

2021

Nassau County Board of County Commissioners

Financial Statements
and Independent Auditor's Report

September 30, 2021

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

**NASSAU COUNTY BOARD
OF COUNTY COMMISSIONERS
NASSAU COUNTY, FLORIDA
SEPTEMBER 30, 2021**

TABLE OF CONTENTS

INTRODUCTORY SECTION

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

FINANCIAL SECTION

Independent Auditor’s Report	1-3
---	-----

Financial Statements

Balance Sheet - Governmental Funds.....	4-5
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	6-7
Statement of Net Position - Proprietary Fund.....	8
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Fund	9
Statement of Cash Flows - Proprietary Fund.....	10-11
Statement of Fiduciary Net Position - Custodial Funds.....	12
Statement of Changes in Fiduciary Net Position - Custodial Funds.....	13
Notes to Financial Statements	14-39

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - General Fund.....	40
Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - County Transportation Fund	41
Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Municipal Services Fund	42
Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual – Grans Fund	43
Note to Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	44

Supplementary Information

Combining Non-Major Governmental Funds

Combining Balance Sheet - Non-Major Governmental Funds.....	45-51
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Non-Major Governmental Funds	52-58

Other Information

Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	59-60
Independent Accountant’s Report on Compliance with Section 218.415, Florida Statutes	61
Management Letter	62-64
Schedule of Findings and Responses	65
Management Response to Audit Findings.....	66-68

INTRODUCTORY SECTION

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

LIST OF ELECTED AND APPOINTED OFFICIALS

Serving as of September 30, 2021

ELECTED OFFICIALS

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

APPOINTED OFFICIALS

County Manager..... Taco Pope
County Attorney..... Michael Mullin

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of County Commissioners
Nassau County, Florida

We have audited the accompanying financial statements of each major fund and aggregate remaining fund information of the Nassau County Board of County Commissioners, Nassau County, Florida, (the Board) as of and for the year ended September 30, 2021, and the related notes, which collectively comprise the Board's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Lakeland | Tampa
purvisgray.com

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

INDEPENDENT AUDITOR'S REPORT

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Board as of September 30, 2021, 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.

Emphasis of Matter

Incomplete Presentation

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Nassau County that is attributable to the Board of County Commissioners. They do not purport to, and do not, present fairly the financial position of the County as of September 30, 2021, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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 the financial reporting for placing the 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

The Honorable Board of County Commissioners
Nassau County, Florida

INDEPENDENT AUDITOR'S REPORT

The supplementary information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2022, on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters under the heading Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.



March 18, 2022
Gainesville, Florida

FINANCIAL STATEMENTS

NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	General	County Transportation	Municipal Services
Assets			
Cash and Cash Equivalents	\$ 8,452,885	\$ 553,341	\$ 299,862
Cash and Cash Equivalents - Restricted	738,043	-	-
Equity in Pooled Investments	45,492,971	12,694,460	11,071,221
Accounts Receivable, (Net of Allowance for Uncollectibles)	856,940	68	18,294
Loans Receivable, (Net of Allowance for Uncollectibles)	-	-	-
Due from Other Funds	644,917	24,084	45,836
Due from Constitutional Officers	2,448,378	37,662	83,619
Due from Other Governments	4,165,704	590,529	255,363
Inventories	493,263	52,752	-
Prepaid Expenditures	205,617	900	823,424
Total Assets	<u><u>63,498,718</u></u>	<u><u>13,953,796</u></u>	<u><u>12,597,619</u></u>
Liabilities			
Accounts Payable	2,225,828	1,126,837	231,694
Accrued Liabilities	687,784	-	-
Retainage Payable	3,927	-	-
Due to Other Funds	724,315	-	2,341
Due to Constitutional Officers	559,064	8	816
Due to Other Governments	213,580	284	2,163
Deposits	-	10,440	-
Total Liabilities	<u><u>4,414,498</u></u>	<u><u>1,137,569</u></u>	<u><u>237,014</u></u>
Deferred Inflows of Resources			
Unavailable Revenues	<u><u>2,887,416</u></u>	<u><u>25,839</u></u>	<u><u>100,257</u></u>
Fund Balances			
Non-Spendable	698,880	53,652	823,424
Restricted	1,064,777	-	16,329
Committed	6,868,780	5,725,957	842,952
Assigned	26,935,576	7,010,779	10,577,643
Unassigned	<u><u>20,628,791</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Total Fund Balances	<u><u>56,196,804</u></u>	<u><u>12,790,388</u></u>	<u><u>12,260,348</u></u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u><u>\$ 63,498,718</u></u>	<u><u>\$ 13,953,796</u></u>	<u><u>\$ 12,597,619</u></u>

