

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, 2023, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 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 2023 and 2022 were 2.00% and 1.66%, respectively. 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 \$519,293 for the fiscal year ended September 30, 2023.

Pension Liabilities and Pension Expense. At September 30, 2023, the Board's proportionate share of the HIS net pension liability was \$11,531,129. The net pension liability was measured as of June 30, 2023, 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, 2023, the Board's proportion was 0.072608064%, which was an increase of 0.000710258% from its proportion measured as of June 30, 2022.

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.

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

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 2022-2023 fiscal year were as follows:

| Class | Year Ended June 30, 2023 | | Year Ended June 30, 2024 | |
|---------------------------------|--------------------------|----------|--------------------------|----------|
| | Percent of Gross Salary | | Percent of Gross Salary | |
| | Employee | Employer | Employee | Employer |
| FRS, Regular | 3.00 | 6.30 | 3.00 | 8.30 |
| FRS, Special Risk Regular | 3.00 | 14.00 | 3.00 | 16.00 |
| FRS, Elected County Officers | 3.00 | 11.34 | 3.00 | 13.34 |
| FRS, Senior Management | 3.00 | 7.67 | 3.00 | 9.67 |

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, 2023, 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.

The Board’s Investment Plan pension expense totaled \$680,298 for the fiscal year ended September 30, 2023.

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

Note 13 - Deferred Compensation Plan

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

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 14 - Other Postemployment Benefits

Pursuant to the Nassau County Personnel, Policies and Procedures Manual, the Board allows retired employees and their spouses to remain members of the Board’s health insurance program. The Board pays 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:

| <u>Years of Service</u> <u>With Nassau County</u> | <u>Hired Before</u> <u>10/1/05</u> | <u>Hired on or After</u> <u>10/1/05</u> |
|--|---------------------------------------|--|
| 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 319 active employees and 56 retired employees participating in the plan. The Board’s net OPEB obligation totaled \$9,634,183, of which \$77,076 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 15 - 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, 2023:

| | |
|---|------------------|
| Non-Spendable Fund Balance | |
| Prepaid Expenses | \$ 1,794,742 |
| Inventory | 518,724 |
| A/R - Dishonored Checks | 3,063 |
| Total Non-Spendable Fund Balance | 2,316,529 |

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

| | |
|--------------------------------------|-------------------------------------|
| Restricted Fund Balance | |
| General Government | \$ 493,748 |
| General Government - Court-Related | 5,515 |
| Public Safety | 1,592,288 |
| Other Human Services | 72,699 |
| Physical Environment | 4,377,564 |
| Impact Fees | 19,830,750 |
| Law Library | 108,811 |
| Other Culture/Recreation | 1,978,576 |
| State Housing Initiative Program | 1,783,999 |
| Court Facilities | 408,255 |
| Criminal Justice | 87,693 |
| Tourist Development | 21,691,060 |
| Building Department | 5,096,366 |
| Debt Services - Bonds | 1,496,250 |
| Capital Projects - Transportation | 8,850,973 |
| Landfill | <u>656,564</u> |
| Total Restricted Fund Balance | <u>68,531,111</u> |
| | |
| Committed Fund Balance | |
| General Government | 4,240,909 |
| General Government - Court-Related | 688,216 |
| Culture/Recreation | 16,796,447 |
| Physical Environment | 224,267 |
| Public Safety | 18,553,226 |
| Economic Environment | 329,400 |
| Human Services | 2,000,100 |
| Transportation | 36,296,192 |
| Other Uses | <u>8,909,589</u> |
| Total Committed Fund Balance | <u>88,038,346</u> |
| | |
| Assigned Fund Balance | |
| General Government | 4,273,640 |
| Public Safety | 2,539,070 |
| Law Enforcement | 118,574 |
| Economic Development | 20,000 |
| Transportation | 2,460,643 |
| Human Services | 121,093 |
| Culture and Recreation | 78,684 |
| Court-Related | 57,855 |
| Physical Environment | 385,545 |
| Other Uses | 1,328,771 |
| Reserves | 36,024,621 |
| Reserves - Capital Plan | <u>5,837,796</u> |
| Total Assigned Fund Balance | <u>53,246,292</u> |
| | |
| Unassigned Fund Balance | <u>22,695,519</u> |
| | |
| Total | <u><u>\$ 234,827,797</u></u> |

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

Minimum Fund Balance Reserve Policy

Taxing Funds

It is the goal of the County to maintain a minimum fund balance for each taxing fund at a minimum of 16.70% and not more than 20% of the total operating expenditures as reported in the previous year's audit financial statements. These funds may be used 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.

Emergency Fund Balance (General Fund Only)

The General Fund Emergency Fund Balance Policy is established for the purpose of providing funds for an urgent catastrophic event, major disaster (e.g. hurricane, pandemic, wildfires, terrorist attack, etc.), economic distress, uncertainty or opportunity conditions. The County's Emergency Fund Balance is established at a minimum of 10% and a maximum of 12% of the General Fund's Operating Expenditures.

Note 16 - 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 17 - 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, 2023:

| <u>Project</u> | <u>Source of Payment</u> | <u>Paid to Date</u> | <u>Commitment Remaining</u> |
|------------------------------|-----------------------------|---------------------|-----------------------------|
| Fire Station 90 Design/Build | Current Available Resources | \$ 484,500 | \$ 5,514,845 |
| Fire Station 70 Design/Build | Current Available Resources | 484,500 | 5,251,401 |
| Booster Pump Station | Current Available Resources | 3,152,083 | 404,781 |
| Tributary Regional Park | Current Available Resources | 993,178 | 24,705 |
| West Side Regional Park | Current Available Resources | <u>646,647</u> | <u>98,143</u> |
| Total | | <u>\$ 5,760,908</u> | <u>\$ 11,293,875</u> |

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

Note 18 - 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, 2023, there was one series of such bonds outstanding with a principal amount payable of \$8,450,000. The issue amount and the September 30, 2023 outstanding balance is as follows:

| Original Issuance | Year | 9/30/23 Balance | Description |
|----------------------|------|--------------------|---|
| \$ 11,150,000 | 2007 | \$ 8,450,000 | AICC, Inc. and Nassau Care Centers—70 Bed Care Intermediate Care and Day Program Service Facilities |

Note 19 - 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, 2023, the Special Assessment Bond outstanding totaled \$4,647,331.

