

# 2022

Nassau County, Florida

Financial Statements and  
Independent Auditor's Report

September 30, 2022

**PURVIS GRAY**  
CERTIFIED PUBLIC ACCOUNTANTS

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

**NASSAU COUNTY, FLORIDA**

**SEPTEMBER 30, 2022**

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

**NASSAU COUNTY, FLORIDA**

**SEPTEMBER 30, 2022**

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## **INTRODUCTORY SECTION**

**NASSAU COUNTY, FLORIDA**

**LIST OF ELECTED AND APPOINTED OFFICIALS**

**Serving as of September 30, 2022**

**ELECTED OFFICIALS**

<b>Commissioner—District 3, Chairman .....</b>	<b>Jeff Gray</b>
<b>Commissioner—District 5, Vice Chairman .....</b>	<b>Klynt A. Farmer</b>
<b>Commissioner—District 2 .....</b>	<b>Aaron C. Bell</b>
<b>Commissioner—District 4 .....</b>	<b>Thomas R. Ford</b>
<b>Commissioner—District 1 .....</b>	<b>John F. Martin</b>
<b>Clerk of the Circuit Court and Comptroller</b>	<b>John A. Crawford</b>
<b>Tax Collector</b>	<b>John M. Drew</b>
<b>Sheriff</b>	<b>Bill Leeper</b>
<b>Property Appraiser</b>	<b>A. Michael Hickox</b>
<b>Supervisor of Elections</b>	<b>Janet H. Adkins</b>

**APPOINTED OFFICIALS**

<b>County Manager</b>	<b>Taco Pope</b>
<b>County Attorney</b>	<b>Denise May</b>

## **FINANCIAL SECTION**

## INDEPENDENT AUDITOR'S REPORT

The Honorable Board of County Commissioners  
and Constitutional Officers  
Nassau County, Florida

### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Nassau County, Florida (the County) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the County'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 the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 County 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 Matters

As described in Note 1 to the financial statements, in 2022, the County adopted new accounting guidance, Governmental Accounting Standards Board Statement No.87, *Leases*. Our opinion is not modified with respect to this matter.

As described in Note 22 to the financial statements, a prior period adjustment was made to record donated land and infrastructure. Our opinion is not modified with respect to this matter.

### 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.

## CERTIFIED PUBLIC ACCOUNTANTS

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The Honorable Board of County Commissioners  
and Constitutional Officers  
Nassau County, Florida

## INDEPENDENT AUDITOR'S REPORT

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 County'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 and *Government 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 County'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 County'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.



The Honorable Board of County Commissioners  
and Constitutional Officers  
Nassau County, Florida

## INDEPENDENT AUDITOR'S REPORT

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required information, as listed in the table of contents to 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 County's basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and Chapter 10.550, Rules of the Auditor General*, 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 schedule of expenditures of federal awards and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

The Honorable Board of County Commissioners  
and Constitutional Officers  
Nassau County, Florida

## INDEPENDENT AUDITOR'S REPORT

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

In accordance with *Government Auditing Standards*, we have also issued a report dated March 22, 2023, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



March 22, 2023  
Gainesville, Florida

**MANAGEMENT'S DISCUSSION  
AND ANALYSIS (MD&A)**

## Management’s Discussion and Analysis

This management’s discussion and analysis of Nassau County’s (the County) financial statements is designed to introduce the basic financial activities for the fiscal year ended September 30, 2022. The basic financial statements are comprised of the government-wide financial statements, fund financial statements, and footnotes. We hope this will assist readers in identifying significant financial issues and changes in the County’s financial position.

### Financial Highlights

- The assets of the County and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2022 by \$483,243,374 (net position). The net position included governmental activities of \$464,928,278 and business-type activities of \$18,315,096.
- The County had an excess of revenues to expenses of \$25,381,958 for the fiscal year, compared to an excess of \$38,340,191 in the prior year. General revenues & transfers increased by \$16,861,136 including increases of \$6,936,739 in property tax revenue and \$771,126 in state revenue sharing. There was an increase in sales tax revenue of \$7,077,167. Overall, program revenues decreased by \$8,227,293 due mostly to a decrease in *Coronavirus Aid, Relief and Economic Security Act (CARES)* grant funding. Program expenses had an overall increase of \$21,592,076. A substantial portion of the increase in program expenses relates to transportation \$5,256,372 and public safety \$9,727,112.
- The General Fund reported an excess of revenues to expenditures of \$21,241,843 compared to an excess of \$21,195,434 in the prior fiscal year. General Fund tax revenues were up \$8,221,706 compared to the prior year due to an increase in the County’s taxable assessed value and substantial growth in the housing market. This resulted in a net increase of General Fund balance of \$11,687,337 and an ending fund balance on September 30, 2022 of \$67,884,141.
- The Water & Sewer proprietary fund reported a positive change in net position of \$630,385 in fiscal year 2022. This increase is significantly more than the negative change in net position of \$608,012 in the prior fiscal year.
- Outstanding long-term bonded debt and notes as of September 30, 2022, was \$26,891,578, a reduction of \$3,349,076 from the prior year. Of this amount, \$3,047,404 is considered due within one year.

### Overview of the Financial Statements

This management’s discussion and analysis is intended to serve as an introduction to the County’s basic financial statements. The County’s basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. Below is a breakdown of Nassau County’s fund types by count.

Fund Type	Number
General Fund	1
Debt Service Funds	2
Capital Projects Funds	9
Special Revenue Funds	33
<b>Total Governmental Funds</b>	<b>45</b>
<b>Total Proprietary Funds</b>	<b>2</b>
<b>Total Custodial Funds</b>	<b>13</b>

# Management's Discussion and Analysis

## (Continued)

### Government-Wide Financial Statements

The government-wide financial statements, which consist of the following two statements, are designed to provide the reader with a broad overview of the County's finances in a manner similar to private sector business. The statement of net position presents information on all of the County's assets, deferred outflow of resources, liabilities, and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected earned revenues such as sales taxes and earned but unused vacation leave).

Both of these financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, physical environment, public safety, court-related, transportation, economic environment, human services, and culture/recreation. The business-type activities consist of the water and sewer utilities.

The government-wide financial statements include not only the County itself (known as the primary government), but also the following legally separate component units: Nassau County Housing Finance Authority and Recreation and Water Conservation and Control District No. 1. These component units had no revenues or expenditures during the fiscal year ended September 30, 2022; therefore, financial statements were not prepared for these component units.

### Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: 1) governmental funds, 2) proprietary funds, and 3) fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term* inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's *near-term* financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's *near-term* financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

# Management's Discussion and Analysis

## *(Continued)*

### **Fund Financial Statements *(Concluded)***

The County maintains forty-five (45) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, County Transportation Fund, Municipal Services Fund, Capital Projects Transportation Fund, Grants Fund and Comprehensive Impact Fee Ordinance Fund, which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for all of its major funds, as well as all non-major funds. Budget comparison schedules have been provided for these funds to demonstrate budgetary compliance.

The County maintains one type of proprietary fund type, an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses one enterprise fund to account for the fiscal activities relating to water and sewer utilities and the American Beach Water & Sewer District. Proprietary funds provide the same type of information as the government-wide financial statements only in more detail. The proprietary fund financial statements provide separate information for the water and sewer utilities and American Beach Water & Sewer District.

Fiduciary funds are used to account for resources held for the benefit of parties within and outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs, except for those that are within the government. The accounting used for fiduciary funds is similar to proprietary funds.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the County's comparison of budget and actual revenues and expenditures for its major funds. This report also presents certain other information concerning the County's combining non-major fund statements and schedules.

### **Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$483,243,374 at the close of the fiscal year ended September 30, 2022.

At the end of the fiscal year 2022, the County is able to report a positive balance in net position for its governmental activities of \$464,928,278 as well as a positive balance in net position for its business type activities of \$18,315,096.

## Management's Discussion and Analysis (Continued)

### Government-Wide Financial Analysis (Concluded)

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and Other						
Assets	230,827,800	\$ 191,415,183	\$ 9,211,651	\$ 9,879,974	\$ 240,039,451	\$ 201,295,157
Capital Assets	404,582,061	409,386,405	16,905,527	14,297,223	421,487,588	423,683,628
<b>Total Assets</b>	<b>635,409,861</b>	<b>600,801,588</b>	<b>26,117,178</b>	<b>24,177,197</b>	<b>661,527,039</b>	<b>624,978,785</b>
<b>Deferred Outflow of Resources</b>	<b>33,959,584</b>	<b>27,509,256</b>	<b>318,508</b>	<b>366,706</b>	<b>34,278,092</b>	<b>27,875,962</b>
Outstanding Obligations	160,339,888	99,508,109	7,007,863	7,929,034	167,347,751	107,437,143
Other Liabilities	32,315,537	21,704,762	1,078,340	1,316,882	33,393,877	23,021,644
<b>Total Liabilities</b>	<b>192,655,425</b>	<b>121,212,871</b>	<b>8,086,203</b>	<b>9,245,916</b>	<b>200,741,628</b>	<b>130,458,787</b>
<b>Deferred Inflows of Resources</b>	<b>11,785,742</b>	<b>64,407,898</b>	<b>34,387</b>	<b>126,646</b>	<b>11,820,129</b>	<b>64,534,544</b>
<b>Net Position:</b>						
Net Investment in						
Capital Assets	383,443,933	388,963,402	10,395,443	6,846,450	393,839,376	395,809,852
Restricted	72,782,667	66,622,913	783,887	802,065	73,566,554	67,424,978
Unrestricted	8,701,678	(12,896,240)	7,135,766	7,522,826	15,837,444	(5,373,414)
<b>Total Net Position</b>	<b>\$ 464,928,278</b>	<b>\$ 442,690,075</b>	<b>\$ 18,315,096</b>	<b>\$ 15,171,341</b>	<b>\$ 483,243,374</b>	<b>\$ 457,861,416</b>

As of the end of fiscal year 2022, the County's total net position of \$483,243,374 includes \$393,839,376 (81.5%) of net investments in capital assets such as land, buildings, infrastructure, improvements, and equipment, less any outstanding debt used to acquire those capital assets. The County uses these capital assets to provide services to the citizens; consequently, these assets are not available for future spending.

Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the County's net position, \$73,566,554 (15.2%), represents resources that are subject to external restriction on how they may be used. On September 30, 2022, the County had a net pension liability for its participation in the Florida Retirement System of \$93.3 million, a net OPEB obligation of \$20.9 million, and a landfill post-closure liability of \$15.7 million, which contributed to an unrestricted net position of \$15,837,444.

### Governmental Activities

Fiscal year 2022 governmental activities increased the County's net position by \$22,238,203 to \$464,928,278. Governmental activities revenues exceeded expenses by \$24,019,119 in fiscal year 2022 compared to the prior year excess of \$37,876,743. Factors contributing to this year-over-year change in net position include a \$15,016,548 increase in general revenue and transfers, a \$9,397,240 decrease in governmental program revenues and a \$21,323,806 increase in governmental program expenses. Of the \$15,016,548 increase in general revenues and transfers, property tax revenues increased 6.3 million or 8% from the prior year due to growth, as well as an increase in the taxable property values. In addition, one cent sales tax revenues increased by 3.1 million or 24% from the prior year due to population growth and increased spending in the area.

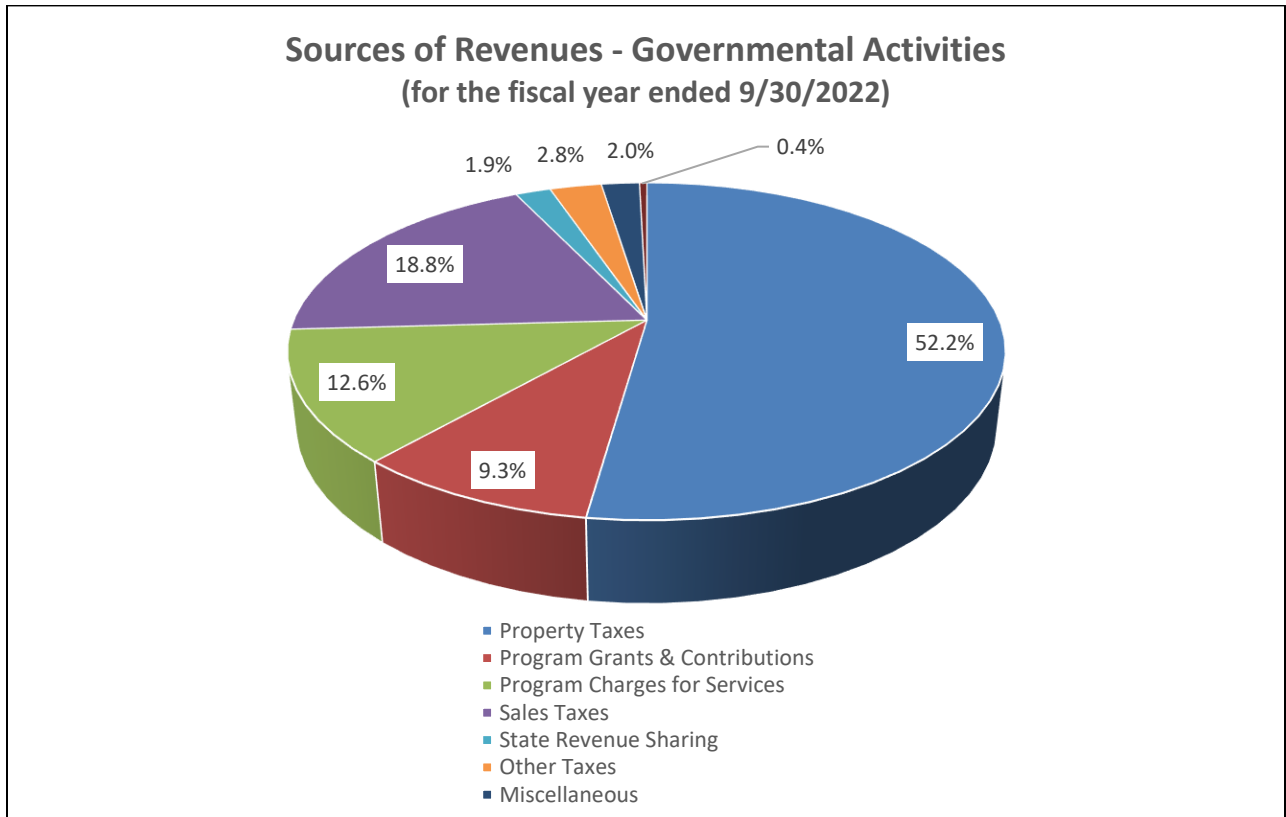
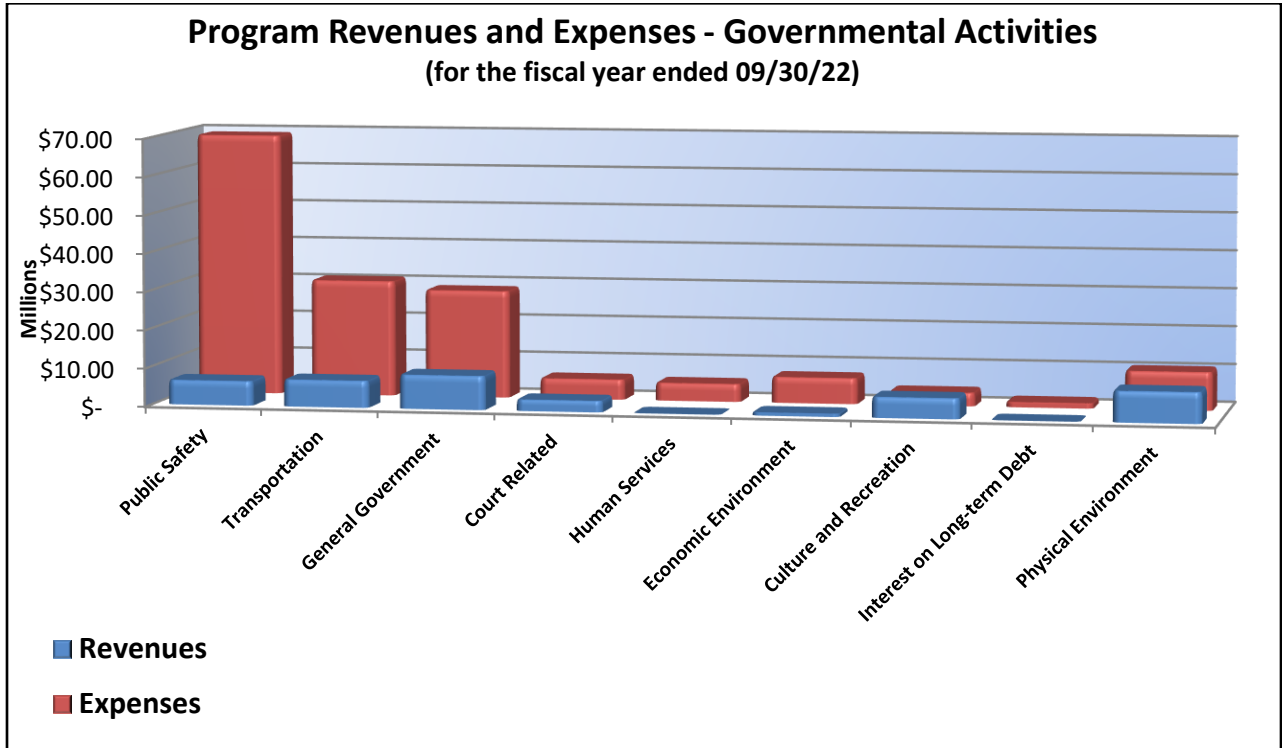
## Management's Discussion and Analysis (Continued)