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

Grants	Capital Projects - Transportation	Comprehensive Impact Fee Ordinance	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ 481,699	\$ -	\$ 9,927,374	\$ 19,715,161
-	-	-	-	738,043
8,615,315	18,310,075	11,985,260	35,890,103	144,059,405
-	-	-	19,235	894,537
-	-	-	40,000	40,000
-	-	-	11,016	725,853
-	-	-	96,531	2,666,190
-	7,084,311	-	2,906,104	15,002,011
-	-	-	-	546,015
-	-	-	11,429	1,041,370
<u>8,615,315</u>	<u>25,876,085</u>	<u>11,985,260</u>	<u>48,901,792</u>	<u>185,428,585</u>
442	1,724,598	41,516	3,186,011	8,536,926
-	-	-	-	687,784
-	592,964	-	-	596,891
-	-	-	-	726,656
-	-	-	13,296	573,184
-	-	-	37,472	253,499
-	-	-	326,279	336,719
<u>442</u>	<u>2,317,562</u>	<u>41,516</u>	<u>3,563,058</u>	<u>11,711,659</u>
<u>8,607,184</u>	<u>6,173,944</u>	<u>-</u>	<u>826,537</u>	<u>18,621,177</u>
-	-	-	11,429	1,587,385
7,689	-	11,943,744	38,663,475	51,696,014
-	17,384,579	-	5,719,598	36,541,866
-	-	-	117,695	44,641,693
-	-	-	-	20,628,791
<u>7,689</u>	<u>17,384,579</u>	<u>11,943,744</u>	<u>44,512,197</u>	<u>155,095,749</u>
<u>\$ 8,615,315</u>	<u>\$ 25,876,085</u>	<u>\$ 11,985,260</u>	<u>\$ 48,901,792</u>	<u>\$ 185,428,585</u>

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

NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	General	County Transportation	Municipal Services
Revenues			
Taxes	\$ 79,701,616	\$ 9,296,357	16,631,751
Licenses and Permits	73,483	14,936	737,835
Intergovernmental Revenues	17,523,074	2,035,560	1,071,629
Charges for Services	3,464,289	34,858	663,676
Fines and Forfeitures	20,058	176	7,098
Investment Earnings	207,757	46,744	50,968
Miscellaneous	354,228	131,660	102,847
Total Revenues	101,344,505	11,560,291	19,265,804
Expenditures			
Current:			
General Government Services	9,510,127	-	1,926,902
Public Safety	17,326,374	-	10,486,635
Physical Environment	1,797,885	-	-
Transportation	-	7,376,711	-
Economic Environment	997,260	-	-
Human Services	2,984,090	-	1,344,649
Culture and Recreation	2,575,704	-	-
Court-Related Expenditures	921,173	-	-
Capital Outlay	3,806,494	577,810	2,555,360
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
(Total Expenditures)	39,919,107	7,954,521	16,313,546
Excess (Deficiency) of Revenues Over (Under) Expenditures	61,425,398	3,605,770	2,952,258
Other Financing Sources (Uses)			
Aid from Individuals	-	-	-
Transfers from Constitutional Officers	2,486,695	21,321	83,423
Transfers to Constitutional Officers	(39,968,206)	(114,116)	(3,121,752)
Transfers in	2,114,057	965,940	1,339,303
Transfers (out)	(10,289,442)	(48,731)	(85,470)
Sale of General Capital Assets	10,807	19,731	5
Total Other Financing Sources (Uses)	(45,646,089)	844,145	(1,784,491)
Net Change in Fund Balances	15,779,309	4,449,915	1,167,767
Fund Balances at Beginning of Year	40,417,495	8,340,473	11,092,581
Fund Balances at End of Year	\$ 56,196,804	\$ 12,790,388	12,260,348