Note 20 - 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, 2023, 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 year 2022 which were approved by the County and paid out in May 2023 in the amount of \$312,608. LignoTech may receive additional tax abatements if they meet the agreement requirements in future periods.

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

Note 21 - 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, 2023, \$3.6 million of approved reservation agreements have been filed with the County, of which the remaining \$452,589 was paid in October 2023.

Note 22 - 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 (in the Government-Wide Financial Statements) upon title transfer of property and improvements to the County. At September 30, 2023, the County has approximately \$2.7 million of impact fee credits unused and outstanding for which revenue was recognized upon receipt of property and improvements.

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, 2023

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|--|------------------|---------------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Taxes | \$ 92,761,674 | \$ 92,761,674 | \$ 97,367,524 | \$ 4,605,850 |
| Licenses and Permits | 62,105 | 62,105 | 62,531 | 426 |
| Intergovernmental Revenues | 9,599,325 | 10,402,966 | 11,701,556 | 1,298,590 |
| Charges for Services | 2,188,790 | 2,188,790 | 3,562,560 | 1,373,770 |
| Fines and Forfeitures | 33,437 | 33,437 | 39,832 | 6,395 |
| Interest Earnings (Loss) | 150,500 | 150,500 | 4,350,813 | 4,200,313 |
| Miscellaneous | 916,000 | 958,858 | 1,067,957 | 109,099 |
| Total Revenues | 105,711,831 | 106,558,330 | 118,152,773 | 11,594,443 |
| Expenditures | | | | |
| Current: | | | | |
| General Government Services | 14,098,101 | 15,888,820 | 12,449,442 | 3,439,378 |
| Public Safety | 17,590,497 | 18,178,361 | 16,632,375 | 1,545,986 |
| Physical Environment | 6,783,651 | 7,649,654 | 6,910,238 | 739,416 |
| Economic Environment | 533,414 | 492,100 | 474,233 | 17,867 |
| Human Services | 3,054,477 | 3,013,493 | 2,958,838 | 54,655 |
| Culture and Recreation | 3,387,117 | 3,419,576 | 2,959,298 | 460,278 |
| Court-Related Expenditures | 1,703,581 | 2,073,855 | 1,129,804 | 944,051 |
| Capital Outlay | 6,097,721 | 15,146,193 | 2,432,918 | 12,713,275 |
| Debt Service: | | | | |
| Principal Retirement | - | - | 308,027 | (308,027) |
| Interest and Fiscal Charges | - | - | 5,927 | (5,927) |
| (Total Expenditures) | 53,248,559 | 65,862,052 | 46,261,100 | 19,600,952 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 52,463,272 | 40,696,278 | 71,891,673 | 31,195,395 |
| Other Financing Sources (Uses) | | | | |
| Transfers from Constitutional Officers | 576,860 | 880,706 | 2,500,346 | 1,619,640 |
| Transfers to Constitutional Officers | (49,338,651) | (49,104,428) | (48,217,142) | 887,286 |
| Transfers in | 4,402,013 | 14,887,536 | 14,886,256 | (1,280) |
| Transfers (out) | (19,017,988) | (35,903,228) | (35,901,719) | 1,509 |
| SBITA's | - | 2,061,593 | 14,016 | (2,047,577) |
| Sale of Capital Assets | - | - | 9,416 | 9,416 |
| Total Other Financing Sources (Uses) | (63,377,766) | (67,177,821) | (66,708,827) | 468,994 |
| Net Change in Fund Balances | (10,914,494) | (26,481,543) | 5,182,846 | 31,664,389 |
| Fund Balances at Beginning of Year | 56,222,785 | 67,421,200 | 67,884,141 | 462,941 |
| Fund Balances at End of Year | \$ 45,308,291 | \$ 40,939,657 | \$ 73,066,987 | \$ 32,127,330 |

**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, 2023**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance With Final Budget Positive (Negative)</u> |
|--|-------------------------|---------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Taxes | \$ 9,970,179 | \$ 9,970,179 | \$ 11,129,150 | \$ 1,158,971 |
| Intergovernmental Revenues | 2,153,168 | 2,154,611 | 2,271,897 | 117,286 |
| Charges for Services | - | - | 8,902 | 8,902 |
| Interest Earnings | 20,000 | 20,000 | 572,731 | 552,731 |
| Miscellaneous | 12,000 | 12,000 | 38,096 | 26,096 |
| Total Revenues | <u>12,155,347</u> | <u>12,156,790</u> | <u>14,020,776</u> | <u>1,863,986</u> |
| Expenditures | | | | |
| Current: | | | | |
| Transportation | 16,927,436 | 20,189,403 | 13,584,129 | 6,605,274 |
| Capital Outlay | 803,494 | 1,093,486 | 717,871 | 375,615 |
| Debt Service: | | | | |
| Principal Retirement | - | - | 133 | (133) |
| Interest and Fiscal Charges | - | - | 12 | (12) |
| (Total Expenditures) | <u>17,730,930</u> | <u>21,282,889</u> | <u>14,302,145</u> | <u>6,980,744</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(5,575,583)</u> | <u>(9,126,099)</u> | <u>(281,369)</u> | <u>8,844,730</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers from Constitutional Officers | 18,000 | 18,000 | 21,800 | 3,800 |
| Transfers to Constitutional Officers | (140,336) | (140,336) | (139,573) | 763 |
| Transfers in | 4,944,000 | 10,744,341 | 10,744,341 | - |
| Transfers (out) | (657,383) | (5,199,291) | (5,169,244) | 30,047 |
| Sale of General Capital Assets | - | - | 108,736 | 108,736 |
| Total Other Financing Sources (Uses) | <u>4,164,281</u> | <u>5,422,714</u> | <u>5,566,060</u> | <u>143,346</u> |
| Net Change in Fund Balances | (1,411,302) | (3,703,385) | 5,284,691 | 8,988,076 |
| Fund Balances at Beginning of Year | <u>9,266,850</u> | <u>10,208,933</u> | <u>10,264,564</u> | <u>55,631</u> |
| Fund Balances at End of Year | <u>\$ 7,855,548</u> | <u>\$ 6,505,548</u> | <u>\$ 15,549,255</u> | <u>\$ 9,043,707</u> |