### Nassau County, Florida Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021 (Restated)	2022	2021	2022	2021 (Restated)
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$ 23,152,161	\$ 22,433,610	\$ 5,391,566	\$ 4,726,612	\$ 28,543,727	\$ 27,160,222
Operating Grants and Contributions	.	.	-	-	-	-
Contributions	4,451,658	8,262,459	-	-	4,451,658	8,262,459
Capital Grants and Contributions	12,629,726	18,934,716	504,993	-	13,134,719	18,934,716
General Revenues:						
Property Taxes	96,114,683	89,177,944	-	-	96,114,683	89,177,944
Other Taxes	43,108,841	35,235,200	-	-	43,108,841	35,235,200
Other Revenues	4,501,118	2,448,076	6,008	8,294	4,507,126	2,456,370
<b>Total Revenues</b>	<b>183,958,187</b>	<b>176,492,005</b>	<b>5,902,567</b>	<b>4,734,906</b>	<b>189,860,754</b>	<b>181,226,911</b>
<b>Expenses</b>						
General Government	28,331,651	24,625,283	-	-	28,331,651	24,625,283
Court Related	5,386,267	4,987,940	-	-	5,386,267	4,987,940
Public Safety	68,874,932	59,147,820	-	-	68,874,932	59,147,820
Physical Environment	10,130,624	9,694,197	-	-	10,130,624	9,694,197
Transportation	30,480,039	25,223,668	-	-	30,480,039	25,223,668
Economic Environment	6,868,135	5,510,707	-	-	6,868,135	5,510,707
Human Services	4,772,620	4,578,441	-	-	4,772,620	4,578,441
Culture/Recreation	3,621,318	3,164,970	-	-	3,621,318	3,164,970
Interest on Long-term Debt	1,473,482	1,682,236	-	-	1,473,482	1,682,236
Water and Sewer	-	-	4,539,728	4,271,458	4,539,728	4,271,458
<b>Total Expenses</b>	<b>159,939,068</b>	<b>138,615,262</b>	<b>4,539,728</b>	<b>4,271,458</b>	<b>164,478,796</b>	<b>142,886,720</b>
Excess of Revenue Over						
Expense	24,019,119	37,876,743	1,362,839	463,448	25,381,958	38,340,191
Add: Contributions	-	-	-	-	-	-
Add: Transfers	(1,780,916)	65,958	1,780,916	(65,958)	-	-
Change in Net Position	22,238,203	37,942,701	3,143,755	397,490	25,381,958	38,340,191
Prior Period Adjustment	-	-	-	-	-	-
<b>Net Position-</b>						
<b>Beginning of Year</b>	<b>442,690,075</b>	<b>402,118,374</b>	<b>15,171,341</b>	<b>14,773,851</b>	<b>457,861,416</b>	<b>416,892,225</b>
<b>Prior Period Adjustment</b>	<b>-</b>	<b>2,629,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,629,000</b>
<b>Net Position-End of Year</b>	<b>\$ 464,928,278</b>	<b>\$ 442,690,075</b>	<b>\$ 18,315,096</b>	<b>\$ 15,171,341</b>	<b>\$ 483,243,374</b>	<b>\$ 457,861,416</b>

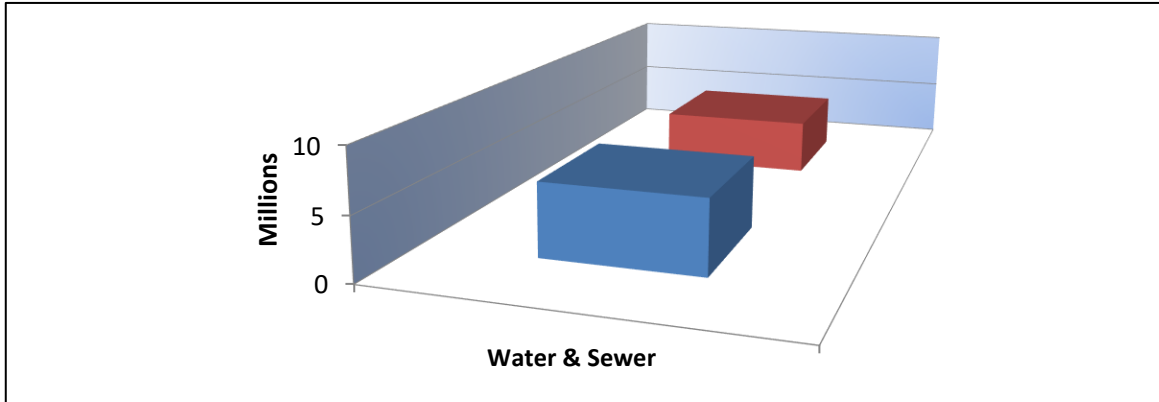


## Management's Discussion and Analysis



## Management's Discussion and Analysis (Continued)

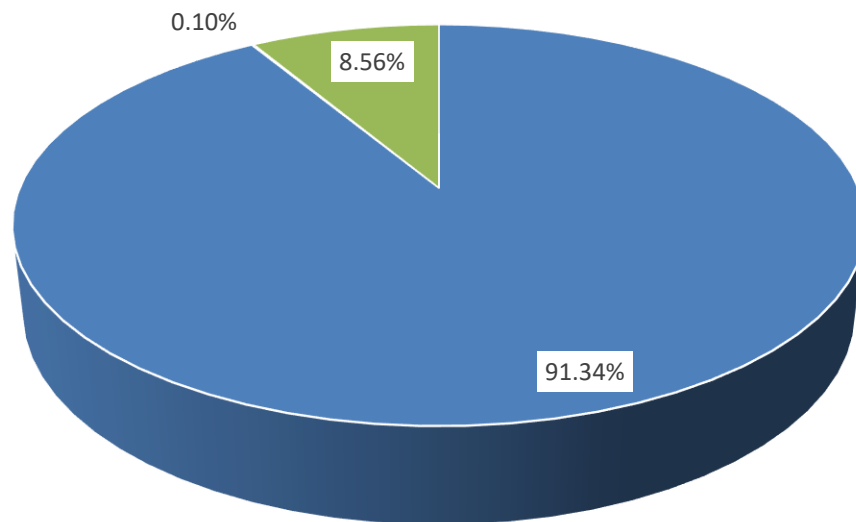
### Program Revenues and Expenses - Business-type Activities (for the fiscal year ended 09/30/2022)



■ Revenues

■ Expenses

### Sources of Revenue - Business-Type Activities (for the fiscal year ended 09/30/2022)



- Program Charges for Services
- Investment Earnings & Misc
- Capital Grants & Contributions

## **Management's Discussion and Analysis** *(Continued)*

### **Analysis of the County's Fund Financials**

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the County's governmental funds is to provide information on *near-term* inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year.

As of the end of fiscal year 2022, the County's governmental funds reported combined ending fund balances of \$195,242,303. This represents an increase of \$35,354,245 when compared to the prior year ending balance. A portion of fund balance in the amount of \$73,244,077 is internally designated by the County for a specific purpose or available to be spent at the County's discretion. The remainder of fund balance in the amount of \$121,998,226 is non-spendable, restricted or committed to indicate that it is not available for new spending because it has already been committed for: 1) inventories, 2) prepaid items, 3) grants, 4) state law, or 5) constrained by external third parties.

The general fund is the main operating fund of the County. At the end of fiscal year 2022, the general fund had a total fund balance of \$67,884,141, an increase of \$11,687,337 from the prior year. General fund revenues increased by \$2,387,919 when compared to the prior fiscal year, due primarily to a \$8,221,706 increase in tax revenue and a \$7,188,970 decrease in intergovernmental revenues. The net increase in tax revenue resulted from an increase in both Ad Valorem taxes and one-cent taxes. Expenditures in the general fund increased year to year by 2,341,510. Major components of this increase included an increase of \$2,652,006 in general government expenditures. Transfers-in of \$4,350,788 (a \$1,637,620 decrease from fiscal year 2021), as well as transfers-out of \$14,349,264 (a \$2,698,955 increase from fiscal year 2021), also contributed to a net change in fund balance of \$11,687,337 and an ending fund balance of \$67,884,141.

A majority of the fund balance in the general fund in the amount of \$53,613,562 is internally designated by the County for a specific purpose or available to be spent at the County's discretion. The remainder of fund balance in the amount of \$14,270,579 is non-spendable, restricted or committed. As a measure of the General Fund's liquidity, it may be useful to compare the unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 24.6% of the total General Fund expenditures. Total fund balance represents 79.3% of that same amount.

At the end of fiscal year 2022, the transportation fund had a fund balance of \$10,264,564, a decrease of \$2,525,824 when compared to the prior year fund balance. The decrease was primarily due to a \$5,323,984 of interfund transfers for capital road projects.

The municipal services fund had a total fund balance of \$13,586,311 at the end of fiscal year 2022. The net increase in fund balance of \$1,325,963 was primarily due to a \$4,246,623 excess of revenues to expenditures and a \$2,920,660 deficiency of other financing sources (uses).

The capital projects transportation fund had a fund balance of \$28,463,308 at the end of the fiscal year, an increase of \$11,078,729 as compared to the prior year ending balance. The increase was a result of transfers-in of \$12,864,262 from the general fund, county transportation fund, and mobility fees. The excess of expenditures over revenues was mostly due to road improvements of \$1,851,116 and a right of way land acquisition of \$1,048,579.

## Management’s Discussion and Analysis (Continued)

### Analysis of the County’s Fund Financials (Concluded)

The comprehensive impact fee ordinance fund had a fund balance of \$16,562,504 at the end of fiscal year 2022. This is a \$4,618,760 increase from the prior year, which is due solely to the collection of 2022 impact fees. There were expenditures of \$831,987, due primarily for park construction.

The County’s proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. The water and sewer fund is reported as a major enterprise fund. The funds overall net position increased by \$630,385 when comparing to the prior year. The increase was comprised of a \$3,388,238 increase in investment in capital assets, a \$18,178 decrease in restricted net position and a \$2,739,675 decrease in unrestricted net position. Operating income in fiscal year 2022 of \$890,702 was up from prior year operating income of \$447,315. Operating revenues increased in 2022 by \$421,504 and operating costs decreased by \$21,883 compared to fiscal year 2021.

Unrestricted net position of the water and sewer fund at the end of the fiscal year amounted to:

Fund	Unrestricted Net Position	
	2022	2021
Water and Sewer	\$ 4,365,065	\$ 7,104,740

### Budgetary Highlights

Budget and actual comparison schedules are provided as Required Supplementary Information for the general fund and all major special revenue funds with annually appropriated budgets. Budget and actual comparison schedules are also provided in the Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual for all non-major funds with annually appropriated budgets. The budget and actual comparison schedules show the original budget, the final revised budget, actual results, and variance with final budget columns.

After the original budget is approved, it may be revised for a variety of reasons such as unforeseen circumstances, corrections of errors, new bond or loan proceeds, new grant awards, and other revenues. During fiscal year 2022, supplemental appropriations to the General Fund (Board only) budget were approximately \$18.9 million, or 14.2% of the original adopted budget.

- The major source of supplemental revenue was \$18,685,878 in adjustments for unanticipated cash forward. Other supplemental general fund revenues include \$107,634 in grant revenue, \$33,000 in State Contractual payments and donations of \$37,280.
- Major appropriations of the supplemental revenue include \$16,700,700 to Reserves, \$1,379,318 to Capital Expenses, \$25,766 to Other Contractual Services and \$286,093 to Professional Services.
- The significant revenue budgetary variances in the general fund were mainly the result of a payment from Jacksonville Electric Authority (JEA) and sales tax revenues coming in above state projections. The JEA payment was per an interlocal agreement for a ten (10) year true-up in the amount of \$2,030,606 payable to the County. Sales taxes revenues includes additional half-cent sales tax revenue of \$1,676,281, and one-cent sales tax revenue of \$3,832,213. Additionally, above projections, were ad valorem taxes of \$1,045,882 and rescue billing fees of \$922,133.

## Management's Discussion and Analysis (Continued)

- The significant general fund budgetary expenditure variances are related to CIP projects and capital outlay that were budgeted, but not expended in 2022; and unexpended personal services, due to vacancies/unfilled positions.

### Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of September 30, 2022, amounted to \$421,487,588 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, infrastructure, and construction in progress. Additional information on Nassau County's capital assets can be found in Note 5 in Notes to Financial Statements.

Major capital asset events during the fiscal year include the following:

- Completed Tributary Park, Phase 1 at a cost of \$4.5M
- Completed Crawford Road paving at a cost of \$7.32M
- Completed Pages Dairy widening and resurfacing at a cost of \$4.93M
- Westside Regional Park, Phase 1 is under construction with a budget of \$4.43M
- Completed Nassau Crossing Park, Phase 1 at a cost of \$924K
- Updated the generator at the Detention Center at a cost of \$1.3M

### Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2022	2021 (Restated)	2022	2021 (Restated)	2022	2021 (Restated)
Land	85,318,283	82,281,590	167,966	167,966	85,486,249	82,449,556
Construction Work in Progress	10,546,849	21,699,113	3,420,271	872,897	13,967,120	22,572,010
Buildings & Improvements	44,845,692	45,743,091	406,698	426,537	45,252,390	46,169,628
Machinery & Equipment	25,137,152	25,564,860	661,217	684,240	25,798,369	26,249,100
Improvements Other than Bldg	993,723	993,723	-	-	993,723	993,723
Infrastructure	237,200,332	232,892,351	12,195,055	12,145,583	249,395,387	245,037,934
Leased Assets	540,030	746,906	54,320	74,872	594,350	821,778
<b>Total</b>	<b>404,582,061</b>	<b>409,921,634</b>	<b>16,905,527</b>	<b>14,372,095</b>	<b>421,487,588</b>	<b>424,293,729</b>

## Management's Discussion and Analysis (Concluded)

### Long-Term Obligations

At the end of the fiscal year, the County had total outstanding bonds, notes, and other long-term obligations, including net pension liability, and other post-employment benefits in the amount of \$167,347,751. The revenue bonds are collateralized by specific revenue sources while the remainder of the debt utilizes a covenant to budget and appropriate to pledge payment of the debt. The County's bonds payable decreased by \$3,316,723 in fiscal year 2022 with a balance outstanding of \$26,525,490 on September 30, 2022. The County had notes payable with a 2022 fiscal year-end balance of \$366,088.

The County's outstanding obligations increased by \$59,300,507 in fiscal year 2022 primarily due to a \$61,556,039 increase in net pension liability and a \$633,189 increase in Other Postemployment Benefit costs. These increases were partially offset by a \$3,316,723 reduction in bonds payable. Additional information on Nassau County's outstanding debt can be found in Note 8 in Notes to Financial Statements.

### Long Term Obligations

	2022	2021 (Restated)
<b>Governmental Activities:</b>		
Notes Payable	366,088	508,441
Revenue Bonds	19,800,490	22,077,213
Compensated Absences	9,747,277	8,835,793
Lease Liability	544,193	746,906
Other Post-Employment Benefits	20,940,430	20,309,601
Landfill Closure/Post Closures	15,674,600	15,795,295
Net Pension Liability	93,266,810	31,770,089
Total Gov't Activities	160,339,888	100,043,338
<b>Business-Type Activities:</b>		
Revenue Bonds, Net	6,725,000	7,765,000
Compensated Absences	36,148	33,418
Lease Liability	54,421	74,872
Other Post-Employment Benefits	78,331	75,971
Net Pension Liability	113,963	54,645
Total Business-Type Activities	7,007,863	8,003,906
<b>Total Outstanding Liabilities</b>	<b>\$ 167,347,751</b>	<b>\$ 108,047,244</b>

### Request for Information

This financial report is designed to present users with a general overview of the County's finances and to demonstrate the County's accountability. If you have any questions concerning the information provided in this report, or need additional financial information, contact the Clerk of the Circuit Court and Comptroller's Financial Services Department at 76347 Veterans Way, Suite 456, Yulee, Florida. Additional information concerning the County can be found on our website [www.nassauclerk.com](http://www.nassauclerk.com).