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

Grants	Capital Projects - Transportation	Comprehensive Impact Fee Ordinance	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 9,919,443	\$ 115,549,167
-	-	5,565,982	6,836,824	13,229,060
-	6,392,188	-	2,881,675	29,904,126
-	-	-	1,117,544	5,280,367
-	-	-	286,148	313,480
8,131	37,263	30,150	135,981	516,994
-	-	-	725,306	1,314,041
<u>8,131</u>	<u>6,429,451</u>	<u>5,596,132</u>	<u>21,902,921</u>	<u>166,107,235</u>
-	-	-	2,159,158	13,596,187
-	-	-	682,541	28,495,550
442	-	-	831,862	2,630,189
-	2,100	-	2,018,885	9,397,696
-	-	-	4,447,709	5,444,969
-	-	-	119,878	4,448,617
-	-	-	23,208	2,598,912
-	-	-	240,184	1,161,357
-	11,411,106	-	9,689,345	28,040,115
-	-	-	1,656,125	1,656,125
-	-	-	1,666,418	1,666,418
<u>442</u>	<u>11,413,206</u>	<u>-</u>	<u>23,535,313</u>	<u>99,136,135</u>
<u>7,689</u>	<u>(4,983,755)</u>	<u>5,596,132</u>	<u>(1,632,392)</u>	<u>66,971,100</u>
-	-	-	4,936,981	4,936,981
-	-	-	32,748	2,624,187
-	-	-	(907,340)	(44,111,414)
-	8,586,336	-	5,240,413	18,246,049
-	-	(1,872,677)	(5,883,771)	(18,180,091)
-	-	-	-	30,543
<u>-</u>	<u>8,586,336</u>	<u>(1,872,677)</u>	<u>3,419,031</u>	<u>(36,453,745)</u>
7,689	3,602,581	3,723,455	1,786,639	30,517,355
-	13,781,998	8,220,289	42,725,558	124,578,394
<u>\$ 7,689</u>	<u>\$ 17,384,579</u>	<u>\$ 11,943,744</u>	<u>\$ 44,512,197</u>	<u>\$ 155,095,749</u>

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

NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
STATEMENT OF NET POSITION - PROPRIETARY FUND
SEPTEMBER 30, 2021

	Business-Type Activities - Enterprise Funds		
	Water and Sewer	American Beach Water and Sewer District	Total
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 3,507,010	\$ 376,728	\$ 3,883,738
Cash and Cash Equivalents - Restricted	906,589	-	906,589
Equity in Pooled Investments	4,079,139	-	4,079,139
Accounts Receivable, Net	450,853	-	450,853
Due from Other Funds	803	642,576	643,379
Due from Other Governmental Units	483,914	-	483,914
Inventories - Materials and Supplies	74,363	-	74,363
Prepays	589	-	589
Total Current Assets	9,503,260	1,019,304	10,522,564
Non-Current Assets:			
Capital Assets (Net of Accumulated Depreciation Where Applicable)	13,709,807	587,416	14,297,223
Total Non-Current Assets	13,709,807	587,416	14,297,223
Total Assets	23,213,067	1,606,720	24,819,787
Deferred Outflow of Resources			
Unamortized Refunding Loss	314,227	-	314,227
Pension Related	37,033	-	37,033
OPEB Related	15,446	-	15,446
Total Deferred Outflow of Resources	366,706	-	366,706
Total Assets and Deferred Outflows	23,579,773	1,606,720	25,186,493
Liabilities			
Current Liabilities:			
Accounts Payable	380,337	601,218	981,555
Retainage Payable	48,583	-	48,583
Due to Other Funds	642,576	-	642,576
Due to Constitutional Officers	14	-	14
Due to Other Governments	188,952	-	188,952
Deposits	97,792	-	97,792
Bonds Payable	1,040,000	-	1,040,000
Other Postemployment Benefits - Current Portion	12,810	-	12,810
Net Pension Liability - HIS Current Portion	322	-	322
Compensated Absences	11,663	-	11,663
Total Current Liabilities	2,423,049	601,218	3,024,267
Non-Current Liabilities:			
Compensated Absences	21,755	-	21,755
Other Postemployment Benefits	63,161	-	63,161
Bonds Payable Long-Term	6,725,000	-	6,725,000
Net Pension Liability	54,323	-	54,323
Total Non-Current Liabilities	6,864,239	-	6,864,239
Total Liabilities	9,287,288	601,218	9,888,506
Deferred Inflow of Resources			
Pension Related	93,241	-	93,241
OPEB Related	33,405	-	33,405
Total Deferred Inflow of Resources	126,646	-	126,646
Net Position			
Net Investment in Capital Assets	6,259,034	587,416	6,846,450
Restricted for:			
Debt Service	561,736	-	561,736
Renewal and Replacement	240,329	-	240,329
Unrestricted	7,104,740	418,086	7,522,826
Total Net Position	\$ 14,165,839	\$ 1,005,502	\$ 15,171,341