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, 2023

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance With Final Budget Positive (Negative)</u> |
|--|-------------------------|---------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Taxes | \$ 19,847,354 | \$ 19,847,354 | \$ 19,966,983 | \$ 119,629 |
| Licenses and Permits | 551,483 | 551,483 | 510,896 | (40,587) |
| Intergovernmental Revenues | 1,350,541 | 1,557,743 | 1,943,230 | 385,487 |
| Charges for Services | 525,381 | 525,381 | 787,136 | 261,755 |
| Fines and Forfeitures | 3,015 | 3,015 | 4,620 | 1,605 |
| Interest Earnings | 30,000 | 30,000 | 929,040 | 899,040 |
| Miscellaneous | 144,634 | 179,632 | 295,120 | 115,488 |
| Total Revenues | <u>22,452,408</u> | <u>22,694,608</u> | <u>24,437,025</u> | <u>1,742,417</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government Services | 3,133,192 | 6,750,063 | 2,222,351 | 4,527,712 |
| Public Safety | 13,208,941 | 13,608,167 | 13,068,261 | 539,906 |
| Transportation | 1,054,964 | 1,040,669 | 782,394 | 258,275 |
| Human Services | 1,892,235 | 1,959,168 | 1,859,141 | 100,027 |
| Capital Outlay | 3,054,712 | 7,665,167 | 870,044 | 6,795,123 |
| Debt Service: | | | | |
| Principal Retirement | - | - | 4,927 | (4,927) |
| Interest and Fiscal Charges | - | - | 458 | (458) |
| (Total Expenditures) | <u>22,344,044</u> | <u>31,023,234</u> | <u>18,807,576</u> | <u>12,215,658</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>108,364</u> | <u>(8,328,626)</u> | <u>5,629,449</u> | <u>13,958,075</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers from Constitutional Officers | 40,000 | 40,000 | 85,385 | 45,385 |
| Transfers to Constitutional Officers | (3,188,351) | (3,191,141) | (3,187,961) | 3,180 |
| Transfers in | 977,714 | 9,500,487 | 9,500,487 | - |
| Transfers (out) | (85,470) | (5,929,244) | (5,929,244) | - |
| Leases (Lessee) | - | - | 14,529 | 14,529 |
| Total Other Financing Sources (Uses) | <u>(2,256,107)</u> | <u>420,102</u> | <u>483,196</u> | <u>63,094</u> |
| Net Change in Fund Balances | (2,147,743) | (7,908,524) | 6,112,645 | 14,021,169 |
| Fund Balances at Beginning of Year | <u>11,057,831</u> | <u>12,220,473</u> | <u>13,586,311</u> | <u>1,365,838</u> |
| Fund Balances at End of Year | <u>\$ 8,910,088</u> | <u>\$ 4,311,949</u> | <u>\$ 19,698,956</u> | <u>\$ 15,387,007</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, 2023**

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. The Board adopted a level of control within a major expenditure category (personal services, operating, and capital) and within a department. Chapter 129, Florida Statutes, also governs the manner in which the budget may be legally amended once it is approved. Intrafund budget transfers within a major expenditure category and within a department may be initiated by department director or authorized designee, the County Manager or the Budget Officer and approved by the Budget Officer or designee up to \$100,000. Transfers of this nature in excess of \$100,000 require Board approval. Intrafund budget transfers within the same fund may be initiated by the department director or authorized designee, the County Manager or the Budget Officer and approved by the Budget Officer or designee up to \$100,000. Transfers of this nature in excess of \$100,000 require Board approval. Intrafund budget transfers from reserves in the General Fund, County Transportation Fund, and Municipal Fund require the Budget Officer, County Manager, and Board Approval. Transfers from reserves in the other governmental funds may be approved up to \$25,000 by the Budget Officer and approved by the County Manager. Transfers of this nature in excess of \$25,000 require Board approval. Budget Amendments must be approved by the Budget Officer, County Manager, and the Board. Budget Amendments shall be in accordance with the advertising and public hearing requirements set forth in Florida Statute 129.

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.

**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, 2023**

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, 2023, 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, 2023:

| | |
|---------------------------|----------------------|
| Governmental Funds | |
| General Fund | \$ 24,895,876 |
| Special Revenue Funds | 22,422,372 |
| Debt Service Funds | 87 |
| Capital Projects Funds | <u>36,300,552</u> |
| Total | <u>\$ 83,618,887</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.
- **ARPA Grants Fund**—is used to account for proceeds of grant revenue sources that are restricted or committed to expenditures for specified purposes.

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.
- **36 MB 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.
- **365 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.
- **36 EN ENCPA Mobility Network Fund**—to account for the construction or improvement 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.
- **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.