## **BASIC FINANCIAL STATEMENTS**

**NASSAU COUNTY, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2022**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and Cash Equivalents	\$ 37,479,357	\$ 6,485,235	\$ 43,964,592
Equity in Pooled Investments	184,692,354	1,185,029	185,877,383
Accounts Receivable, Net	792,739	481,274	1,274,013
Loans Receivable, Net	32,000	-	32,000
Due from Other Governments	5,932,699	74,727	6,007,426
Inventories	360,347	60,104	420,451
Prepaid Items	1,538,304	1,213	1,539,517
Cash and Cash Equivalents - Restricted	-	924,069	924,069
Capital Assets:			
Non-Depreciable	95,865,132	3,588,237	99,453,369
Depreciable, Net	308,716,929	13,317,290	322,034,219
<b>Total Assets</b>	<b>635,409,861</b>	<b>26,117,178</b>	<b>661,527,039</b>
<b>Deferred Outflow of Resources</b>			
Unamortized Refunding Loss	-	269,337	269,337
Pension Related	29,824,684	33,704	29,858,388
OPEB Related	4,134,900	15,467	4,150,367
<b>Total Deferred Outflow of Resources</b>	<b>33,959,584</b>	<b>318,508</b>	<b>34,278,092</b>
<b>Liabilities</b>			
Accounts Payable	11,156,056	649,741	11,805,797
Other Current Liabilities	2,416,347	-	2,416,347
Retainage Payable	427,357	-	427,357
Internal Balances	(1,859)	1,859	-
Due to Other Governments	445,909	341,868	787,777
Unearned Revenue	17,277,626	-	17,277,626
Deposits	250,038	84,872	334,910
Accrued Interest Payable	344,063	-	344,063
Non-Current Liabilities:			
Due Within One Year	7,686,852	1,105,090	8,791,942
Due in More Than One Year	152,653,036	5,902,773	158,555,809
<b>Total Liabilities</b>	<b>192,655,425</b>	<b>8,086,203</b>	<b>200,741,628</b>
<b>Deferred Inflows of Resources</b>			
Pension Related	3,836,575	4,652	3,841,227
OPEB Related	7,949,167	29,735	7,978,902
<b>Total Deferred Inflow of Resources</b>	<b>11,785,742</b>	<b>34,387</b>	<b>11,820,129</b>
<b>Net Position</b>			
Net Investment in Capital Assets	383,443,933	10,395,443	393,839,376
Restricted for:			
Debt Service	1,496,250	568,647	2,064,897
Impact Fees	20,429,440	215,240	20,644,680
Mobility Fees	5,752,277	-	5,752,277
Capital Projects	3,284	-	3,284
Court Facilities	1,962,707	-	1,962,707
Tourist Development	18,261,573	-	18,261,573
Building Department	7,680,307	-	7,680,307
Grants and Other Purposes	17,196,829	-	17,196,829
Unrestricted	8,701,678	7,135,766	15,837,444
<b>Total Net Position</b>	<b>\$ 464,928,278</b>	<b>\$ 18,315,096</b>	<b>\$ 483,243,374</b>

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





**NASSAU COUNTY, FLORIDA**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2022**

	<u>General Fund</u>	<u>County Transportation Fund</u>	<u>Municipal Services Fund</u>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 5,360,637	\$ 2,238	\$ 210,887
Equity in Pooled Investments	67,355,585	10,997,310	13,205,116
Accounts Receivable (Net of Allowance for Uncollectibles)	726,431	-	2,208
Loans Receivable (Net of Allowance for Uncollectibles)	-	-	-
Due from Other Funds	985,700	40,809	66,359
Due from Other Governments	3,825,438	585,067	207,682
Inventories	304,716	55,631	-
Prepaid Expenditures	163,975	-	1,365,753
<b>Total Assets</b>	<u><u>78,722,482</u></u>	<u><u>11,681,055</u></u>	<u><u>15,058,005</u></u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	5,895,386	1,240,473	1,079,528
Accrued Liabilities	2,391,036	-	-
Retainage Payable	-	14,868	-
Due to Other Funds	88,915	145,966	257,639
Due to Other Governments	120,602	287	1,203
Unearned Revenue	64,243	-	-
Deposits	2,100	10,440	-
<b>Total Liabilities</b>	<u><u>8,562,282</u></u>	<u><u>1,412,034</u></u>	<u><u>1,338,370</u></u>
<b>Deferred Inflows of Resources</b>	<u><u>2,276,059</u></u>	<u><u>4,457</u></u>	<u><u>133,324</u></u>
<b>Fund Balances</b>			
Non-Spendable	462,942	55,631	1,365,838
Restricted	1,404,157	-	103,905
Committed	12,403,480	1,355,884	1,456,797
Assigned	32,546,889	8,853,049	10,659,771
Unassigned	21,066,673	-	-
<b>Total Fund Balances</b>	<u><u>67,884,141</u></u>	<u><u>10,264,564</u></u>	<u><u>13,586,311</u></u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 78,722,482</u></u>	<u><u>\$ 11,681,055</u></u>	<u><u>\$ 15,058,005</u></u>

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

<u>Grants</u>	<u>Capital Projects - Transportation Fund</u>	<u>Comprehensive Impact Fee Ordinance</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 4,606,642	\$ 1,654,808	\$ 1,989,393	\$ 23,654,752	\$ 37,479,357
12,709,307	29,012,251	14,807,764	36,605,021	184,692,354
-	-	-	64,100	792,739
-	-	-	32,000	32,000
-	-	-	191,613	1,284,481
-	934,764	-	379,748	5,932,699
-	-	-	-	360,347
-	-	-	8,576	1,538,304
<u>17,315,949</u>	<u>31,601,823</u>	<u>16,797,157</u>	<u>60,935,810</u>	<u>232,112,281</u>
-	1,791,262	234,653	914,754	11,156,056
-	-	-	25,311	2,416,347
-	412,489	-	-	427,357
-	-	-	790,102	1,282,622
-	-	-	323,817	445,909
17,213,383	-	-	-	17,277,626
-	-	-	237,498	250,038
<u>17,213,383</u>	<u>2,203,751</u>	<u>234,653</u>	<u>2,291,482</u>	<u>33,255,955</u>
-	934,764	-	265,419	3,614,023
-	-	-	8,713	1,893,124
102,566	-	16,562,504	51,092,798	69,265,930
-	28,463,308	-	7,159,703	50,839,172
-	-	-	117,695	52,177,404
-	-	-	-	21,066,673
<u>102,566</u>	<u>28,463,308</u>	<u>16,562,504</u>	<u>58,378,909</u>	<u>195,242,303</u>
<u>\$ 17,315,949</u>	<u>\$ 31,601,823</u>	<u>\$ 16,797,157</u>	<u>\$ 60,935,810</u>	<u>\$ 232,112,281</u>

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

**NASSAU COUNTY, FLORIDA**  
**RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2022**

**Total Fund Balances of Governmental Funds** \$ 195,242,303

**Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:**

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Total Capital Assets	\$ 904,843,864	
(Less: Accumulated Depreciation)	<u>(500,261,803)</u>	
		404,582,061

Certain receivables do not provide current financial resources and, therefore, are reported as deferred inflows of resources in the funds. 3,614,023

Certain pension and OPEB related amounts are being deferred and amortized over a period of years or are being deferred as contributions to the pension and OPEB plans made after the measurement date:

Deferred Outflows Related to Pensions	29,824,684	
Deferred Outflows Related to OPEB	4,134,900	
Deferred Inflows Related to Pensions	(3,836,575)	
Deferred Inflows Related to OPEB	<u>(7,949,167)</u>	
		22,173,842

Long-term liabilities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Interest on long-term debt is generally not accrued in the governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position. Long-term liabilities at year-end consist of:

Revenue Bonds Payable	(19,132,255)	
Premium on Bonds Payable	(668,235)	
Notes Payable	(366,088)	
Capital Leases Payable	(544,193)	
Compensated Absences	(9,747,277)	
Accrued Interest Payable	(344,063)	
Post-Closure Landfill Liability	(15,674,600)	
Net OPEB Obligation	(20,940,430)	
Net Pension Liability	<u>(93,266,810)</u>	
		<u>(160,683,951)</u>

**Total Net Position of Governmental Activities** \$ 464,928,278

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

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

	<u>General Fund</u>	<u>County Transportation Fund</u>	<u>Municipal Services Fund</u>
<b>Revenues</b>			
Taxes	\$ 87,923,322	\$ 9,843,368	\$ 17,893,886
Licenses and Permits	85,117	17,507	702,818
Intergovernmental Revenues	10,891,417	2,181,769	1,701,861
Charges for Services	5,348,581	30,391	554,276
Fines and Forfeitures	44,281	-	62,682
Investment Earnings (Loss)	(101,060)	82,331	106,748
Miscellaneous	2,672,100	130,889	170,134
<b>Total Revenues</b>	<u>106,863,758</u>	<u>12,286,255</u>	<u>21,192,405</u>
<b>Expenditures</b>			
Current:			
General Government Services	23,714,493	-	2,018,182
Public Safety	46,055,769	-	11,892,295
Physical Environment	1,859,175	-	-
Transportation	-	10,030,643	1,040
Economic Environment	1,300,895	-	-
Human Services	2,981,860	-	1,488,511
Culture and Recreation	2,664,195	-	-
Court-Related Expenditures	2,325,250	-	-
Capital Outlay	4,315,200	662,319	1,544,758
Debt Service:			
Principal Retirement	391,692	-	940
Interest and Fiscal Charges	13,386	-	56
<b>(Total Expenditures)</b>	<u>85,621,915</u>	<u>10,692,962</u>	<u>16,945,782</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>21,241,843</u>	<u>1,593,293</u>	<u>4,246,623</u>
<b>Other Financing Sources (Uses)</b>			
Reversion to State of Florida	-	-	-
Transfers in	4,350,788	1,317,199	302,085
Transfers (out)	(14,349,264)	(5,451,023)	(3,237,992)
Leases (Lessee)	436,369	-	15,247
Aid from Individuals	-	-	-
Sale of Capital Assets	7,601	14,707	-
<b>Total Other Financing Sources (Uses)</b>	<u>(9,554,506)</u>	<u>(4,119,117)</u>	<u>(2,920,660)</u>
<b>Net Change in Fund Balances</b>	11,687,337	(2,525,824)	1,325,963
<b>Fund Balances, Beginning of Year</b>	<u>56,196,804</u>	<u>12,790,388</u>	<u>12,260,348</u>
<b>Fund Balances, End of Year</b>	<u>\$ 67,884,141</u>	<u>\$ 10,264,564</u>	<u>\$ 13,586,311</u>

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

<u>Grants</u>	<u>Capital Projects - Transportation Fund</u>	<u>Comprehensive Impact Fee Ordinance</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 12,803,484	\$ 128,464,060
-	-	5,309,514	8,003,762	14,118,718
984	6,710,597	-	8,633,710	30,120,338
-	-	-	2,439,435	8,372,683
-	-	-	593,775	700,738
94,435	154,790	141,233	258,646	737,123
-	186,421	-	607,513	3,767,057
<u>95,419</u>	<u>7,051,808</u>	<u>5,450,747</u>	<u>33,340,325</u>	<u>186,280,717</u>
542	-	962	2,117,534	27,851,713
-	-	710	1,485,693	59,434,467
-	-	-	978,111	2,837,286
-	2,630,938	-	425,657	13,088,278
-	-	-	5,764,235	7,065,130
-	-	-	114,843	4,585,214
-	-	4,098	7,925	2,676,218
-	-	-	1,883,826	4,209,076
-	6,206,403	826,217	12,025,922	25,580,819
-	-	-	1,707,154	2,099,786
-	-	-	1,563,975	1,577,417
<u>542</u>	<u>8,837,341</u>	<u>831,987</u>	<u>28,074,875</u>	<u>151,005,404</u>
<u>94,877</u>	<u>(1,785,533)</u>	<u>4,618,760</u>	<u>5,265,450</u>	<u>35,275,313</u>
-	-	-	(256,460)	(256,460)
-	12,864,262	-	8,183,749	27,018,083
-	-	-	(5,760,720)	(28,798,999)
-	-	-	40,932	492,548
-	-	-	1,601,452	1,601,452
-	-	-	-	22,308
<u>-</u>	<u>12,864,262</u>	<u>-</u>	<u>3,808,953</u>	<u>78,932</u>
94,877	11,078,729	4,618,760	9,074,403	35,354,245
<u>7,689</u>	<u>17,384,579</u>	<u>11,943,744</u>	<u>49,304,506</u>	<u>159,888,058</u>
<u>\$ 102,566</u>	<u>\$ 28,463,308</u>	<u>\$ 16,562,504</u>	<u>\$ 58,378,909</u>	<u>\$ 195,242,303</u>

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

**NASSAU COUNTY, FLORIDA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

<b>Net Change in Fund Balances - Total Governmental Funds</b>		\$ 35,354,245
<b>Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:</b>		
Governmental funds report capital purchases as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense:		
Expenditures for Capital Assets	\$ 17,033,305	
(Current Year Depreciation)	(25,090,895)	
Contributions of Capital Assets	2,854,347	
Gain (Loss) on Disposal of Capital Assets	<u>(136,330)</u>	(5,339,573)
Certain revenues reported in the statement of activities are not considered current financial resources and, therefore, are not reported as revenue in the governmental funds.		(6,582,090)
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		2,344,828
The changes in net pension liability and pension related deferred outflows and inflows of resources result in an adjustment to pension expense in the statement of activities, but not in the governmental fund statements.		(3,411,121)
The changes in the OPEB liability and OPEB related deferred outflows and inflows of resources result in an adjustment to OPEB expense in the statement of activities, but not in the governmental fund statements.		356,056
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Change in Accrued Interest Payable	29,687	
Amortization of Premiums	74,248	
Change in Post-Closure Liability	120,695	
Change in Lease Liabilities	202,712	
Change in Accrued Compensated Absences	<u>(911,484)</u>	<u>(484,142)</u>
<b>Change in Net Position - Governmental Activities</b>		<u><u>\$ 22,238,203</u></u>

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

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

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Water and Sewer</b>	<b>American Beach Water and Sewer District</b>	<b>Total</b>
<b>Assets</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 3,713,626	\$ 2,771,609	\$ 6,485,235
Cash and Cash Equivalents - Restricted	876,727	47,342	924,069
Equity in Pooled Investments	1,185,029	-	1,185,029
Accounts Receivable, Net	481,274	-	481,274
Due from Other Funds	22	-	22
Due from Other Governments	-	74,727	74,727
Inventories	60,104	-	60,104
Prepays	1,213	-	1,213
<b>Total Current Assets</b>	<b>6,317,995</b>	<b>2,893,678</b>	<b>9,211,673</b>
Non-Current Assets:			
Capital Assets (Net of Accumulated Depreciation Where Applicable)	16,157,356	748,171	16,905,527
<b>Total Non-Current Assets</b>	<b>16,157,356</b>	<b>748,171</b>	<b>16,905,527</b>
<b>Total Assets</b>	<b>22,475,351</b>	<b>3,641,849</b>	<b>26,117,200</b>
<b>Deferred Outflow of Resources</b>			
Unamortized Refunding Loss	269,337	-	269,337
Pension Related	33,704	-	33,704
OPEB Related	15,467	-	15,467
<b>Total Deferred Outflow of Resources</b>	<b>318,508</b>	<b>-</b>	<b>318,508</b>
<b>Total Assets and Deferred Outflows</b>	<b>22,793,859</b>	<b>3,641,849</b>	<b>26,435,708</b>
<b>Liabilities</b>			
Current Liabilities:			
Accounts Payable	527,759	21,908	549,667
Retainage Payable	100,074	-	100,074
Due to Other Funds	1,881	-	1,881
Due to Other Governments	240,799	101,069	341,868
Deposits	84,872	-	84,872
Bonds Payable	1,065,000	-	1,065,000
Other Postemployment Benefits	7,457	-	7,457
Net Pension Liability - HIS Current Portion	125	-	125
Compensated Absences	11,995	-	11,995
Lease Liability	20,513	-	20,513
<b>Total Current Liabilities</b>	<b>2,060,475</b>	<b>122,977</b>	<b>2,183,452</b>
Non-Current Liabilities:			
Compensated Absences	24,153	-	24,153
Other Postemployment Benefits	70,874	-	70,874
Bonds Payable, Long-Term	5,660,000	-	5,660,000
Net Pension Liability	113,838	-	113,838
Lease Liability	33,908	-	33,908
<b>Total Non-Current Liabilities</b>	<b>5,902,773</b>	<b>-</b>	<b>5,902,773</b>
<b>Total Liabilities</b>	<b>7,963,248</b>	<b>122,977</b>	<b>8,086,225</b>
<b>Deferred Inflow of Resources</b>			
Pension Related	4,652	-	4,652
OPEB Related	29,735	-	29,735
<b>Total Deferred Inflow of Resources</b>	<b>34,387</b>	<b>-</b>	<b>34,387</b>
<b>Total Liabilities and Deferred Inflows</b>	<b>7,997,635</b>	<b>122,977</b>	<b>8,120,612</b>
<b>Net Position</b>			
Investment in Capital Assets	9,647,272	748,171	10,395,443
Restricted for:			
Debt Service	568,647	-	568,647
Renewal and Replacement	215,240	-	215,240
Unrestricted	4,365,065	2,770,701	7,135,766
<b>Total Net Position</b>	<b>\$ 14,796,224</b>	<b>\$ 3,518,872</b>	<b>\$ 18,315,096</b>