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

NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Business-Type Activities - Enterprise Funds		
	Water and Sewer	American Beach Water and Sewer District	Totals
Operating Revenues			
Charges for Services	\$ 4,468,950	\$ -	\$ 4,468,950
Connection and Impact Fees	113,176	45,125	158,301
Other Income	99,361	-	99,361
Total Operating Revenues	<u>4,681,487</u>	<u>45,125</u>	<u>4,726,612</u>
Operating Expenses			
Contractual Services	36,994	-	36,994
Professional Services	2,487,404	13,803	2,501,207
Salaries and Benefits	(344,126)	-	(344,126)
Rentals and Leases	27,694	-	27,694
Utilities	323,643	-	323,643
Repairs and Maintenance	667,263	-	667,263
Gas and Oil	58	-	58
Depreciation	926,159	-	926,159
Other Expenses	109,083	-	109,083
(Total Operating Expenses)	<u>4,234,172</u>	<u>13,803</u>	<u>4,247,975</u>
Operating Income	<u>447,315</u>	<u>31,322</u>	<u>478,637</u>
Non-Operating Revenues (Expenses)			
Interest Earnings	8,294	-	8,294
Interest and Other Debt Service Costs	(222,748)	-	(222,748)
Intergovernmental Revenues	199,265	-	199,265
Total Non-Operating Revenues (Expenses)	<u>(15,189)</u>	<u>-</u>	<u>(15,189)</u>
Income Before Transfers	<u>432,126</u>	<u>31,322</u>	<u>463,448</u>
Transfers			
Transfers in	-	974,180	974,180
Transfers (out)	(1,040,138)	-	(1,040,138)
Total Transfers	<u>(1,040,138)</u>	<u>974,180</u>	<u>(65,958)</u>
Change in Net Position	<u>(608,012)</u>	<u>1,005,502</u>	<u>397,490</u>
Net Position, Beginning of Year	<u>14,773,851</u>	<u>-</u>	<u>14,773,851</u>
Total Net Position, End of Year	<u>\$ 14,165,839</u>	<u>\$ 1,005,502</u>	<u>\$ 15,171,341</u>

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

NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Business-Type Activities - Enterprise Funds		
	American Beach		
	Water and Sewer	District	Totals
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 5,231,099	\$ 45,125	\$ 5,276,224
Cash Payments to Vendors for Goods and Services	(3,472,216)	(55,161)	(3,527,377)
Cash Payments to Employees	(426,230)	-	(426,230)
Net Cash Provided by (Used in) Operating Activities	1,332,653	(10,036)	1,322,617
Non-Capital Financing Activities			
Due to from other Governments	(294,267)	-	(294,267)
Operating Grants	199,265	-	199,265
Transfers (to) from Other Funds	(1,040,138)	974,180	(65,958)
Net Cash Provided by (Used in) Non-Capital Financing Activities	(1,135,140)	974,180	(160,960)
Capital and Related Financing Activities			
Acquisition of Property, Plant and Equipment	(952,140)	(587,416)	(1,539,556)
Principal Payments on Bonds	(1,015,000)	-	(1,015,000)
Payment of Interest	(177,859)	-	(177,859)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(2,144,999)	(587,416)	(2,732,415)
Investing Activities			
Interest Received	8,294	-	8,294
Purchase of Investments	(7,381)	-	(7,381)
Net Cash Provided by (Used in) Investing Activities	913	-	913
Net Increase (Decrease) in Cash and Cash Equivalents	(1,946,573)	376,728	(1,569,845)
Cash and Cash Equivalents, Beginning of Year	6,360,172	-	6,360,172
Cash and Cash Equivalents, End of Year	\$ 4,413,599	\$ 376,728	\$ 4,790,327
<u>Reported in Statement of Net Position as</u>			
Cash and Cash Equivalents	\$ 3,507,010	\$ 376,728	\$ 3,883,738
Cash and Cash Equivalents - Restricted	906,589	-	906,589
Total	\$ 4,413,599	\$ 376,728	\$ 4,790,327