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

| | <u>Special Revenue Funds</u> | | |
|--|---|------------------------------|--------------------------------------|
| | <u>Law Enforcement Training</u> | <u>Sheriff Donations</u> | <u>Law Enforcement Trust</u> |
| Assets | | | |
| Cash and Cash Equivalents | \$ 225,428 | \$ 3,133 | \$ 435,436 |
| Equity in Pooled Investments | - | - | 139,039 |
| Accounts Receivable | - | - | - |
| Loans Receivable (Net of Allowance for Uncollectibles) | - | - | - |
| Prepays | - | - | - |
| Due from Constitutional Officers | 1,610 | - | - |
| Due from Other Governments | - | - | - |
| Total Assets | <u>227,038</u> | <u>3,133</u> | <u>574,475</u> |
| Liabilities and Deferred Inflows of Resources and Fund Balance | | | |
| Liabilities | | | |
| Accounts Payable | - | - | - |
| Retainage Payable | - | - | - |
| Due to Other Funds | - | - | - |
| Due to Constitutional Officers | - | - | - |
| Due to Other Governments | - | - | - |
| Deposits | - | - | - |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>-</u> |
| Deferred Inflows of Resources | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances | | | |
| Non-Spendable | - | - | - |
| Restricted | 227,038 | 3,133 | 574,475 |
| Committed | - | - | - |
| Assigned | - | - | - |
| Unassigned | - | - | - |
| Total Fund Balances | <u>227,038</u> | <u>3,133</u> | <u>574,475</u> |
| Total Liabilities and Deferred Inflows of Resources and Fund Balances | <u>\$ 227,038</u> | <u>\$ 3,133</u> | <u>\$ 574,475</u> |

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 |
|--|---------------------------|-------------------------|------------------------------|--------------------|---|----------------------------|
| \$ 2,912 | \$ 568,872 | \$ 108,163 | \$ 84,810 | \$ 19,320 | \$ (250) | \$ 27,068 |
| - | 289,841 | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | 2,450 | - | - | - | - | - |
| 635 | 15,226 | 1,594 | 3,188 | 1,594 | 250 | 2,628 |
| 48,471 | 473,102 | - | - | - | - | - |
| <u>52,018</u> | <u>1,349,491</u> | <u>109,757</u> | <u>87,998</u> | <u>20,914</u> | <u>-</u> | <u>29,696</u> |
| 1,075 | 442,506 | 881 | 305 | 20,914 | - | - |
| - | 23,179 | - | - | - | - | - |
| - | - | 65 | - | - | - | - |
| 6,884 | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>7,959</u> | <u>465,685</u> | <u>946</u> | <u>305</u> | <u>20,914</u> | <u>-</u> | <u>-</u> |
| <u>48,471</u> | <u>473,102</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| - | 2,450 | - | - | - | - | - |
| - | 408,254 | 108,811 | 87,693 | - | - | 29,696 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| (4,412) | - | - | - | - | - | - |
| <u>(4,412)</u> | <u>410,704</u> | <u>108,811</u> | <u>87,693</u> | <u>-</u> | <u>-</u> | <u>29,696</u> |
| <u>\$ 52,018</u> | <u>\$ 1,349,491</u> | <u>\$ 109,757</u> | <u>\$ 87,998</u> | <u>\$ 20,914</u> | <u>\$ -</u> | <u>\$ 29,696</u> |

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

| | <u>Special Revenue Funds</u> | | |
|--|---|----------------------------------|--|
| | <u>911 Operations and Maintenance</u> | <u>EMS County Awards HRS</u> | <u>Amelia Island Beach Renourishment</u> |
| Assets | | | |
| Cash and Cash Equivalents | \$ 342,687 | \$ - | \$ 586,103 |
| Equity in Pooled Investments | 255,210 | - | 1,897,053 |
| Accounts Receivable | - | - | - |
| Loans Receivable (Net of Allowance for Uncollectibles) | - | - | - |
| Prepays | - | - | - |
| Due from Constitutional Officers | 92,336 | - | 1,688 |
| Due from Other Governments | 66,365 | - | - |
| Total Assets | <u>756,598</u> | <u>-</u> | <u>2,484,844</u> |
| Liabilities and Deferred Inflows of Resources and Fund Balance | | | |
| Liabilities | | | |
| Accounts Payable | 66,365 | - | - |
| Retainage Payable | - | - | - |
| Due to Other Funds | - | - | - |
| Due to Constitutional Officers | - | - | - |
| Due to Other Governments | - | - | - |
| Deposits | - | - | - |
| Total Liabilities | <u>66,365</u> | <u>-</u> | <u>-</u> |
| Deferred Inflows of Resources | <u>66,365</u> | <u>-</u> | <u>-</u> |
| Fund Balances | | | |
| Non-Spendable | - | - | - |
| Restricted | 623,868 | - | 2,484,844 |
| Committed | - | - | - |
| Assigned | - | - | - |
| Unassigned | - | - | - |
| Total Fund Balances | <u>623,868</u> | <u>-</u> | <u>2,484,844</u> |
| Total Liabilities and Deferred Inflows of Resources and Fund Balances | <u>\$ 756,598</u> | <u>\$ -</u> | <u>\$ 2,484,844</u> |