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



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

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>American Beach</b>		<b>Totals</b>
	<b>Water and Sewer</b>	<b>Water and Sewer District</b>	
<b>Operating Revenues</b>			
Charges for Services	\$ 4,986,844	\$ -	\$ 4,986,844
Connection and Impact Fees	90,039	286,164	376,203
Other Income	26,108	2,411	28,519
<b>Total Operating Revenues</b>	<b>5,102,991</b>	<b>288,575</b>	<b>5,391,566</b>
<b>Operating Expenses</b>			
Contractual Services	50,332	-	50,332
Professional Services	2,348,521	110,227	2,458,748
Salaries and Benefits	86,160	-	86,160
Rentals and Leases	3,732	-	3,732
Utilities	303,992	-	303,992
Repairs and Maintenance	317,797	-	317,797
Gas and Oil	153	-	153
Depreciation	999,274	-	999,274
Other Expenses	102,328	16,269	118,597
<b>Total Operating Expenses</b>	<b>4,212,289</b>	<b>126,496</b>	<b>4,338,785</b>
<b>Operating Income (Loss)</b>	<b>890,702</b>	<b>162,079</b>	<b>1,052,781</b>
<b>Non-Operating Revenues (Expenses)</b>			
Interest Earnings	6,008	-	6,008
Interest and Other Debt Service Costs	(200,943)	-	(200,943)
Intergovernmental Revenues	-	504,993	504,993
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(194,935)</b>	<b>504,993</b>	<b>310,058</b>
<b>Income (Loss) Before Transfers</b>	<b>695,767</b>	<b>667,072</b>	<b>1,362,839</b>
<b>Transfers</b>			
Transfers in	-	1,850,000	1,850,000
Transfers (out)	(65,382)	(3,702)	(69,084)
<b>Total Transfers</b>	<b>(65,382)</b>	<b>1,846,298</b>	<b>1,780,916</b>
<b>Change in Net Position</b>	<b>630,385</b>	<b>2,513,370</b>	<b>3,143,755</b>
<b>Total Net Position, Beginning of Year</b>	<b>14,165,839</b>	<b>1,005,502</b>	<b>15,171,341</b>
<b>Total Net Position, End of Year</b>	<b>\$ 14,796,224</b>	<b>\$ 3,518,872</b>	<b>\$ 18,315,096</b>

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

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

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Water and Sewer</b>	<b>American Beach</b>	
		<b>Water and Sewer District</b>	<b>Total</b>
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$ 4,419,754	\$ 288,575	\$ 4,708,329
Cash Payments to Vendors for Goods and Services	(2,871,139)	37,839	(2,833,300)
Cash Payments to Employees	(112,034)	-	(112,034)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>1,436,581</b>	<b>326,414</b>	<b>1,762,995</b>
<b>Non-Capital Financing Activities</b>			
Due from Other Governments	473,914	(74,727)	399,187
Intergovernmental Revenue	-	504,993	504,993
Transfer in (out)	(65,404)	1,846,298	1,780,894
<b>Net Cash Provided by (Used in) Non-Capital Financing Activities</b>	<b>408,510</b>	<b>2,276,564</b>	<b>2,685,074</b>
<b>Capital and Related Financing Activities</b>			
Acquisition of Property, Plant and Equipment	(3,374,927)	(160,755)	(3,535,682)
Proceeds from Sale of Property, Plant and Equipment	2,525	-	2,525
Principal Payments on Bonds	(1,040,000)	-	(1,040,000)
Payment of Interest and Other Debt Costs	(156,053)	-	(156,053)
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>	<b>(4,568,455)</b>	<b>(160,755)</b>	<b>(4,729,210)</b>
<b>Investing Activities</b>			
Interest Received	6,008	-	6,008
Purchase of Investments	2,894,110	-	2,894,110
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>2,900,118</b>	<b>-</b>	<b>2,900,118</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>176,754</b>	<b>2,442,223</b>	<b>2,618,977</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>4,413,599</b>	<b>376,728</b>	<b>4,790,327</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 4,590,353</b>	<b>\$ 2,818,951</b>	<b>\$ 7,409,304</b>
<b><u>Reported in Statement of Net Position as</u></b>			
Cash and Cash Equivalents	\$ 3,713,626	\$ 2,771,609	\$ 6,485,235
Cash and Cash Equivalents - Restricted	876,727	47,342	924,069
<b>Total</b>	<b>\$ 4,590,353</b>	<b>\$ 2,818,951</b>	<b>\$ 7,409,304</b>

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

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

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water and Sewer</u>	<u>American Beach Water and Sewer District</u>	<u>Total</u>
<b><u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u></b>			
Operating Income (Loss)	\$ 890,702	\$ 162,079	\$ 1,052,781
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Depreciation	999,274	-	999,274
Changes in Assets - Decrease (Increase):			
Decrease (Increase) in Accounts Receivable	(30,421)	-	(30,421)
Decrease (Increase) in Due from Other Funds	803	-	803
Decrease (Increase) in Inventory	14,259	-	14,259
Decrease (Increase) in Prepaid Expense	(624)	-	(624)
Decrease (Increase) in Deferred Outflows	3,308	-	3,308
Changes in Liabilities - Increase (Decrease):			
Increase (Decrease) in Accounts Payable	188,913	(579,310)	(390,397)
Increase (Decrease) in Due to Other Governments	51,847	101,069	152,916
Increase (Decrease) in Due to Other Funds	(640,709)	642,576	1,867
Increase (Decrease) in Deposits	(12,920)	-	(12,920)
Increase (Decrease) in Compensated Absences	2,730	-	2,730
Increase (Decrease) in Net Pension Liability	59,318	-	59,318
Increase (Decrease) in Deferred Inflows	(92,259)	-	(92,259)
Increase (Decrease) in Other Postemployment Benefits	2,360	-	2,360
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>\$ 1,436,581</b>	<b>\$ 326,414</b>	<b>\$ 1,762,995</b>

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

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

	<b>Total Custodial Funds</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 8,281,846
Equity in Pooled Investments	-
Accounts Receivable	197,692
Due from Other Governments	7,839
<b>Total Assets</b>	<b>8,487,377</b>
 <b>Liabilities</b>	
Accounts Payable and Accrued Liabilities	68,577
Due to Other Governments	2,173,791
Due to Bond Holders	972,393
Other Liabilities	7,515
Undistributed Collections	2,828,918
<b>Total Liabilities</b>	<b>6,051,194</b>
 <b>Net Position, Held in a Custodial Capacity to be Disbursed</b>	<b>\$ 2,436,183</b>

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

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

	<u>Total Custodial Funds</u>
<b>Additions</b>	
Property Taxes and Fees Collected	\$ 103,210,122
Licenses and Tag Fees Collected	17,234,299
Impact Fees Collected for Other Governments	6,209,175
Inmate Funds Collected	1,310,432
Fines, Forfeitures, and Fees Collected	4,507,297
Tax Deeds and Fees Collected	774,205
Support and Fees Collected	6,428
Special Assessments	2,163,693
Registry of the Court and Fees Collected	3,699,358
Recording Fees Collected	5,545,290
Bail Bonds and Fees Collected	261,342
Refunds, Unclaimed Funds, Redeposits, and Credit Card Payments	59,656,826
Tourist Development Fees Collected	11,412,420
<b>Total Additions</b>	<u>215,990,887</u>
<b>Deductions</b>	
Inmate Funds Disbursed	1,323,988
Fines, Forfeitures, and Fees Disbursed	4,115,561
Licenses and Tag Fees Disbursed	17,234,299
Property Taxes and Fees Disbursed	103,210,122
Tax Deeds and Fees Disbursed	909,229
Support and Fees Disbursed	6,428
Special Assessments Fees Disbursed	2,077,147
Registry of the Court and Fees Disbursed	3,510,720
Recording Fees Disbursed	5,343,216
Bail Bonds and Fees Disbursed	157,450
Refunds, Unclaimed Funds, Redeposits, and Credit Card Payments	59,659,525
Tourist Development Fees Disbursed	11,412,420
Impact Fees Disbursed	6,209,175
<b>Total Deductions</b>	<u>215,169,280</u>
<b>Non Operating Revenues</b>	
Disbursement to Other Government	(86,546)
<b>Total Non-Operating Revenues (Expenses)</b>	<u>(86,546)</u>
Change in Net Position	735,061
<b>Net Position, Beginning of Year</b>	<u>1,701,122</u>
<b>Total Net Position, End of Year</b>	<u>\$ 2,436,183</u>

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

**NASSAU COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS INDEX**  
**September 30, 2022**

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**NASSAU COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

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

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

**A. Reporting Entity**

Nassau County is a political subdivision of the State of Florida. It is composed of an elected Board of County Commissioners (the Board) and elected Constitutional Officers, who are governed by federal and state statutes, regulations, and County ordinances.

The Board and the offices of the Clerk of the Circuit Court (Clerk), Tax Collector, Sheriff, Property Appraiser, and Supervisor of Elections are operated as separate County agencies in accordance with applicable provisions of Florida Statutes. The office of the Tax Collector operates on a fee system, whereby the officer retains fees, commissions, and other revenues to pay all operating expenditures, including statutory compensation, any excess income is remitted to the Board or other taxing districts at the end of the fiscal year. The office of the Property Appraiser operates on a budget system, whereby appropriated funds are received from the Board and taxing authorities and all unexpended appropriations are required to be returned to the Board and taxing authorities at year-end. The offices of the Sheriff and Supervisor of Elections operate on a budget system, whereby County-appropriated funds are received from the Board, and any unexpended appropriations are required to be returned to the Board at the end of the fiscal year. The office of the Clerk of the Circuit Court operates on a combined fee and budget system. The budget system relates to the Clerk's function as the accountant and the Clerk of the Board, in accordance with the provisions of Section 125.17, Florida Statutes. Beginning July 1, 2013, the court-related operations of the Clerk are funded from fees and charges authorized under Chapter 2013-44, Laws of Florida. Any excess of revenues and other financing sources received over expenditures of the general fund are remitted to the Board at year-end. Any excess of revenues over court-related expenditures of the court fund are remitted to the State of Florida at year-end.

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

The Nassau County Housing Finance Authority (NCHFA) is a dependent special district, which functions for the benefit of the citizens of Nassau County and is considered a blended component unit of the County. The NCHFA had no revenues or expenditures during the fiscal year ended September 30, 2022. In addition, the NCHFA did not issue any bonds during the audit period, nor were there any bonds outstanding at year-end. Therefore, financial statements were not prepared for NCHFA and, accordingly, no financial data for NCHFA is presented in these financial statements.

**NASSAU COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

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 Board sits as the governing body. The RWCCD had no revenues or expenditures during the fiscal year ended September 30, 2022. In addition, the RWCCD did not issue any bonds during the audit period, nor were there any bonds outstanding at year-end. Therefore, financial statements were not prepared for RWCCD and, accordingly, no financial data for RWCCD is presented in these financial statements.

The American Beach Water Sewer District is a dependent special district, which functions for the benefit of the citizens of the County and is considered a blended component unit of the County.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the non-fiduciary activities of the County.

These statements include separate columns for the governmental and business-type activities of the primary government and its component units. Generally, the effect of the interfund activity has been eliminated from these statements, unless interfund services were provided. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities shows the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly related to a specific function or segment. Program revenues include: (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (b) grants and contributions that are restricted to meeting specific requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major enterprise funds are reported as separate columns in the fund financial statements.

**C. Fund Accounting**

The accounts of the County 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; and revenues and expenditures or expenses, as appropriate. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are organized by governmental funds, proprietary funds, and fiduciary funds in the financial statements. The following funds are used by the County:



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■ **Governmental Funds**

● **Major Governmental Funds**

- ▶ The **General Fund**—is used to account for all revenues and expenditures applicable to the general operations of the County, which are not properly accounted for in other funds. The General Fund for the County includes the General Fund for the Board and each of the Constitutional Officers. The effect of interfund activity has been eliminated from these financial statements.
- ▶ The **County Transportation 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 and state revenue sharing.
- ▶ The **Grants Fund**—is used to account for the proceeds of grant revenue sources that are restricted or committed to expenditure for specified purposes.
- ▶ The **Capital Projects - Transportation Fund**—is used to account for all financial resources used for the acquisition or construction of major transportation-related capital facilities and/or projects. Funding is provided from a variety of funding sources.
- ▶ The **Comprehensive Impact Fee Ordinance Fund**—use to account for the district expenditures associated with capital expansion. Funding is provided from impact fees on new constructions.

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

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

- **Non-Major Proprietary Funds**

- ▶ **American Beach Water Sewer District**—are used to account for the proceeds of specific revenue sources related to the planning, design, and construction of water and sewer facility located at American Beach.

- **Fiduciary Funds**

- The custodial funds are fiduciary funds which are used it to account for assets received and held by the County in the capacity of a trustee or as an agent for individuals, government agencies, and other public organizations.

**D. Measurement Focus**

- **Government-Wide Financial Statements**—The government-wide financial statements are accounted for on an “economic resources” measurement focus. Accordingly, all assets, deferred outflows of resources and liabilities and deferred inflows of resources are included on their Statement of Net Position, and the reported net position (total reported assets plus deferred outflows of resources less total reported liabilities and deferred inflows of resources) provides an indication of the economic net worth of the funds. The statement of activities reports increases (revenues) and decreases (expenses) in total net position.

- **Governmental Funds**—General, special revenue, debt service, and capital projects funds are accounted for on a “current financial resources” measurement focus. This means that only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources are generally included on the balance sheet. Accordingly, the reported fund balances are considered 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 provides an indication of the economic net worth of the funds. The operating statements for the proprietary funds report increases (revenues) and decreases (expenses) in total net position.

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

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- **Fiduciary Funds**—Fiduciary funds are accounted for using the accrual basis of accounting. Per Governmental Accounting Standards Board (GASB) Statement No. 84, fiduciary funds will now report additions and deductions within the Statement of Changes in Fiduciary Net Position. Fiduciary fund assets and liabilities are reported using an economic resources measurement focus and accrual basis of accounting.

**E. Basis of Accounting**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. In addition, basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements 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.

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 County 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, pensions, and other postemployment benefits are recorded only when payment is due.

The proprietary funds and fiduciary 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.

**F. 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.

**G. Deposits and Investments**

The County’s investment practices are governed by Section 218.415, Florida Statutes, and County Ordinance 95-144. The County is allowed to invest in: (1) obligations of the United States or its agencies and instrumentalities; (2) other obligations, the principal of and interest on, which are unconditionally guaranteed or insured by the United States; (3) certificates of deposit issued by state or national banks

**NASSAU COUNTY, FLORIDA**  
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domiciled in Florida that are guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC) or its successor; (4) interest-bearing demand deposits; (5) fully collateralized direct repurchase agreements, secured by obligations described in subdivisions (1) and (2) above, and pledged with third parties selected or approved by the Board; (6) commercial paper; (7) corporate bonds; (8) derivative securities limited to those types authorized in (1) through (7) above; and (9) the Local Government Surplus Funds Trust Fund (the Florida State Board of Administration).

**H. Accounts Receivable**

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

**I. 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. Any residual balances outstanding between the governmental activities and the business-type activities are reported as “internal balances” in the government-wide financial statements.

**J. Inventories and Prepaid Items**

Inventories, consisting principally of expendable items held for consumption, are determined by physical count and are stated at cost based on the average-cost method. On the balance sheet - governmental funds, the prepaid and inventory balances reported are offset by a non-spendable fund balance classification which indicates these balances do not constitute “available spendable resources” even though it is a component of net current assets. The cost of governmental fund-type inventories is recorded as expenditure when consumed; therefore, the inventory asset amount is not available for appropriation.

Prepaid items are certain payments to vendors that reflect costs applicable to future accounting periods and are recorded, under the consumption method, as prepaid items in both government-wide and fund financial statements.