| 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 |
| \$ 4,091,565 | \$ 252,214 | \$ 1,784,223 | \$ 713,394 | \$ 587,067 | \$ 160,232 |
| 18,429,021 | 33,239 | - | - | 4,811,914 | 794,319 |
| 25,793 | - | - | - | 3,121 | - |
| - | - | 24,000 | - | - | - |
| 38,996 | - | - | - | 534 | - |
| - | - | - | - | - | 577 |
| - | - | - | - | - | - |
| <u>22,585,375</u> | <u>285,453</u> | <u>1,808,223</u> | <u>713,394</u> | <u>5,402,636</u> | <u>955,128</u> |
| 823,342 | - | 224 | 48,453 | 11,778 | 12,802 |
| - | - | - | - | - | - |
| - | - | - | - | 47,977 | - |
| 12,466 | - | - | - | - | - |
| 19,508 | - | - | - | 26,328 | - |
| - | - | - | - | 216,621 | - |
| <u>855,316</u> | <u>-</u> | <u>224</u> | <u>48,453</u> | <u>302,704</u> | <u>12,802</u> |
| - | - | 24,000 | - | - | - |
| 38,996 | - | - | - | 3,567 | - |
| 21,691,063 | 285,453 | 1,783,999 | 664,941 | 5,096,365 | 942,326 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>21,730,059</u> | <u>285,453</u> | <u>1,783,999</u> | <u>664,941</u> | <u>5,099,932</u> | <u>942,326</u> |
| <u>\$ 22,585,375</u> | <u>\$ 285,453</u> | <u>\$ 1,808,223</u> | <u>\$ 713,394</u> | <u>\$ 5,402,636</u> | <u>\$ 955,128</u> |

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

| | <u>Special Revenue Funds</u> | | | |
|--|--|---|------------------------|--|
| | <u>Firefighter Education Trust</u> | <u>F.S. Special Revenues Fund</u> | <u>ARPA Grants</u> | <u>Total Special Revenue Funds</u> |
| Assets | | | | |
| Cash and Cash Equivalents | \$ 3 | \$ 1,911,668 | \$ 487,339 | \$ 12,391,387 |
| Equity in Pooled Investments | - | - | - | 26,649,636 |
| Accounts Receivable | - | - | - | 28,914 |
| Loans Receivable | - | - | - | - |
| (Net of Allowance for Uncollectibles) | - | - | - | 24,000 |
| Prepays | - | - | - | 41,980 |
| Due from Constitutional Officers | - | 23,404 | - | 144,730 |
| Due from Other Governments | - | 20 | - | 587,958 |
| Total Assets | <u>3</u> | <u>1,935,092</u> | <u>487,339</u> | <u>39,868,605</u> |
| Liabilities and Deferred Inflows of Resources and Fund Balance | | | | |
| Liabilities | | | | |
| Accounts Payable | - | 5,629 | - | 1,434,274 |
| Retainage Payable | - | - | - | 23,179 |
| Due to Other Funds | - | 793 | - | 48,835 |
| Due to Constitutional Officers | - | - | - | 19,350 |
| Due to Other Governments | - | - | - | 45,836 |
| Deposits | - | - | - | 216,621 |
| Total Liabilities | <u>-</u> | <u>6,422</u> | <u>-</u> | <u>1,788,095</u> |
| Deferred Inflows of Resources | <u>-</u> | <u>-</u> | <u>125,110</u> | <u>737,048</u> |
| Fund Balances | | | | |
| Non-Spendable | - | - | - | 45,013 |
| Restricted | - | 1,928,670 | 362,229 | 37,302,858 |
| Committed | 3 | - | - | 3 |
| Assigned | - | - | - | - |
| Unassigned | - | - | - | (4,412) |
| Total Fund Balances | <u>3</u> | <u>1,928,670</u> | <u>362,229</u> | <u>37,343,462</u> |
| Total Liabilities and Deferred Inflows of Resources and Fund Balances | <u>\$ 3</u> | <u>\$ 1,935,092</u> | <u>\$ 487,339</u> | <u>\$ 39,868,605</u> |

| Debt Service Funds | | | Capital Projects Funds | | | |
|-----------------------|----------------|--------------------------|------------------------|---------------------------|--------------------|----------------------------------|
| Optional Gas Tax 2000 | County Complex | Total Debt Service Funds | Grants | 36MB NC Mobility Fee Fund | 365 County Complex | 36EN ENCPA Mobility Network Fund |
| \$ 504,299 | \$ - | \$ 504,299 | \$ - | \$ 4,839,506 | \$ 118,574 | \$ 2,085,467 |
| 991,951 | - | 991,951 | - | 1,838,077 | - | 93,526 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 517 | - | 517 | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>1,496,767</u> | <u>-</u> | <u>1,496,767</u> | <u>-</u> | <u>6,677,583</u> | <u>118,574</u> | <u>2,178,993</u> |
| - | - | - | - | 5,602 | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | 5,602 | - | - |
| - | - | - | - | - | - | - |
| 517 | - | 517 | - | - | - | - |
| 1,496,250 | - | 1,496,250 | - | 6,671,981 | - | 2,178,993 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | 118,574 | - |
| - | - | - | - | - | - | - |
| <u>1,496,767</u> | <u>-</u> | <u>1,496,767</u> | <u>-</u> | <u>6,671,981</u> | <u>118,574</u> | <u>2,178,993</u> |
| <u>\$ 1,496,767</u> | <u>\$ -</u> | <u>\$ 1,496,767</u> | <u>\$ -</u> | <u>\$ 6,677,583</u> | <u>\$ 118,574</u> | <u>\$ 2,178,993</u> |

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

| | <u>Capital Projects Funds</u> | | | <u>Total Non-Major Governmental Funds</u> |
|--|---|---|--|---|
| | <u>Capital Projects Impact Fees</u> | <u>Comprehensive Impact Fee Ordinance</u> | <u>Total Capital Project Funds</u> | |
| Assets | | | | |
| Cash and Cash Equivalents | \$ 2,808,419 | \$ 1,582,906 | \$ 11,434,872 | \$ 24,330,558 |
| Equity in Pooled Investments | - | 15,455,428 | 17,387,031 | 45,028,618 |
| Accounts Receivable | - | - | - | 28,914 |
| Loans Receivable (Net of Allowance for Uncollectibles) | - | - | - | 24,000 |
| Prepays | - | - | - | 42,497 |
| Due from Constitutional Officers | - | - | - | 144,730 |
| Due from Other Governments | - | - | - | 587,958 |
| Total Assets | <u>2,808,419</u> | <u>17,038,334</u> | <u>28,821,903</u> | <u>70,187,275</u> |
| Liabilities and Deferred Inflows of Resources and Fund Balance | | | | |
| Liabilities | | | | |
| Accounts Payable | - | 16,003 | 21,605 | 1,455,879 |
| Retainage Payable | - | - | - | 23,179 |
| Due to Other Funds | - | - | - | 48,835 |
| Due to Constitutional Officers | - | - | - | 19,350 |
| Due to Other Governments | - | - | - | 45,836 |
| Deposits | - | - | - | 216,621 |
| Total Liabilities | <u>-</u> | <u>16,003</u> | <u>21,605</u> | <u>1,809,700</u> |
| Deferred Inflows of Resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>737,048</u> |
| Fund Balances | | | | |
| Non-Spendable | - | - | - | 45,530 |
| Restricted | 2,808,419 | 17,022,331 | 28,681,724 | 67,480,832 |
| Committed | - | - | - | 3 |
| Assigned | - | - | 118,574 | 118,574 |
| Unassigned | - | - | - | (4,412) |
| Total Fund Balances | <u>2,808,419</u> | <u>17,022,331</u> | <u>28,800,298</u> | <u>67,640,527</u> |
| Total Liabilities and Deferred Inflows of Resources and Fund Balances | <u>\$ 2,808,419</u> | <u>\$ 17,038,334</u> | <u>\$ 28,821,903</u> | <u>\$ 70,187,275</u> |

**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, 2023**

| | Special Revenue Funds | | |
|--|---|------------------------------|--------------------------------------|
| | Law Enforcement Training | Sheriff Donations | Law Enforcement Trust |
| Revenues | | | |
| Taxes | \$ - | \$ - | \$ - |
| Licenses and Permits | - | - | - |
| Intergovernmental Revenues | - | - | 39,571 |
| Charges for Services | 9,680 | - | - |
| Fines and Forfeitures | 11,257 | - | 23,641 |
| Investment Earnings | 1,646 | 24 | 5,447 |
| Miscellaneous | - | - | 4,233 |
| Total Revenues | 22,583 | 24 | 72,892 |
| Expenditures | | | |
| Current: | | | |
| General Government Services | - | - | - |
| Public Safety | - | - | - |
| Physical Environment | - | - | - |
| Transportation | - | - | - |
| Economic Environment | - | - | - |
| Human Services | - | - | - |
| Culture and Recreation | - | - | - |
| Court-Related Expenditures | - | - | - |
| Capital Outlay | - | - | - |
| Debt Service: | | | |
| Principal Retirement | - | - | - |
| Interest and Fiscal Charges | - | - | - |
| (Total Expenditures) | - | - | - |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 22,583 | 24 | 72,892 |
| Other Financing Sources (Uses) | | | |
| Transfers from Constitutional Officers | - | - | - |
| Transfers to Constitutional Officers | - | - | (7,500) |
| Transfers in | - | - | - |
| Transfers (out) | - | - | - |
| Total Other Financing Sources (Uses) | - | - | (7,500) |
| Net Change in Fund Balances | 22,583 | 24 | 65,392 |
| Fund Balances at Beginning of Year | 204,455 | 3,109 | 509,083 |
| Fund Balances at End of Year | \$ 227,038 | \$ 3,133 | \$ 574,475 |

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 |
|-------------------------------------|---------------------|-------------------|------------------------|-----------------|-------------------------------------|-------------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - |
| 26,792 | 49,275 | - | - | - | - | - |
| - | 173,407 | 18,254 | 36,507 | 18,254 | 2,999 | - |
| 4,999 | - | - | - | - | - | 29,526 |
| 347 | 14,455 | 802 | 655 | - | - | 170 |
| - | 517 | - | - | - | - | - |
| <u>32,138</u> | <u>237,654</u> | <u>19,056</u> | <u>37,162</u> | <u>18,254</u> | <u>2,999</u> | <u>29,696</u> |
| - | - | - | - | - | - | - |
| 48,587 | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | 83,655 | 2,999 | 27,645 |
| - | - | - | - | - | - | - |
| - | 25,614 | 19,245 | 54,087 | - | - | - |
| 7,595 | 473,186 | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>56,182</u> | <u>498,800</u> | <u>19,245</u> | <u>54,087</u> | <u>83,655</u> | <u>2,999</u> | <u>27,645</u> |
| <u>(24,044)</u> | <u>(261,146)</u> | <u>(189)</u> | <u>(16,925)</u> | <u>(65,401)</u> | - | <u>2,051</u> |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | 65,401 | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | <u>65,401</u> | - | - |
| <u>(24,044)</u> | <u>(261,146)</u> | <u>(189)</u> | <u>(16,925)</u> | - | - | <u>2,051</u> |
| <u>19,632</u> | <u>671,850</u> | <u>109,000</u> | <u>104,618</u> | - | - | <u>27,645</u> |
| <u>\$ (4,412)</u> | <u>\$ 410,704</u> | <u>\$ 108,811</u> | <u>\$ 87,693</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 29,696</u> |