**K. 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.

**L. 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.

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- **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 County’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 less-than-formal action of the County’s governing body (e.g., resolution). The County’s fund balance policy was adopted under the County’s resolution No. 2013-105. Changes in assigned fund balance require prior approvals from the governing body through less-than-formal action (e.g., resolution), the County Manager and Budget Officer. In addition, residual balances in capital projects and debt service funds are considered assigned for the general purpose of the respective funds.
- **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 County’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 County’s policy to use committed resources first, then assigned, and then unassigned as needed.

**M. Net Position**

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

**N. Restricted Assets**

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

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**O. Capital Assets and Long-Term Liabilities**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, traffic signals, stormwater drainage, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements.

■ **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 County 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 of County Commissioners 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.

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

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

Such assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets, donated works of art, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

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

Long-term debt and other long-term liabilities are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

Governmental long-term liabilities are financed from governmental funds for principal and interest.

■ **Proprietary Enterprise Funds**

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

Buildings	15-40 Years
Equipment	3-20 Years

**P. Deferred Inflows/Outflows of Resources**

Deferred inflows of resources reported on applicable governmental fund types represent revenues, which are measureable 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 applies to future periods. Deferred outflows have a positive effect on net position, similar to assets.

**Q. Compensated Absences**

Annual, sick, bonus, and compensatory leave amounts accumulate and vest in accordance with the policies of the Board, Clerk of the Circuit Court, Tax Collector, Sheriff, Property Appraiser, Supervisor of Elections, and negotiated union contracts. Provisions of these policies and the union contracts specify how benefits are earned, accumulated, and when and to what extent they vest.

For governmental activities, compensated absences are generally liquidated by the General Fund, the County Transportation Fund, the Municipal Services Fund, and the Building Department.

**NASSAU COUNTY, FLORIDA**  
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**R. Other Postemployment Benefits**

The County has recorded the liability in the government-wide statements and the enterprise funds for postemployment benefits other than pensions. For governmental activities, other postemployment benefits (OPEB) are generally liquidated by the General Fund, the County Transportation Fund, the Municipal Services Fund, and the Building Department. 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.

**S. Net Pension Liability**

In the government-wide and proprietary fund statements, the net pension liability represents the County's proportionate share of the net pension liability of the cost-sharing pension plans in which it participates. This liability represents a share of the present value of projected benefit payments to be provided through cost-sharing plans, less the amount of the cost-sharing plans' fiduciary net position. The County participates in both the Florida Retirement System (FRS) defined benefit pension plan and the Health Insurance Subsidy Program (HIS) defined benefit plan administered by the Florida Division of Retirement. The County allocated the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense to the funds and functions/activities based on their respective contribution made to the pension plans for that fiscal year.

**T. Property Taxes**

Real property and tangible personal property are assessed by the Property Appraiser according to the property's just value on January 1st of each year. Section 200.071, Florida Statutes, authorizes the Board to levy ad valorem tax millage against real property and tangible personal property for the County, including dependent districts, not to exceed 10 mills, except for voted levies. The Board shall determine the amount of millage to be levied and shall certify such millage to the Property Appraiser. For the year ended September 30, 2022, the Board levied 7.3238 mills. An additional 2.2770 mills and 0.0960 was levied for the benefit of the Nassau County Municipal Services Taxing Unit and the Amelia Island Beach Renourishment Municipal Services Benefit Unit, respectively.

Property taxes are due and payable on March 31st of each year or as soon thereafter as the assessment rolls are charged to the Tax Collector by the Property Appraiser. Taxes on real property may be prepaid in four quarterly installments beginning not later than June 30th of the year in which assessed. Discounts are allowed for payment of property taxes before March 1st. Taxes become delinquent on April 1st following the year in which the taxes were assessed.

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



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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

**U. 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.

**V. Recent GASB Standards**

The County is currently evaluating the effects that the following GASB statements, which will be implemented in future financial statements, will have on its financial statements for subsequent fiscal years:

- GASB has issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which will be effective for the year ending September 30, 2023. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This statement: (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in GASB Statement No. 87, *Leases*, as amended.

**NASSAU COUNTY, FLORIDA  
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**W. Change in Accounting Principles**

For the year ended September 30, 2022, the County implemented GASB Statement No. 87, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financing of the right-to-use an underlying asset. A lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the County's financial statements and had no effect on the beginning net position.

**Note 2 - Cash and Investments**

**Deposits with Financial Institutions**

The carrying amount of the County's deposits with financial institutions was \$53,170,507 and the bank balances were \$54,702,504 at September 30, 2022. Deposits are placed in banks that qualify as public depositories pursuant to the provisions of Chapter 280, Florida Statutes, the *Florida Security for Public Deposits Act*. 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.

**Detail of the County's Cash and Investments**

Description	Fair Value
Cash and Cash Equivalents	\$ 53,170,507
Florida Local Government Investment Trust	11,911,820
Certificates of Deposit	12,055,480
Money Market Accounts	83,120,240
U.S. Treasuries	<u>78,789,843</u>
<b>Total Cash and Investments</b>	<b><u>\$ 239,047,890</u></b>

Reported in accompanying financial statements as follows:

	Governmental	Proprietary	Custodial	Total
	Funds	Funds	Funds	
Cash and Cash Equivalents	\$ 37,479,357	\$ 6,485,235	\$ 8,281,846	\$ 52,246,438
Equity in Pooled Investments	184,692,354	1,185,029	-	185,877,383
Restricted Cash and Cash Equivalents	-	<u>924,069</u>	-	<u>924,069</u>
<b>Total Cash and Investments</b>	<b><u>\$ 222,171,711</u></b>	<b><u>\$ 8,594,333</u></b>	<b><u>\$ 8,281,846</u></b>	<b><u>\$ 239,047,890</u></b>

**NASSAU COUNTY, FLORIDA**  
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**Investments**

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

The following items discuss the County's exposure to various risks of their investment portfolio.

*Interest Rate Risk*—The risk that changes in interest rates will adversely affect the fair value of an investment. The County has a formal investment policy for 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.

<u>Maturities</u>	<u>Fair Value</u>	<u>1 Year or Less</u>	<u>1-5 Years</u>
<b>Type</b>			
U.S. Treasury Notes	\$ 78,789,843	\$ 78,789,843	\$ -
Certificates of Deposits	12,055,480	12,055,480	-
Money Market Funds	83,120,240	83,120,240	-
Florida Government Investment Trust Short-Term Bond Fund	11,911,820	-	11,911,820 *
<b>Total Investments</b>	<u>185,877,383</u>	<u>\$ 173,965,563</u>	<u>\$ 11,911,820</u>
Demand Deposits	<u>53,170,507</u>		
<b>Total Cash and Investments</b>	<u>\$ 239,047,890</u>		

\* Based on WAM of 1.76 years

*Credit Risk*—Generally, credit 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 County's investments as rated as of September 30, 2022:

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Credit Ratings	Unrated	Moody's Aaa	Fitch AAAF
<b>Type</b>			
U.S. Treasury Notes	\$ -	\$ 78,789,843	\$ -
Certificates of Deposits	12,055,480	-	-
Money Market Funds	83,120,240	-	-
Florida Government Investment Trust Short-Term Bond Fund	-	-	11,911,820
<b>Total Investments</b>	<u>95,175,720</u>	<u>78,789,843</u>	<u>11,911,820</u>
Demand Deposits	53,170,507	-	-
<b>Total Cash and Investments</b>	<u>\$ 148,346,227</u>	<u>\$ 78,789,843</u>	<u>\$ 11,911,820</u>

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

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

*External Investment Pool*—The County participates in the Florida Local Government Investment Trust (FLGIT) Short-term Bond Fund. The fund was created in December 12, 1991, through the joint efforts of the Florida Court Clerks and Comptrollers and the Florida Association of Counties. The fund is rated AAAs by Standard & Poor's. The weighted average maturity at September 30, 2022, was 1.76 years. The fund is structured to maintain safety of principal and maximize available yield through a balance of quality and diversification. Separately issued financial statements for the FLGIT Short-Term Bond Fund can be obtained from the FLGIT website (<https://www.floridatrusionline.com>).

**Fair Value Measurements**

The County 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 County's investments in certificates of deposits and money market accounts have remaining maturities at the time of purchase of one year or less, and are therefore reported at amortized cost. The FLGIT Short-Term Bond Fund is an external investment pool and is reported at Net Asset Value (NAV).

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

**Note 3 - Accounts Receivable**

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

	Receivable	Allowance	Net
<b>Governmental Funds</b>			
General Fund	\$ 2,680,271	\$ (1,953,840)	\$ 726,431
Municipal Services	2,208	-	2,208
Non-Major Funds	64,100	-	64,100
<b>Total Governmental Funds</b>	<u>\$ 2,746,579</u>	<u>\$ (1,953,840)</u>	<u>\$ 792,739</u>
<b>Business-Type Funds</b>			
Water	\$ 579,054	\$ (97,780)	\$ 481,274

**Note 4 - Restricted Assets**

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

<b>Proprietary Funds</b>	
Customer Deposits	\$ 92,840
Reserve	47,342
Impact Fees (Water/Sewer)	215,240
Debt Service	568,647
<b>Total</b>	<u>\$ 924,069</u>

**NASSAU COUNTY, FLORIDA**  
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**Note 5 - Capital Assets**

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

	Balance 10/1/2021 (Restated)	Increases	(Decreases)	Balance 9/30/2022
<b>Governmental Activities</b>				
Capital Assets not Being Depreciated:				
Land	\$ 82,281,590	\$ 3,036,713	\$ (20)	\$ 85,318,283
Construction Work in Progress	21,699,113	10,714,373	(21,866,637)	10,546,849
Total Capital Assets not Being Depreciated	<u>103,980,703</u>	<u>13,751,086</u>	<u>(21,866,657)</u>	<u>95,865,132</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	78,226,209	1,270,573	-	79,496,782
Machinery and Equipment	65,773,207	5,690,430	(2,006,782)	69,456,855
Improvements Other than Buildings	993,723	-	-	993,723
Leasehold Improvements	1,040,516	-	-	1,040,516
Infrastructure	636,201,730	20,986,040	-	657,187,770
Leased Assets	746,906	56,180	-	803,086
Total Capital Assets Being Depreciated	<u>782,982,291</u>	<u>28,003,223</u>	<u>(2,006,782)</u>	<u>808,978,732</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(33,024,715)	(2,094,929)	-	(35,119,644)
Machinery and Equipment	(40,208,347)	(5,981,808)	1,870,452	(44,319,703)
Leasehold Improvements	(498,919)	(73,043)	-	(571,962)
Infrastructure	(403,309,379)	(16,678,059)	-	(419,987,438)
Leased Assets	-	(263,056)	-	(263,056)
Total Accumulated Depreciation	<u>(477,041,360)</u>	<u>(25,090,895)</u>	<u>1,870,452</u>	<u>(500,261,803)</u>
Total Capital Assets Being Depreciated, Net	<u>305,940,931</u>	<u>2,912,328</u>	<u>(136,330)</u>	<u>308,716,929</u>
<b>Total Governmental Activities</b>				
<b>Capital Assets, Net</b>	<u>\$ 409,921,634</u>	<u>\$ 16,663,414</u>	<u>\$ (22,002,987)</u>	<u>\$ 404,582,061</u>
<b>Business-Type Activities</b>				
Capital Assets not Being Depreciated:				
Land	\$ 167,966	\$ -	\$ -	\$ 167,966
Construction Work in Progress	872,897	2,548,024	(650)	3,420,271
Total Capital Assets not Being Depreciated	<u>1,040,863</u>	<u>2,548,024</u>	<u>(650)</u>	<u>3,588,237</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	754,865	-	-	754,865
Infrastructure	24,180,619	899,636	-	25,080,255
Equipment	1,082,997	85,696	-	1,168,693
Leased Assets	74,872	-	-	74,872
Total Capital Assets Being Depreciated	<u>26,093,353</u>	<u>985,332</u>	<u>-</u>	<u>27,078,685</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(328,328)	(19,839)	-	(348,167)
Infrastructure	(12,035,036)	(850,164)	-	(12,885,200)
Equipment	(398,757)	(108,719)	-	(507,476)
Leased Assets	-	(20,552)	-	(20,552)
Total Accumulated Depreciation	<u>(12,762,121)</u>	<u>(999,274)</u>	<u>-</u>	<u>(13,761,395)</u>
Total Capital Assets Being Depreciated, Net	<u>13,331,232</u>	<u>(13,942)</u>	<u>-</u>	<u>13,317,290</u>
<b>Total Business-Type Activities</b>				
<b>Capital Assets, Net</b>	<u>\$ 14,372,095</u>	<u>\$ 2,534,082</u>	<u>\$ (650)</u>	<u>\$ 16,905,527</u>

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Depreciation/Amortization expense was charged to functions/programs of the governmental and business-type activities as follows:

<b>Governmental Activities</b>	
General Government	\$ 1,070,889
Public Safety	6,373,449
Physical Environment	167,880
Transportation	15,889,687
Human Services	155,685
Culture and Recreation	489,908
Court-Related	<u>943,397</u>
<b>Total Depreciation Expense - Governmental Activities</b>	<b><u>\$ 25,090,895</u></b>
<b>Business-Type Activities</b>	
Water and Sewer	<u>\$ 999,274</u>

**Note 6 - Interfund Activity**

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

Due From	Due To					Total
	General	County Transportation	Municipal Services	Water and Sewer Fund	Non-Major Governmental	
General Fund	\$ -	\$ 17,862	\$ 66,359	\$ 22	\$ 4,672	\$ 88,915
County Transportation	145,966	-	-	-	-	145,966
Municipal Services Fund	257,639	-	-	-	-	257,639
Non-Major Governmental	580,214	22,947	-	-	186,941	790,102
Water and Sewer Fund	1,881	-	-	-	-	1,881
<b>Total</b>	<b><u>\$ 985,700</u></b>	<b><u>\$ 40,809</u></b>	<b><u>\$ 66,359</u></b>	<b><u>\$ 22</u></b>	<b><u>\$ 191,613</u></b>	<b><u>\$ 1,284,503</u></b>

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.

Transfers Out	Transfers In						Total
	General	County Transportation	Municipal Services	Capital Project	Non-Major Government	Water/Sewer Business Type	
General	\$ -	\$ 1,317,199	\$ 302,085	\$ 5,140,015	\$ 5,739,965	\$ 1,850,000	\$ 14,349,264
County Transportation	127,039	-	-	5,223,172	100,812	-	5,451,023
Municipal Services	3,237,992	-	-	-	-	-	3,237,992
Non-Major Governmental	916,673	-	-	2,501,075	2,342,972	-	5,760,720
Water and Sewer	65,382	-	-	-	-	-	65,382
Non-Major Business Type	3,702	-	-	-	-	-	3,702
<b>Total</b>	<b><u>\$ 4,350,788</u></b>	<b><u>\$ 1,317,199</u></b>	<b><u>\$ 302,085</u></b>	<b><u>\$ 12,864,262</u></b>	<b><u>\$ 8,183,749</u></b>	<b><u>\$ 1,850,000</u></b>	<b><u>\$ 28,868,083</u></b>

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

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**Note 7 - Leases**

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

The County, 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 County's lease assets were recorded at a cost of \$877,958, less accumulated depreciation of \$283,608.