**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, 2023**

| | Special Revenue Funds | | |
|--|---|--------------------------|--|
| | 911 Operations and Maintenance | EMS County Awards HRS | Amelia Island Beach Renourishment |
| Revenues | | | |
| Taxes | \$ - | \$ - | \$ 503,561 |
| Licenses and Permits | - | - | - |
| Intergovernmental Revenues | - | 6,101 | - |
| Charges for Services | 575,067 | - | - |
| Fines and Forfeitures | - | - | - |
| Investment Earnings | 13,343 | - | 84,069 |
| Miscellaneous | - | - | - |
| Total Revenues | 588,410 | 6,101 | 587,630 |
| Expenditures | | | |
| Current: | | | |
| General Government Services | - | - | - |
| Public Safety | 67,365 | 6,101 | - |
| Physical Environment | - | - | 131,963 |
| Transportation | - | - | - |
| Economic Environment | - | - | - |
| Human Services | - | - | - |
| Culture and Recreation | - | - | - |
| Court-Related Expenditures | - | - | - |
| Capital Outlay | - | - | - |
| Debt Service: | | | |
| Principal Retirement | - | - | - |
| Interest and Fiscal Charges | - | - | - |
| (Total Expenditures) | 67,365 | 6,101 | 131,963 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 521,045 | - | 455,667 |
| Other Financing Sources (Uses) | | | |
| Transfers from Constitutional Officers | 92,336 | - | 1,688 |
| Transfers to Constitutional Officers | (688,684) | - | (10,044) |
| Transfers in | - | - | - |
| Transfers (out) | - | - | - |
| Total Other Financing Sources (Uses) | (596,348) | - | (8,356) |
| Net Change in Fund Balances | (75,303) | - | 447,311 |
| Fund Balances at Beginning of Year | 699,171 | - | 2,037,533 |
| Fund Balances at End of Year | \$ 623,868 | \$ - | \$ 2,484,844 |

| 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 |
| \$ 11,415,457 | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | 274,358 | 3,332,588 | 173,541 |
| - | 63,902 | - | - | - | - |
| - | - | - | - | 64,968 | - |
| - | - | - | - | - | - |
| 809,192 | 3,173 | 13,346 | 6,082 | 242,583 | 34,789 |
| 30,750 | - | 52,771 | 134 | 13,289 | - |
| <u>12,255,399</u> | <u>67,075</u> | <u>66,117</u> | <u>280,574</u> | <u>3,653,428</u> | <u>208,330</u> |
| - | - | - | - | 2,509,425 | - |
| - | - | - | - | 580,151 | - |
| 491,408 | - | - | 395,588 | - | 168,234 |
| - | - | - | - | - | - |
| 7,959,701 | - | 289,349 | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | 186,566 | - |
| - | - | - | - | 1,481 | - |
| - | - | - | - | 137 | - |
| <u>8,451,109</u> | <u>-</u> | <u>289,349</u> | <u>395,588</u> | <u>3,277,760</u> | <u>168,234</u> |
| <u>3,804,290</u> | <u>67,075</u> | <u>(223,232)</u> | <u>(115,014)</u> | <u>375,668</u> | <u>40,096</u> |
| - | - | - | - | - | - |
| (342,464) | - | - | (15,897) | - | (8,083) |
| - | 12,875 | - | - | - | - |
| - | - | - | (12,875) | (2,956,043) | (4,000) |
| <u>(342,464)</u> | <u>12,875</u> | <u>-</u> | <u>(28,772)</u> | <u>(2,956,043)</u> | <u>(12,083)</u> |
| 3,461,826 | 79,950 | (223,232) | (143,786) | (2,580,375) | 28,013 |
| 18,268,233 | 205,503 | 2,007,231 | 808,727 | 7,680,307 | 914,313 |
| <u>\$ 21,730,059</u> | <u>\$ 285,453</u> | <u>\$ 1,783,999</u> | <u>\$ 664,941</u> | <u>\$ 5,099,932</u> | <u>\$ 942,326</u> |

**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, 2023**

| | Special Revenue Funds | | | |
|--|--|---|------------------------|--|
| | Firefighter Education Trust | F.S. Special Revenues Fund | ARPA Grants | Total Special Revenue Funds |
| Revenues | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ 11,919,018 |
| Licenses and Permits | - | - | - | 3,780,487 |
| Intergovernmental Revenues | - | 112,248 | 17,188,273 | 17,486,162 |
| Charges for Services | - | 212,928 | - | 1,112,064 |
| Fines and Forfeitures | - | 47,313 | - | 116,736 |
| Investment Earnings | - | 14,355 | 259,663 | 1,504,141 |
| Miscellaneous | - | 340 | - | 102,034 |
| Total Revenues | - | 387,184 | 17,447,936 | 36,020,642 |
| Expenditures | | | | |
| Current: | | | | |
| General Government Services | - | - | - | 2,509,425 |
| Public Safety | - | 47,755 | - | 749,959 |
| Physical Environment | - | - | - | 1,187,193 |
| Transportation | - | - | - | - |
| Economic Environment | - | - | - | 8,249,050 |
| Human Services | - | - | - | 114,299 |
| Culture and Recreation | - | 283,862 | - | 283,862 |
| Court-Related Expenditures | - | 111,748 | - | 210,694 |
| Capital Outlay | - | 50,701 | - | 718,048 |
| Debt Service: | | | | |
| Principal Retirement | - | - | - | 1,481 |
| Interest and Fiscal Charges | - | - | - | 137 |
| (Total Expenditures) | - | 494,066 | - | 14,024,148 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | (106,882) | 17,447,936 | 21,996,494 |
| Other Financing Sources (Uses) | | | | |
| Transfers from Constitutional Officers | - | - | - | 94,024 |
| Transfers to Constitutional Officers | - | - | - | (1,072,672) |
| Transfers in | - | - | - | 78,276 |
| Transfers (out) | - | - | (17,188,273) | (20,161,191) |
| Total Other Financing Sources (Uses) | - | - | (17,188,273) | (21,061,563) |
| Net Change in Fund Balances | - | (106,882) | 259,663 | 934,931 |
| Fund Balances at Beginning of Year | 3 | 2,035,552 | 102,566 | 36,408,531 |
| Fund Balances at End of Year | \$ 3 | \$ 1,928,670 | \$ 362,229 | \$ 37,343,462 |

| Debt Service Funds | | | Capital Projects Funds | | | |
|-----------------------|------------------|--------------------------|------------------------|---------------------------|--------------------|----------------------------------|
| Optional Gas Tax 2000 | County Complex | Total Debt Service Funds | Grants | 36MB NC Mobility Fee Fund | 365 County Complex | 36EN ENCPA Mobility Network Fund |
| \$ 901,447 | \$ - | \$ 901,447 | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | 3,593,987 | - | 2,099,578 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 44,070 | - | 44,070 | - | 118,977 | 879 | 17,283 |
| - | - | - | - | - | - | - |
| <u>945,517</u> | <u>-</u> | <u>945,517</u> | <u>-</u> | <u>3,712,964</u> | <u>879</u> | <u>2,116,861</u> |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | 9,081 | - | 800,000 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | 3,284 | - | - | - |
| 262,086 | 1,500,000 | 1,762,086 | - | - | - | - |
| 683,431 | 825,750 | 1,509,181 | - | - | - | - |
| <u>945,517</u> | <u>2,325,750</u> | <u>3,271,267</u> | <u>3,284</u> | <u>9,081</u> | <u>-</u> | <u>800,000</u> |
| - | (2,325,750) | (2,325,750) | (3,284) | 3,703,883 | 879 | 1,316,861 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | 2,325,750 | 2,325,750 | - | - | - | 119,953 |
| - | - | - | - | (2,042,000) | - | - |
| <u>-</u> | <u>2,325,750</u> | <u>2,325,750</u> | <u>-</u> | <u>(2,042,000)</u> | <u>-</u> | <u>119,953</u> |
| - | - | - | (3,284) | 1,661,883 | 879 | 1,436,814 |
| 1,496,767 | - | 1,496,767 | 3,284 | 5,010,098 | 117,695 | 742,179 |
| <u>\$ 1,496,767</u> | <u>\$ -</u> | <u>\$ 1,496,767</u> | <u>\$ -</u> | <u>\$ 6,671,981</u> | <u>\$ 118,574</u> | <u>\$ 2,178,993</u> |

**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, 2023**

| | Capital Projects Funds | | | |
|--|---|---|--|---|
| | Capital Projects Impact Fees | Comprehensive Impact Fee Ordinance | Total Capital Project Funds | Total Non-Major Governmental Funds |
| Revenues | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ 12,820,465 |
| Licenses and Permits | - | 3,253,397 | 8,946,962 | 12,727,449 |
| Intergovernmental Revenues | - | - | - | 17,486,162 |
| Charges for Services | - | - | - | 1,112,064 |
| Fines and Forfeitures | - | - | - | 116,736 |
| Investment Earnings | 63,576 | 684,200 | 884,915 | 2,433,126 |
| Miscellaneous | - | - | - | 102,034 |
| Total Revenues | 63,576 | 3,937,597 | 9,831,877 | 46,798,036 |
| Expenditures | | | | |
| Current: | | | | |
| General Government Services | - | 1,924 | 1,924 | 2,511,349 |
| Public Safety | - | 1,420 | 1,420 | 751,379 |
| Physical Environment | - | - | - | 1,187,193 |
| Transportation | - | - | 809,081 | 809,081 |
| Economic Environment | - | - | - | 8,249,050 |
| Human Services | - | - | - | 114,299 |
| Culture and Recreation | - | 14,341 | 14,341 | 298,203 |
| Court-Related Expenditures | - | - | - | 210,694 |
| Capital Outlay | 159,655 | 982,523 | 1,145,462 | 1,863,510 |
| Debt Service: | | | | |
| Principal Retirement | - | - | - | 1,763,567 |
| Interest and Fiscal Charges | - | - | - | 1,509,318 |
| (Total Expenditures) | 159,655 | 1,000,208 | 1,972,228 | 19,267,643 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (96,079) | 2,937,389 | 7,859,649 | 27,530,393 |
| Other Financing Sources (Uses) | | | | |
| Transfers from Constitutional Officers | - | - | - | 94,024 |
| Transfers to Constitutional Officers | (962,438) | (1,037,562) | (2,000,000) | (3,072,672) |
| Transfers in | - | - | 119,953 | 2,523,979 |
| Transfers (out) | - | (1,440,000) | (3,482,000) | (23,643,191) |
| Total Other Financing Sources (Uses) | (962,438) | (2,477,562) | (5,362,047) | (24,097,860) |
| Net Change in Fund Balances | (1,058,517) | 459,827 | 2,497,602 | 3,432,533 |
| Fund Balances at Beginning of Year | 3,866,936 | 16,562,504 | 26,302,696 | 64,207,994 |
| Fund Balances at End of Year | \$ 2,808,419 | \$ 17,022,331 | \$ 28,800,298 | \$ 67,640,527 |

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, 2023, and the related notes to the financial statements, and have issued our report thereon dated March 15, 2024.

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 County-wide financial statement’s accompanying schedule of findings and questioned costs as item 2023-002 that we consider to be significant deficiencies.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants
An Independent Member of the BDO Alliance USA

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*.

County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Board's response to the findings identified in our audit and described in the County-wide financial statement's accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 15, 2024
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, 2023, 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, 2023.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and 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 15, 2024
Gainesville, Florida

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

An Independent Member of the BDO Alliance USA

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, 2023, and have issued our report thereon dated March 15, 2024.

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 the American Institute of Certified Public Accountants *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 15, 2024, 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. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

- Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The 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.

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.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

An Independent Member of the BDO Alliance USA

MANAGEMENT LETTER

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 | \$ 418,313 |
| Sewer Improvement Project | \$ 774,455 |

- 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 \$2,395,470.

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

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.

The Honorable Board of County Commissioners
Nassau County, Florida

MANAGEMENT LETTER

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 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 15, 2024
Gainesville, Florida

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

An Independent Member of the BDO Alliance USA