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

Asset Class	As of Fiscal Year-End	
	Lease Asset Value	Accumulated Amortization
Equipment	\$ 348,536	\$ 133,210
Buildings	339,509	111,106
Infrastructure	189,913	39,292
<b>Total Leases</b>	<b>\$ 877,958</b>	<b>\$ 283,608</b>

**Principal and Interest Requirements to Maturity**

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 247,578	\$ 2,825	\$ 250,403
2024	126,331	1,933	128,264
2025	111,416	1,032	112,448
2026	56,188	322	56,510
2027	2,680	22	2,702
<b>Total</b>	<b>\$ 544,193</b>	<b>\$ 6,134</b>	<b>\$ 550,327</b>

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



**NASSAU COUNTY, FLORIDA  
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**Note 8 - Long-Term Obligations**

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

	<u>Balance</u> <u>10/1/21</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>9/30/22</u>	<u>Due Within</u> <u>One Year</u>
<b>Governmental Activities</b>					
Notes Payable	\$ 508,441	\$ -	\$ (142,353)	\$ 366,088	\$ 146,070
Bonds Payable	21,334,730	-	(2,202,475)	19,132,255	1,762,086
Premium on Bonds Payable	<u>742,483</u>	<u>-</u>	<u>(74,248)</u>	<u>668,235</u>	<u>74,248</u>
Total Bonds and Notes Payable	22,585,654	-	(2,419,076)	20,166,578	1,982,404
Lease Liability	746,906	56,180	(258,893)	544,193	247,578
Compensated Absences	8,835,793	5,686,107	(4,774,623)	9,747,277	3,964,566
Other Postemployment Benefits	20,309,601	630,829	-	20,940,430	625,731
Landfill Post-Closure	15,795,295	-	(120,695)	15,674,600	768,302
Net Pension Liability	<u>31,770,089</u>	<u>63,207,039</u>	<u>(1,710,318)</u>	<u>93,266,810</u>	<u>98,271</u>
<b>Total Governmental Activities</b>					
<b>Long-Term Liabilities</b>	<u>\$ 100,043,338</u>	<u>\$ 69,580,155</u>	<u>\$ (9,283,605)</u>	<u>\$ 160,339,888</u>	<u>\$ 7,686,852</u>
<b>Business-Type Activities</b>					
Bonds Payable					
(Direct Placement Bonds)	\$ 7,765,000	\$ -	\$ (1,040,000)	\$ 6,725,000	\$ 1,065,000
Notes Payable	-	174,610	(174,610)	-	-
Lease Liability	74,872	-	(20,451)	54,421	20,513
Compensated Absences	33,418	13,072	(10,342)	36,148	11,995
Other Postemployment Benefits	75,971	2,360	-	78,331	7,457
Net Pension Liability	<u>54,645</u>	<u>59,318</u>	<u>-</u>	<u>113,963</u>	<u>125</u>
<b>Total Business-Type Activities</b>					
<b>Long-Term Liabilities</b>	<u>\$ 8,003,906</u>	<u>\$ 249,360</u>	<u>\$ (1,245,403)</u>	<u>\$ 7,007,863</u>	<u>\$ 1,105,090</u>

**Governmental Activities**

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

**2000 Optional Gas Tax Revenue Bonds**

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

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

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

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

**2007 Public Improvement Revenue Refunding Bonds**

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

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

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.

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

**Note Payable**

In July 2020, the Sheriff entered into a promissory note agreement with First Port City Bank to purchase Virtualization Infrastructure Equipment. The note is secured by the equipment as detailed in the promissory note documents and is due in monthly installments of \$12,804 at a stated interest rate of 2.500% per annum.

Maturities of note payables are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 146,070	\$ 7,588	\$ 153,658
2024	149,816	3,842	153,658
2025	<u>70,202</u>	<u>488</u>	<u>70,690</u>
<b>Total</b>	<u>\$ 366,088</u>	<u>\$ 11,918</u>	<u>\$ 378,006</u>

**Compensated Absences**

*Compensated Absences*—Are recorded on the government-wide financial statements. Following is a summary of compensated absences by constitutional officer as of September 30, 2022:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Board	\$ 6,645,971	\$ 3,427,572	\$ (2,652,980)	\$ 7,420,563
Clerk	109,676	224,421	(229,100)	104,997
Sheriff	1,728,840	1,642,977	(1,533,820)	1,837,997
Tax Collector	97,468	188,677	(204,096)	82,049
Property Appraiser	178,450	165,701	(132,079)	212,072
Supervisor of Elections	<u>75,388</u>	<u>36,759</u>	<u>(22,548)</u>	<u>89,599</u>
<b>Total</b>	<u>\$ 8,835,793</u>	<u>\$ 5,686,107</u>	<u>\$ (4,774,623)</u>	<u>\$ 9,747,277</u>

**Business-Type Activities**

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

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The revenue bond is secured by a pledge of and is payable solely from pledged revenues, which primarily consist of net revenues and impact fees which derive from the Water and Sewer Utility System (the System). Annual principal and interest on the bond is expected to require approximately 60% of such revenue and are payable through 2028. Principal and interest payments for the current year totaled \$1,195,767, and revenues totaled \$1,889,976. At year-end, pledged future revenues totaled \$7,167,523, which was the amount of remaining principal and interest on the bond. The Series 2013 Bond shall not be or constitute a general obligation or indebtedness of the County.

**Rate Covenant**

The County has covenanted to establish and collect fees from users of the 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 County met the 120% requirement and, therefore, is in compliance with the rate covenant at year-end.

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

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

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

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

**Note 9 - Bond Arbitrage Rebate**

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

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

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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 10 - Landfill Post-Closure Care Costs**

State and federal laws require the County to fund landfill post-closure care costs once a landfill site stops accepting waste and to perform certain maintenance and monitoring functions at the landfill sites for twenty years if the landfill stopped receiving waste before October 9, 1993, and thirty years if the landfill stopped receiving waste after October 9, 1993. The County has three landfills that stopped receiving waste before October 9, 1993, and one that stopped receiving waste after October 9, 1993. The County does not currently operate an open landfill.

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

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

The Board is required by state law to deposit into the escrow accounts, at the time of closing and each year thereafter, sufficient funds to cover the following year’s long-term care costs. In addition, the Board must document specifically how it intends to finance the long-term care of the landfill as part of its closure plan. The Board is in compliance with these requirements with escrow balances that exceed the amounts required by state law (amounts required by state law are \$768,303 as of September 30, 2022). At September 30, 2022, the actual escrow balances are as follows:

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

**Note 11 - Retirement Plans**

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

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

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

**Benefits Provided**

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

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

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

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS Pension Plan. The employer's contribution rates as of September 30, 2022, were as follows:

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

**Notes:** (1) Contribution rates are dependent upon retirement class in which reemployed.  
(2) These rates include the contribution for Retiree Health Insurance Subsidy of 1.66% and the fee of 0.06% for administration of the FRS Investment Plan.

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The County's contributions for the year ended September 30, 2022, were \$9,442,732 to the FRS Pension Plan and \$893,534 to the HIS Program.

**Pension Liabilities and Pension Expense**

In its financial statements for the year ended September 30, 2022, the County reported a liability for its proportionate share of the net pension liability of the FRS Pension Plan and its proportionate share of the net pension liability of the HIS Program. The net pension liabilities were measured as of June 30, 2022. The County's proportions of the net pension liabilities were based on its share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	<u>FRS</u>	<u>HIS</u>	<u>Investment Plan</u>
Net Pension Liability	\$ 78,274,167	\$ 15,106,606	N/A
Proportion at:			
Current Measurement Date	0.210368984%	0.142628215%	N/A
Prior Measurement Date	0.200629743%	0.135893961%	N/A
Pension Expense	\$ 12,339,939	\$ 1,381,510	\$ 1,318,077

**Deferred Outflows/Inflows of Resources Related to Pensions**

At September 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>FRS</u>		<u>HIS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Employer Contributions After Measurement Date	\$ 2,505,553	\$ -	\$ 225,234	\$ -
Difference Between Expected and Actual Experience	3,717,571	-	458,521	66,470
Change of Assumptions	9,639,792	-	865,920	2,336,981
Changes of Proportion and Difference Between County Contributions and Proportionate Share of Contributions	4,851,980	1,325,328	2,403,513	112,447
Net Difference Between Projected and Actual Earnings on Pension Investments	<u>5,168,433</u>	<u>-</u>	<u>21,871</u>	<u>-</u>
<b>Total</b>	<u>\$ 25,883,329</u>	<u>\$ 1,325,328</u>	<u>\$ 3,975,059</u>	<u>\$ 2,515,898</u>

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year-end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2023. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

**NASSAU COUNTY, FLORIDA**  
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Fiscal Year	FRS	HIS
<u>Ending</u>	<u>Amount</u>	<u>Amount</u>
2023	\$ 5,573,761	\$ 347,737
2024	2,741,693	395,048
2025	(671,038)	435,817
2026	13,461,111	271,885
2027	946,921	(118,342)
Thereafter	-	(98,218)
<b>Total</b>	<u>\$ 22,052,448</u>	<u>\$ 1,233,927</u>

**Actuarial Assumptions**

The total pension liability for each of the defined benefit plans was measured as of June 30, 2022. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2022. For the HIS Program, the total pension liability was determined by an actuarial valuation dated July 1, 2022.

The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

	<u>FRS</u>	<u>HIS</u>
Inflation	2.40%	2.40%
Salary Increases	3.25%	3.25%
Investment Rate of Return	6.70%	N/A
Discount Rate	6.70%	3.54%

Mortality assumptions for the FRS Pension and HIS Plans were based on the PUB2010 base table varying by member category and sex, project generationally with Scale MP-2018.

For both plans, the actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1%	2.6%	2.6%	1.1%
Fixed Income	19.8%	4.4%	4.4%	3.2%
Global Equity	54.0%	8.8%	7.3%	17.8%
Real Estate (Property)	10.3%	7.4%	6.3%	15.7%
Private Equity	11.1%	12.0%	8.9%	2.6%
Strategic Investments	3.8%	6.2%	5.9%	7.8%
Assumed Inflation – Mean	N/A	N/A	2.4%	1.3%

**Note:** (1) As Outlined in the Plan's Investment Policy.



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Discount Rate. The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.70%. The Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The discount rate used to measure the total pension liability for the HIS Pension Plan was 3.54%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the County’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate. The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the employer’s proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

*FRS – County:*

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
County’s Proportionate Share of the Net Pension Liability	\$ 135,369,710	\$ 78,274,167	\$ 30,535,433

*HIS – County:*

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
County’s Proportionate Share of the Net Pension Liability	\$ 17,283,198	\$ 15,106,606	\$ 13,305,521

Pension Plan Fiduciary Net Position. Detailed information about the Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Annual Comprehensive Financial Report.

**FRS – Defined Contribution Pension Plan**

The County 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 (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, FLORIDA**  
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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. County 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 member's accounts during the 2021-2022 fiscal year were as follows:

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

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS pension plan is transferred to the Investment Plan, the member must have the years of service required for FRS pension plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04% of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended September 30, 2022, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the County.

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 County's Investment Plan pension expense totaled \$1,318,077 for the fiscal year ended September 30, 2022.

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**Other Pension Disclosures**

The County recognized pension expense for fiscal year 2022 as follows:

**September 30, 2022**

	<u>FRS</u>	<u>HIS</u>	<u>FRS Inv. Plan</u>	<u>Total</u>
Pension Expense	<u>\$ 12,339,938</u>	<u>\$ 1,381,510</u>	<u>\$ 1,318,077</u>	<u>\$15,039,525</u>

**NPL, Deferred Outflows and Inflows**

**September 30, 2022**

	<u>FRS</u>	<u>HIS</u>	<u>Total</u>
Net Pension Liability	\$ 78,274,167	\$ 15,106,606	\$ 93,380,773
Deferred Outflows	25,883,329	3,975,059	29,858,388
Deferred Inflows	1,325,328	2,515,899	3,841,227

**Note 12 - Deferred Compensation Plan**

The County, 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 County, 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 County 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 County has no administrative involvement, and does not perform the investing function for this plan.

**Note 13 - Other Postemployment Benefits (OPEB)**

**Plan Description**

The OPEB Plan is a single-employer benefit plan administered by the County. Retirees are charged whatever the insurance company charges for the type of coverage elected. However, the premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees.

Retirees and their dependents (except for life insurance) are permitted to remain covered under the County's respective medical and insurance plans as long as they pay a full premium applicable to coverage elected, subject to the direct subsidy in the following table. This conforms to the minimum required of Florida governmental employers per Chapter 112.08, Florida Statutes. The OPEB Plan does not issue a stand-alone report and is not included in the report of the System or other entity.

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<b>Percent of Direct Subsidy up to Subsidy Base Maximum</b>			
<b>Years of Service With Nassau County</b>	<b>Hired Before 10/1/05 (Other than Sheriff)</b>	<b>Hired on or After 10/1/05 (Other than Sheriff)</b>	<b>Sheriff's Office (Regardless of Hire Date)</b>
At Least 6 Years	100%	0%	0%
15 Years	100%	50%	0%
20 Years	100%	65%	0%
25 Years	100%	80%	0/100%
30 or More Years	100%	100%	100%

Note: Sheriff's special risk employees subsidy starts at twenty-five years and other employees at thirty years.

**Membership Information**

The following table provides a summary of the number of participants in the plan as of September 30, 2020 (the latest valuation date).

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	100
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Active Plan Members	<u>723</u>
<b>Total Plan Members</b>	<u><u>823</u></u>

**Funding Policy**—For the OPEB Plan, contribution requirements of the County are established and may be amended through action from either the Board or Constitutional Officers. Currently, the County's OPEB Benefits are unfunded. The required contributions are based on pay-as-you-go financing requirements. There is no separate trust fund or equivalent arrangement into which the County would make contributions to advance-fund the obligation, as it does for its pension plan, the System. Therefore, ultimate subsidies which are provided over time are financed directly by general assets of the County, which are invested in very short-term income instruments.

**Total OPEB Liability**—The County's total OPEB liability of \$21,018,760 was measured as of September 30, 2021, which is one year prior to the reporting date. The actuarial valuation date was September 30, 2020.

**Changes in the Total OPEB Liability**

<b>Total OPEB Liability, Beginning of Year</b>	<u>\$ 20,385,572</u>
Service Cost	731,009
Interest on Total OPEB Liability	497,317
Difference Between Expected and Actual Experience	-
Changes of Assumptions and Other Inputs	366,877
Benefit Payments	<u>(962,015)</u>
Net Change in Total OPEB Liability	<u>633,188</u>
<b>Total OPEB Obligation, End of Year</b>	<u><u>\$ 21,018,760</u></u>

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following table presents the total OPEB liability of the County as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

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	<u>1% Decrease</u>	<u>Current Discount Rate 2.19%</u>	<u>1% Increase</u>
<b>Total OPEB Liability</b>	\$ 22,778,475	\$ 21,018,760	\$ 19,411,416

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following table presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
<b>Total OPEB Liability</b>	\$ 18,531,397	\$ 21,018,760	\$ 24,052,401

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the fiscal year ended September 30, 2022, the County recognized OPEB expense of \$645,471. At September 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 1,005,010	\$ -
Changes in Assumptions and Other Inputs	2,142,498	7,978,902
Benefits Paid After Measurement Date	1,002,859	-
<b>Total</b>	<u>\$ 4,150,367</u>	<u>\$ 7,978,902</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$1,002,859 resulting from benefits paid subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the total OPEB liability in the year ended September 30, 2023. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending September 30</u>	<u>Amount</u>
2023	\$ (582,855)
2024	(582,855)
2025	(582,855)
2026	(582,855)
2027	(582,855)
Thereafter	<u>(1,917,119)</u>
<b>Total</b>	<u>\$ (4,831,394)</u>

**NASSAU COUNTY, FLORIDA  
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**Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of the valuation and the historical pattern of sharing benefit costs between the employer and plan members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. For plans that are not funded, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purposes of the actuarial roll-forward, the municipal bond rate is 2.19% (based on the daily rate of Fidelity's "20-Year Municipal GO AA Index" closest to but not later than the measurement date. The discount rate was 2.41% in the prior year.

Actuarial methods and assumptions include the following:

Actuarial Valuation Date:	September 30, 2020
Measurement Date:	September 30, 2021
Reporting Date:	September 30, 2022
Actuarial Cost Method:	Entry Age Normal Cost
Inflation Rate:	2.25%
Discount Rate:	2.19%
 Projected Salary Increases:	 Salary increase rates used for Regular Class and Special Risk Class members in the July 1, 2020 actuarial valuation of the FRS; 3.4%-7.8%, including inflation.
 Retirement Age:	 Retirement rates used for Regular Class and Special Risk Class members in the July 1, 2020, actuarial valuation of the FRS. They are based on the results of the statewide experience study covering the period 2013 through 2018.
 Mortality:	 Mortality tables used for Regular Class and Special Risk Class members in the July 1, 2020, actuarial valuation of the FRS. They are based on the results of a statewide experience study covering period 2013 through 2018.
 Healthcare Cost Trend Rate:	 Based on the Getzen Model, with trend starting at 6.25% for 2021, followed by 6.00% for 2022, and gradually decreasing to an ultimate trend rate of 3.99%.
 Aging Factors:	 Based on the 2013 SOA Study "Health Care Costs – From Birth to Death".
 Expenses:	 Administrative expenses are included in the per capita health costs.

**NASSAU COUNTY, FLORIDA  
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**Note 14 - Fund Balance Classification**

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

<b>Non-Spendable Fund Balance</b>	
Prepaid Expenses	\$ 1,532,338
Inventory	360,347
A/R - Dishonored Checks	439
<b>Total Non-Spendable Fund Balance</b>	<u>1,893,124</u>
<b>Restricted Fund Balance</b>	
General Government	283,501
General Government - Court-Related	1,835,456
Public Safety	1,606,483
Economic Development	383,039
Other Human Services	95,385
Physical Environment	4,621,206
Impact Fees	20,429,439
Law Library	109,000
Other Culture/Recreation	250,281
State Housing Initiative Program	2,007,231
Court Facilities	671,850
Criminal Justice	104,617
Tourist Development	18,261,576
Building Department	7,680,170
Debt Services - Bonds	1,496,250
Capital Projects - Transportation	5,755,560
Clerk Public Records	1,433,338
Clerk Child Support	420,446
Sheriff - Capital Projects	366,116
Sheriff Inmate Commissary	1,454,986
<b>Total Restricted Fund Balance</b>	<u>69,265,930</u>
<b>Committed Fund Balance</b>	
General Government	\$ 227,607
General Government - Court Related	124,121
Culture/Recreation	4,922,567
Physical Environment	288,946
Public Safety	4,055,394
Human Services	750,100
Transportation	29,311,809
Other Uses	11,130,486
Sheriff	28,142
<b>Total Committed Fund Balance</b>	<u>50,839,172</u>

**NASSAU COUNTY, FLORIDA**  
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<b>Assigned Fund Balance</b>	
General Government	\$ 728,343
Public Safety	2,472,258
Economic Development	117,696
Transportation	1,418,090
Human Services	126,171
Culture and Recreation	107,214
Court-Related	82,659
Physical Environment	360,945
Reserves - Capital Projects	20,561,253
Reserves - Capital Plan	8,242,180
Minimum Fund Balance	<u>17,960,595</u>
<b>Total Assigned Fund Balance</b>	<u>52,177,404</u>
<b>Unassigned Fund Balance</b>	<u>21,066,673</u>
<b>Total</b>	<u>\$ 195,242,303</u>

**Minimum Fund Balance Reserve Policy**

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

**Note 15 - Risk Management**

The County 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 County is limited to premiums paid and losses exceeding or not covered by insurance. The premiums are paid from various funds based on coverage required.

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

**Note 16 - Commitments and Contingencies**

The County 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 County 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.

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



**NASSAU COUNTY, FLORIDA  
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<u>Project</u>	<u>Source of Payment</u>	<u>Paid to Date</u>	<u>Commitment Remaining</u>
Road Overlays	Current Available Resources	\$ 1,620,856	\$ 1,825,191
Booster Pump Station	Current Available Resources	2,111,035	1,376,693
William Burgess Extension – Design/Eng	Current Available Resources	1,146,559	20,826
Tributary Regional Park	Current Available Resources	709,747	308,136
West Side Regional Park	Current Available Resources	<u>348,654</u>	<u>270,086</u>
<b>Total</b>		<u>\$ 5,936,850</u>	<u>\$ 3,800,932</u>

**Note 17 - Conduit Debt Obligations**

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

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

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

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

To finance the costs of certain capital improvements benefitting property within the South Amelia Island Shore Stabilization Municipal Services Benefits Unit, 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, has not been reported in the accompanying financial statements.

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

**Note 19 - Tax Abatement**

Pursuant to Section 125.045, Florida Statutes and Nassau County Ordinance 2012-32, the Economic Development Grant (EDG) incentive is available for companies with the goal to facilitate the development of capital investment and high-wage jobs in Nassau County. The incentives in the tiered program include a specified grant on the Board-only portion of their ad valorem taxes for a specified period of time after meeting or exceeding a specified number/wage level of new jobs, and/or new capital investment in Nassau County. As of September 30, 2022, the only existing EDG agreement potentially material in size (fiscal year abatement >\$300,000) was with LignoTech Florida, LLC (LignoTech).

**NASSAU COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

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

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

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

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

**Note 21 - Developer Agreements**

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

**Note 22 - Prior Period Adjustment**

The County has determined that certain transactions were not recorded in a prior year.

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

	<u>Net Position, As Previously Reported</u>	<u>Donated Assets Restatement</u>	<u>Net Position As Restated</u>
<b>Governmental Activities</b>			
Total Net Position	\$ 440,061,075	\$ 2,629,000	\$ 442,690,075
<b>Total Governmental Activities</b>	<u>\$ 440,061,075</u>	<u>\$ 2,629,000</u>	<u>\$ 442,690,075</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

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

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 83,006,933	\$ 83,006,933	\$ 87,923,322	\$ 4,916,389
Licenses and Permits	39,304	39,304	85,117	45,813
Intergovernmental Revenues	12,922,738	9,423,956	10,891,417	1,467,461
Charges for Services	3,988,648	4,024,174	5,348,581	1,324,407
Fines and Forfeitures	42,421	43,871	44,281	410
Interest Earnings (Loss)	301,500	301,218	(101,060)	(402,278)
Miscellaneous	311,544	616,876	2,672,100	2,055,224
<b>Total Revenues</b>	100,613,088	97,456,332	106,863,758	9,407,426
<b>Expenditures</b>				
Current:				
General Government Services	26,354,563	26,672,306	23,714,493	2,957,813
Public Safety	47,568,270	47,809,776	46,055,769	1,754,007
Physical Environment	2,541,776	2,621,945	1,859,175	762,770
Transportation	3,978	3,978	-	3,978
Economic Environment	261,924	1,329,997	1,300,895	29,102
Human Services	3,046,875	3,113,075	2,981,860	131,215
Culture and Recreation	2,915,676	3,098,382	2,664,195	434,187
Court-Related Expenditures	3,051,882	3,138,527	2,325,250	813,277
Reserve for Contingency	50,000	50,000	-	50,000
Capital Outlay	4,545,221	6,970,973	4,315,200	2,655,773
Debt Service:				
Principal Retirement	515,745	542,352	391,692	150,660
Interest and Fiscal Charges	12,284	11,305	13,386	(2,081)
<b>(Total Expenditures)</b>	90,868,194	95,362,616	85,621,915	9,740,701
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	9,744,894	2,093,716	21,241,843	19,148,127
<b>Other Financing Sources (Uses)</b>				
Transfers in	693,473	693,755	4,350,788	3,657,033
Transfers (out)	(12,338,785)	(14,537,958)	(14,349,264)	188,694
Leases (Lessee)	-	-	436,369	436,369
Sale of Capital Assets	-	-	7,601	7,601
<b>Total Other Financing Sources (Uses)</b>	(11,645,312)	(13,844,203)	(9,554,506)	4,289,697
<b>Net Change in Fund Balances</b>	(1,900,418)	(11,750,487)	11,687,337	23,437,824
<b>Fund Balances at Beginning of Year</b>	-	39,612,038	56,196,804	16,584,766
<b>Fund Balances at End of Year</b>	\$ (1,900,418)	\$ 27,861,551	\$ 67,884,141	\$ 40,022,590

Note: Original and amended budgeted transfers in the County-wide General Fund are presented as consolidated after the elimination of intra-general fund budgeted transfers between the Board and Constitutional Officers.

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 8,992,520	\$ 8,992,520	\$ 9,843,368	\$ 850,848
Licenses and Permits	7,419	7,419	17,507	10,088
Intergovernmental Revenues	2,120,601	2,115,771	2,181,769	65,998
Charges for Services	20,401	20,401	30,391	9,990
Interest Earnings	35,000	35,000	82,331	47,331
Miscellaneous	111,203	111,203	130,889	19,686
<b>Total Revenues</b>	<u>11,287,144</u>	<u>11,282,314</u>	<u>12,286,255</u>	<u>1,003,941</u>
<b>Expenditures</b>				
Current:				
Transportation	11,835,957	12,682,873	10,030,643	2,652,230
Capital Outlay	632,164	796,432	662,319	134,113
<b>(Total Expenditures)</b>	<u>12,468,121</u>	<u>13,479,305</u>	<u>10,692,962</u>	<u>2,786,343</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(1,180,977)</u>	<u>(2,196,991)</u>	<u>1,593,293</u>	<u>3,790,284</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,315,000	1,315,000	1,317,199	2,199
Transfers (out)	(5,246,610)	(5,451,023)	(5,451,023)	-
Sale of General Capital Assets	-	-	14,707	14,707
<b>Total Other Financing Sources (Uses)</b>	<u>(3,931,610)</u>	<u>(4,136,023)</u>	<u>(4,119,117)</u>	<u>16,906</u>
<b>Net Change in Fund Balances</b>	(5,112,587)	(6,333,014)	(2,525,824)	3,807,190
<b>Fund Balances at Beginning of Year</b>	<u>7,592,158</u>	<u>12,736,736</u>	<u>12,790,388</u>	<u>53,652</u>
<b>Fund Balances at End of Year</b>	<u>\$ 2,479,571</u>	<u>\$ 6,403,722</u>	<u>\$ 10,264,564</u>	<u>\$ 3,860,842</u>

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 17,559,038	\$ 17,559,038	\$ 17,893,886	\$ 334,848
Licenses and Permits	428,470	428,470	702,818	274,348
Intergovernmental Revenues	1,630,641	1,435,634	1,701,861	266,227
Charges for Services	410,789	410,789	554,276	143,487
Fines and Forfeitures	2,010	2,010	62,682	60,672
Interest Earnings	40,000	40,000	106,748	66,748
Miscellaneous	32,300	69,814	170,134	100,320
<b>Total Revenues</b>	<u>20,103,248</u>	<u>19,945,755</u>	<u>21,192,405</u>	<u>1,246,650</u>
<b>Expenditures</b>				
Current:				
General Government Services	2,554,320	2,427,812	2,018,182	409,630
Public Safety	11,953,294	12,206,883	11,892,295	314,588
Transportation		1,059	1,040	
Human Services	1,671,230	1,628,667	1,488,511	140,156
Capital Outlay	2,520,208	3,199,473	1,544,758	1,654,715
Debt Service:				
Principal Retirement	22,959	30,850	940	29,910
Interest and Fiscal Charges	-	-	56	(56)
<b>(Total Expenditures)</b>	<u>18,722,011</u>	<u>19,494,744</u>	<u>16,945,782</u>	<u>2,548,943</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>1,381,237</u>	<u>451,011</u>	<u>4,246,623</u>	<u>3,795,612</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	260,730	260,730	302,085	41,355
Transfers (out)	(7,362,712)	(12,148,666)	(3,237,992)	8,910,674
Leases (Lessee)	-	-	15,247	15,247
<b>Total Other Financing Sources (Uses)</b>	<u>(7,101,982)</u>	<u>(11,887,936)</u>	<u>(2,920,660)</u>	<u>8,967,276</u>
<b>Net Change in Fund Balances</b>	(5,720,745)	(11,436,925)	1,325,963	12,762,888
<b>Fund Balances at Beginning of Year</b>	<u>5,720,745</u>	<u>11,436,925</u>	<u>12,260,348</u>	<u>823,423</u>
<b>Fund Balances at End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,586,311</u>	<u>\$ 13,586,311</u>

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

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

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

**Budgets and Budgetary Accounting**

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

The County-wide General Fund is comprised of the following six sub-funds: Board of County Commissioners, Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector. In order to comply with generally accepted accounting principles (GAAP), the actual intra-fund activity has been consolidated in order to eliminate inflated amounts in the aggregate financial statements of the County-wide General Fund.

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 at the object level (personal services, operating expenses, and capital outlay) by department by fund. Chapter 129, Florida Statutes, also governs the manner in which the budget may be legally amended once it has been approved. Department managers may make budget amendments within an object level without Board approval; budget amendments between object levels up to \$50,000 can be approved by the County Budget Officer and County Administrator. Budget amendments greater than \$50,000 require Board approval.

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 County, as an extension of the statutorily required budgetary process under Florida Statutes. The County maintained a computerized encumbrance system, which is a part of the computerized accounting system. All appropriations lapse at year-end, except those that the County intends to honor.

Budgets are adopted on the modified accrual basis of accounting, which is consistent with 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 or Constitutional Officer, as applicable.

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

<b>Governmental Funds</b>	
General Fund	\$ 18,865,580
Special Revenue Funds	37,845,921
Capital Projects Funds	<u>8,304,852</u>
<b>Total</b>	<u>\$ 65,016,353</u>



**NASSAU COUNTY, FLORIDA**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

<b>Total OPEB Liability</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Service Cost	\$ 731,009	\$ 1,155,802	\$ 886,271	\$ 936,087	\$ 1,048,668
Interest on the Total OPEB Liability	497,317	767,173	936,424	851,315	762,264
Difference Between Expected and Actual Experience	-	760,056	-	627,352	-
Changes of Assumptions and Other Inputs	366,877	(8,462,896)	2,527,629	(1,089,112)	(852,311)
Benefit Payments	<u>(962,015)</u>	<u>(1,151,940)</u>	<u>(1,192,756)</u>	<u>(1,106,072)</u>	<u>(1,117,724)</u>
Net Change in Total OPEB Liability	<u>633,188</u>	<u>(6,931,805)</u>	<u>3,157,568</u>	<u>219,570</u>	<u>(159,103)</u>
Total OPEB Liability - Beginning	<u>20,385,572</u>	<u>27,317,377</u>	<u>24,159,809</u>	<u>23,940,239</u>	<u>24,099,342</u>
Total OPEB Liability - Ending	<u>\$ 21,018,760</u>	<u>\$ 20,385,572</u>	<u>\$ 27,317,377</u>	<u>\$ 24,159,809</u>	<u>\$ 23,940,239</u>
Covered-Employee Payroll	<u>\$ 46,833,469</u>	<u>\$ 37,936,430</u>	<u>\$ 37,693,430</u>	<u>\$ 32,405,785</u>	<u>\$ 34,941,733</u>
Total OPEB Liability as a Percentage of Covered-Employee Payroll	44.88%	53.74%	72.47%	74.55%	68.51%

**Notes to the Schedule**

No assets are being accumulated in a trust to pay for the benefits.

**Valuation Date:** September 30, 2020

**Measurement Date:** September 30, 2021

**Roll Forward Procedures:** The Total OPEB liability was rolled forward twelve months from the Valuation Date to the Measurement Date using standard actuarial techniques.

Note: Covered Payroll presented above for the 2020 measurement year, is an estimate based on data submitted for the September 30, 2020 valuation. GASB Statement No. 75 defined Covered-Employee Payroll as the payroll of employees that are provided with OPEB through the OPEB plan, including employees terminating during the measurement period.

The discount rate was changed from 2.41% as of the previous measurement date to 2.19% as of September 30, 2021.

This change is reflected in the Schedule of Changes in Total OPEB Liability.

**NASSAU COUNTY, FLORIDA**  
**SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF**  
**OF THE NET PENSION LIABILITY**  
**FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PENSION PLANS**  
**SEPTEMBER 30, 2022**

**FLORIDA RETIREMENT SYSTEM PENSION PLAN**

	<u>September 30, 2022</u>	<u>September 30, 2021</u>	<u>September 30, 2020</u>
Nassau County's Proportion of the FRS Net Pension Plan	0.210368984%	0.200629743%	0.205551903%
Nassau County's Proportion Share of the FRS Net Pension Plan	\$ 78,274,167	\$ 15,155,296	\$ 89,089,224
Nassau County's Covered Payroll (FYE 6/30)	\$ 51,989,217	\$ 48,119,629	\$ 44,305,301
Nassau County's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll	150.56%	31.50%	201.08%
<b>FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	82.89%	96.40%	78.85%

**Note:** (1) The amounts shown above as reported on the date indicated, have a measurement date three months prior. Covered-employee payroll is for the year shown.

**HEALTH INSURANCE SUBSIDY PENSION PLAN**

	<u>September 30, 2022</u>	<u>September 30, 2021</u>	<u>September 30, 2020</u>
Nassau County's Proportion of the HIS Net Pension Plan	0.142628222%	0.13589396%	0.12762941%
Nassau County's Proportion Share of the HIS Net Pension Plan	\$ 15,106,606	\$ 16,669,438	\$ 15,583,344
Nassau County's Covered Payroll (FYE 6/30)	\$ 51,989,217	\$ 48,119,629	\$ 44,305,301
Nassau County's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered Payroll	29.06%	34.64%	35.17%
<b>HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	4.81%	3.56%	3.00%

**Note:** (1) The amounts shown above as reported on the date indicated, have a measurement date three months prior. Covered-employee payroll is for the year shown.

**FLORIDA RETIREMENT SYSTEM PENSION PLAN**

<u>September 30, 2019</u>	<u>September 30, 2018</u>	<u>September 30, 2017</u>	<u>September 30, 2016</u>	<u>September 30, 2015</u>
0.192962199%	0.182113027%	0.186608807%	0.174464593%	0.165580704%
\$ 66,453,495	\$ 54,853,388	\$ 55,197,633	\$ 44,052,447	\$ 21,386,969
\$ 39,858,133	\$ 36,538,795	\$ 35,221,567	\$ 32,521,989	\$ 31,678,266
166.73%	150.12%	156.72%	135.45%	67.51%
82.61%	84.26%	83.89%	84.88%	92.00%

**HEALTH INSURANCE SUBSIDY PENSION PLAN**

<u>September 30, 2019</u>	<u>September 30, 2018</u>	<u>September 30, 2017</u>	<u>September 30, 2016</u>	<u>September 30, 2015</u>
0.11915289%	0.11846251%	0.110442831%	0.104032153%	0.104338602%
\$ 13,332,016	\$ 11,837,933	\$ 11,809,057	\$ 12,124,517	\$ 10,640,896
\$ 39,858,133	\$ 36,538,795	\$ 35,221,567	\$ 32,521,989	\$ 31,678,266
33.45%	32.40%	33.53%	37.28%	33.59%
2.63%	2.15%	1.64%	9.70%	0.50%

**NASSAU COUNTY, FLORIDA**  
**SCHEDULE OF THE COUNTY'S CONTRIBUTIONS**  
**FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PENSION PLANS**  
**SEPTEMBER 30, 2022**

**FLORIDA RETIREMENT SYSTEM PENSION PLAN**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually Required Contribution	\$ 9,442,732	\$ 7,928,227	\$ 6,932,819
FRS Contribution in Relation to the Contractually Required Contribution	<u>9,442,732</u>	<u>7,928,227</u>	<u>6,932,819</u>
FRS Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Nassau County's Covered Payroll (FYE 9/30)	\$ 53,827,349	\$ 48,792,831	\$ 44,668,675
FRS Contributions as a Percentage of Covered Payroll	17.54%	16.25%	15.52%

Note: Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

**HEALTH INSURANCE SUBSIDY PENSION PLAN**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually Required Contribution	\$ 893,534	\$ 809,961	\$ 741,500
HIS Contribution in Relation to the Contractually Required Contribution	<u>893,534</u>	<u>809,961</u>	<u>741,500</u>
HIS Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Nassau County's Covered Payroll (FYE 9/30)	\$ 53,827,349	\$ 48,792,831	\$ 44,668,675
HIS Contributions as a Percentage of Covered Payroll	1.66%	1.66%	1.66%

Note: Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

**FLORIDA RETIREMENT SYSTEM PENSION PLAN**

<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
\$ 6,228,511	\$ 5,395,176	\$ 4,839,874	\$ 4,390,275	\$ 4,083,702
<u>6,228,511</u>	<u>5,395,176</u>	<u>4,839,874</u>	<u>4,390,275</u>	<u>4,083,702</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 41,236,506	\$ 37,449,919	\$ 35,056,145	\$ 32,521,989	\$ 31,678,266
15.10%	14.41%	13.81%	13.50%	12.89%

**HEALTH INSURANCE SUBSIDY PENSION PLAN**

<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
\$ 684,526	\$ 621,018	\$ 582,630	\$ 539,064	\$ 431,586
<u>684,526</u>	<u>621,018</u>	<u>582,630</u>	<u>539,064</u>	<u>431,586</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 41,236,506	\$ 37,449,919	\$ 35,056,145	\$ 32,521,989	\$ 31,678,266
1.66%	1.66%	1.66%	1.66%	1.36%

## **OTHER INFORMATION**

**NASSAU COUNTY, FLORIDA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

<u>Grant Agency/Grant Title</u>	<u>Assistance Listing Number</u>	<u>Contract/Grant Number</u>	<u>Expenditures</u>
<b>United States Department of the Interior, National Park Service</b>			
African American Civil Rights of the 20th Century	15.904	P20AP00040	\$ <u>24,939</u>
<b>United States Department of Justice</b>			
Direct:			
Office of Community Oriented Policing Services	16.710	2020-UM-WX-0225	<u>225,942</u>
Indirect:			
Passed Through Office of the Attorney General of Florida <i>Victims of Crimes Act (VOCA)</i>	16.575	VOCA-2020-Nassau County-00642	50,693
Passed Through Florida Department of Law Enforcement: Coronavirus Emergency Supplemental Funding Program	16.034	2021-CESF-NASS-1-C9-074	47,657
2020 Drug Eradication and Special Response Team	16.738	2020-JAGD-NASS-1Y5-042	<u>39,916</u>
<b>Total United States Department of Justice</b>			<u>364,208</u>
<b>United States Department of Transportation</b>			
Indirect:			
Passed Through Florida Department of Transportation:			
Highway Planning and Construction	20.205	441214--1-38-01	735,425
Highway Planning and Construction	20.205	441217-1-68-02	657,222
Highway Planning and Construction	20.205	443248-1-38-02	140
Highway Planning and Construction	20.205	439496-1-58-01 & 68-02	1,031
Highway Planning and Construction	20.205	437334-1-38-02	313
Highway Planning and Construction	20.205	437334-1-68-02	140
Highway Planning and Construction	20.205	441241-1-38-02	<u>704</u>
<b>Subtotal Expenditures - AL No. 20.205</b>			<u>1,394,975</u>
<b>Total United States Department of Transportation</b>			<u>1,394,975</u>
<b>United States Department of the Treasury</b>			
Indirect:			
Passed Through Florida Office of the Governor: Coronavirus State and Local Fiscal Recovery Funds (ARPA)	21.027		<u>542</u>
<b>Federal Communications Commission</b>			
Passed Through Florida Communications Commission:			
Emergency Connectivity Fund	32.009	079-2020	<u>7,989</u>

**NASSAU COUNTY, FLORIDA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Grant Agency/Grant Title	Assistance Listing Number	Contract/Grant Number	Expenditures
<b>United States Election Assistance Commission</b>			
Indirect:			
Passed Through Florida Division of Elections 3/6/2023			
<i>Help America Vote Act</i>	90.404	22.e.es.000.045	\$ 2,985
<i>Help America Vote Act</i>	90.404	22.e.es.100.045	10,602
<i>Help America Vote Act</i>	90.404	22.e.es.200.045	2,773
<i>Help America Vote Act</i>	90.404	22.e.es.300.045	22,752
<b>Subtotal Expenditures - AL No. 90.404</b>			<u>39,112</u>
<b>Total United States Election Assistance Commission</b>			<u>39,112</u>
<b>United States Department of Health and Human Services</b>			
Indirect:			
Passed Through Florida Department of Revenue:			
Child Support Enforcement	93.563	CSOC45	112,701
<b>Subtotal Expenditures - AL No. 93.563</b>			<u>112,701</u>
<b>Total United States Department of Health and Human Services</b>			<u>112,701</u>
<b>United States Department of Homeland Security</b>			
Indirect:			
Passed Through Florida Division of Emergency Management:			
Disaster Grant - Public Assistance - FEMA	97.036	N/A	314,855
Disaster Grant - Public Assistance - FEMA	97.036	N/A	760,286
Disaster Grant - Public Assistance - FEMA	97.036	N/A	526,321
<b>Subtotal Expenditures - AL No. 97.036</b>			<u>1,601,462</u>
Emergency Management Performance Grant (EMPG)	97.042	A0226	3,919
Emergency Management Performance Grant (EMPG)	97.042	EMA-2021-EP-00006	13,924
<b>Subtotal Expenditures - AL No. 97.042</b>			<u>17,843</u>
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-201900FF-00837	603,468
<b>Total United States Department of Homeland Security</b>			<u>2,222,773</u>
<b>United States Environmental Protection Agency</b>			
Indirect:			
Passed Through Florida Department of Environmental Protection			
Drinking Water State Revolving Fund	66.468	DEPDW	178,421
Drinking Water State Revolving Fund	66.468	DSRF4	47,389
<b>Subtotal Expenditures - AL No. 66.468</b>			<u>225,810</u>
<b>Total United States Environmental Protection Agency</b>			<u>225,810</u>
<b>National Endowment of the Humanities</b>			
Indirect:			
Passed Through Division of Library and Information Services			
<i>American Rescue Plan Act</i>	45.310	21-ARPA-23	98,303
<b>Total Federal Awards</b>			<u>\$ 4,491,352</u>



**NASSAU COUNTY, FLORIDA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Grant Agency/Grant Title	State CSFA Number	Contract/Grant Number	Expenditures
<b>Florida Officer of the State Courts Administrator</b>			
Courtroom 3 Buildout	22.004	CM3068	\$ 77,237
<b>Executive Office of the Governor</b>			
Emergency Management Programs	31.063	21-BG-21-04-55-01-011	6,386
Emergency Management Programs	31.063	A0291	1,031
<b>Total Executive Office of the Governor</b>			<u>7,417</u>
<b>Florida Department of Environmental Protection</b>			
Beach Management Funding Assistance Program	37.003	19NA1	29,240
Beach Management Funding Assistance Program	37.003	20NA1	3,023,290
<b>Subtotal Expenditures - CSFA 37.003</b>			<u>3,052,530</u>
Small County Consolidated Waste Grants	37.012	SC025	93,750
American Beach Well and Septic Phase Out	37.077	DEPWW	426,993
American Beach Well and Septic Phase Out	37.077	SSRF3	47,199
American Beach Well and Septic Phase Out	37.077	LPA0237	48,168
<b>Subtotal Expenditures - CSFA 37.077</b>			<u>522,360</u>
<b>Total Department of Environmental Protection</b>			<u>3,668,640</u>
<b>Florida Department of State</b>			
State Aid to Libraries Grant Program	45.030	21-ST-36	32,874
<b>Total Florida Department of State</b>			<u>32,874</u>
<b>Florida Housing Finance Corporation</b>			
State Housing Initiatives Partnership Program	40.901	18/19	14,679
State Housing Initiatives Partnership Program	40.901	19/20	86,832
<b>Subtotal Expenditures - CSFA No. 40.901</b>			<u>101,511</u>
<b>Total Florida Housing Finance Corporation</b>			<u>101,511</u>
<b>Florida Department of Transportation</b>			
Small County Outreach Program (SCOP)	55.009	431638-1-58-01	14,282
Small County Outreach Program (SCOP)	55.009	430691-2-58-01	980,352
Small County Outreach Program (SCOP)	55.009	438178-1-54-01	36,895
Small County Outreach Program (SCOP)	55.009	438204-1-54-01	96,972
<b>Subtotal Expenditures - CSFA No. 55.009</b>			<u>1,128,501</u>
County Incentive Grant Program (CIGP)	55.008	436465-1-54-01	66,497
Local Transportation Projects	55.039	443400-2-54-01	1,331,567
Local Transportation Projects	55.039	443400-2-54-01	140
<b>Subtotal Expenditures - CSFA No. 55.039</b>			<u>1,331,707</u>
<b>Total Florida Department of Transportation</b>			<u>2,526,705</u>
<b>Florida Department of Health</b>			
County Grant Awards	64.005	C9045	6,575
<b>Total Florida Department of Health</b>			<u>6,575</u>

**NASSAU COUNTY, FLORIDA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

<u>Grant Agency/Grant Title</u>	<u>State CSFA Number</u>	<u>Contract/Grant Number</u>	<u>Expenditures</u>
<b>Florida Department of Juvenile Justice</b>			
Sheriff Work Ethics and Training	80.029	10661	\$ 90,580
Sheriff Work Ethics and Training - Youth Intervention	80.029	10717	20,900
<b>Total Florida Department of Juvenile Justice</b>			<u>111,480</u>
<b>Total State Financial Assistance</b>			<u>\$ 6,532,439</u>
<b>Total Federal Awards and State Financial Assistance</b>			<u>\$ 11,023,791</u>

**NASSAU COUNTY, FLORIDA  
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**Note 1 - Basis of Presentation**

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

During the year ended September 30, 2022, FEMA approved \$1,425,521 of eligible expenditures that were incurred in a prior year and are included in the accompanying schedule of expenditures of federal awards and state financial assistance.

Nassau County did not elect to use the 10% de minimis indirect cost rate in Section 200.44, Indirect (F&A) Costs, of the Uniform Guidance.

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND  
STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

The Honorable Board of County Commissioners  
and Constitutional Officers  
Nassau County, Florida

**Report on Compliance for Each Major Federal Award and State Project**

**Opinion on Each Major Federal Program and State Project**

We have audited Nassau County, Florida's (the County) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the requirements described in the Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of the County's major federal programs and state projects for the year ended September 30, 2022. The County's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2022.

**Basis for Opinion on Each Major Federal Program and State Project**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.550, *Rules of the Auditor General*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

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Nassau County, Florida

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND  
STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs and state projects.

**Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. 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, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General* will always detect material non-compliance when it exists. The risk of not detecting material non-compliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material non-compliance, 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 County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

The Honorable Board of County Commissioners  
and Constitutional Officers  
Nassau County, Florida

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND  
STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

**Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program or state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

**Purpose**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.



March 22, 2023  
Gainesville, Florida

**NASSAU COUNTY, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**Summary of Auditor’s Results**

1. The independent auditor’s report expresses an unmodified opinion on the financial statements of Nassau County, Florida (the County).
2. The audit did not report any material weaknesses and reported a significant deficiency 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*.
3. There were no instances of non-compliance material to the financial statements identified during the audit of the financial statements required to be reported in the report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
4. The audit disclosed no significant deficiencies and/or material weaknesses in internal control over major federal programs or state projects that are required to be reported in the schedule of findings and questioned costs.
5. The report on compliance for the major federal programs and state projects expresses an unmodified opinion.
6. The audit disclosed no findings that are required to be reported in accordance with the *Uniform Guidance* and Chapter 10.550, *Rules of the Auditor General*.
7. The programs tested as major federal program and state financial assistance projects included:

<b>Federal Programs</b>	<b><u>Assistance Listing No.</u></b>
Highway Planning and Construction	20.205
<b>State Projects</b>	<b><u>CSFA No.</u></b>
Beach Management Funding Assistance Program	37.003
Local Transportation Projects	55.039

8. The threshold for distinguishing Type A and B programs was \$750,000 for federal programs and \$750,000 for state projects.
9. The County qualified as a low risk auditee for federal grant programs.

**Financial Statement Findings**

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

**Findings and Questioned Costs for Major Federal Programs and State Projects**

The audit disclosed no findings for major federal programs and state projects to be reported under the *Uniform Guidance* and Chapter 10.550, *Rules of the Auditor General*.

**Status of Prior Audit Findings**

There were no prior year findings required to be reported in accordance with the *Uniform Guidance* and Chapter 10.550, *Rules of the Auditor General*.

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

The Honorable Board of County Commissioners  
and Constitutional Officers  
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 governmental activities, the business-type activities, each major fund, and the aggregate remaining funds information of Nassau County, Florida (the County) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 22, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the County'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 for the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the individual report of the Board of County Commissioners, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 County's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the individual report of the Board of County Commissioners, as item 2022-001 to be a material weakness.

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The Honorable Board of County Commissioners  
and Constitutional Officers  
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 STANDARD***

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. We consider the deficiency described in the individual report of the Board of County Commissioners as item 2021-001 to be a significant deficiency.

**County's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's response to the findings identified in our audit and described in the individual reports to the Board of County Commissioners. The 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.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free of 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 statement. 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*.

**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 County's internal control on or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



March 22, 2023  
Gainesville, Florida

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

The Honorable Board of County Commissioners  
and Constitutional Officers  
Nassau County, Florida

We have examined Nassau County, Florida's, (the County) compliance with Section 218.415, Florida Statutes, as of and for the year ended September 30, 2022, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County'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 County complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the County 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 related to the review engagement.

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

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

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



March 22, 2023  
Gainesville, Florida

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## INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 365.172(10) AND SECTION 365.173(2)(d), FLORIDA STATUTES

The Honorable Board of County Commissioners  
and Constitutional Officers  
Nassau County, Florida

We have examined Nassau County, Florida's, (the County) compliance with Section 365.172(10) Florida Statutes, *Authorized Expenditures of E911 Fee*, and Section 365.173(2)(d) Florida Statutes, *Distribution and Use of (E911) Funds*, as of and for the year ended September 30, 2022, as required by Section 10.556(10)(b), *Rules of the Auditor General*. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County'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 County complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the County 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 related to the review engagement.

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

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

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



March 22, 2023  
Gainesville, Florida

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## MANAGEMENT LETTER

The Honorable Board of County Commissioners  
and Constitutional Officers  
Nassau County, Florida

### Report on the Financial Statements

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

### Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) 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 Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Reports on an Examination Conducted in Accordance with 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 22, 2023, should be considered in conjunction with this management letter.

### Prior Audit Findings

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

### Official Title and Legal Authority

- Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The County was established by the Constitution of the State of Florida, Article VIII, Section 1(d). The County includes component units as described in Note 1 of the financial statements.

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## MANAGEMENT LETTER

### Financial Condition and Management

- Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, requires us to apply appropriate procedures and communicate the results of our determination as to whether or not the County met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific conditions met. In connection with our audit, we determined that the County did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the County. It is management's responsibility to monitor the County's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by the same.
- Section 10.554(1)(i)(2)., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

### Special District Component Units

- Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statement 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 for the American Beach Water and Sewer District is disclosed in the individual management letter of the Board of County Commissioners.

### Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address non-compliance with provisions of contract 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 which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

### Purpose of the Letter

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



March 22, 2023  
Gainesville, Florida

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