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

NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Business-Type Activities - Enterprise Funds		
	American Beach		Totals
	Water and Sewer	District	
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u>			
Operating Income (Loss)	\$ 447,315	\$ 31,322	\$ 478,637
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Depreciation	926,159	-	926,159
Changes in Assets - Decrease (Increase):			
Decrease (Increase) in Accounts Receivable	(9,739)	-	(9,739)
Decrease (Increase) in Due from Other Funds	3,511	(642,576)	(639,065)
Decrease (Increase) in Inventory	(6,220)	-	(6,220)
Decrease (Increase) in Prepaid Expense	1,078	-	1,078
Decrease (Increase) in Deferred Outflows	224,398	-	224,398
Changes in Liabilities - Increase (Decrease):			
Increase (Decrease) in Accounts Payable	(42,500)	601,218	558,718
Increase (Decrease) in Due to Other Governments	35,119	-	35,119
Increase (Decrease) in Due to Other Funds	569,513	-	569,513
Increase (Decrease) in Due to Constitutional Officers	(39)	-	(39)
Increase (Decrease) in Deposits	(13,673)	-	(13,673)
Increase (Decrease) in OPEB Liability	(200,052)	-	(200,052)
Increase (Decrease) in Net Pension Liability	(608,873)	-	(608,873)
Increase (Decrease) in Deferred Inflows	88,759	-	88,759
Increase (Decrease) in Compensated Absences	(82,103)	-	(82,103)
Net Cash Provided by (Used in) Operating Activities	\$ 1,332,653	\$ (10,036)	\$ 1,322,617

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

NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2021

	<u>SAISSA</u>	<u>School Board Impact fees</u>	<u>Total</u>
Assets			
Cash and Equivalents	\$ 94,152	\$ 513,926	\$ 608,078
Equity in Pooled Investments	-	1,898,234	1,898,234
Due from Constitutional Officers	1,210	-	1,210
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>95,362</u>	<u>2,412,160</u>	<u>2,507,522</u>
	<u> </u>	<u> </u>	<u> </u>
Liabilities			
Due to Constitutional Officers	155	-	155
Due to Others	95,207	-	95,207
Due to Other Governments	-	2,412,160	2,412,160
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>95,362</u>	<u>2,412,160</u>	<u>2,507,522</u>
	<u> </u>	<u> </u>	<u> </u>
Net Position, Held in a Custodial Capacity to be Disbursed	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>SAISSA</u>	<u>School Board Impact fees</u>	<u>Total</u>
Additions			
Impact Fees Collected for Other Governments	\$ -	\$ 8,688,960	\$ 8,688,960
Interest Earnings	-	4,046	4,046
Total Additions	<u>-</u>	<u>8,693,006</u>	<u>8,693,006</u>
Deductions			
Impact Fees Distributed to Other Governments	-	(8,693,006)	(8,693,006)
Total Deductions	<u>-</u>	<u>(8,693,006)</u>	<u>(8,693,006)</u>
Change in Net Position	<u>-</u>	<u>-</u>	<u>-</u>
Net Position, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Net Position, End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

NOTES TO FINANCIAL STATEMENTS

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

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

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

The Nassau County Housing Finance Authority (NCHFA) is a dependent special district, which functions for the benefit of the citizens of the County and is considered a blended component unit of the County. The NCHFA had no revenues or expenditures during the fiscal year ended September 30, 2021. In addition, the NCHFA did not issue any bonds during the audit period, nor were there any bonds outstanding at year-end. Therefore, financial statements were not prepared for NCHFA and, accordingly, no financial data for NCHFA is presented in these financial statements.

The Recreation and Water Conservation and Control District No. 1 (RWCCD) is a dependent special district, which functions for the benefit of the citizens of the County and is considered a blended component unit of the County. The RWCCD had no revenues or expenditures during the fiscal year ended September 30, 2021. In addition, the RWCCD did not issue any bonds during the audit period, nor were there any bonds outstanding at year-end. Therefore, financial statements were not prepared for RWCCD and, accordingly, no financial data for RWCCD is presented in these financial statements.

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

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

Basis of Presentation

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

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

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

Fund Accounting

The accounts of the Board are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances or net position, as appropriate, revenues and expenditures or expenses, as appropriate. Government resources are allocated to, and accounted for, in individual funds, based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following funds are used by the Board:

■ **Governmental Funds**

● **Major Governmental Funds**

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

● **Non-Major Governmental Funds**

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

■ **Major Proprietary Funds**

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

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

- ▶ **Water and Sewer Fund**—The water and sewer fund accounts for water and wastewater services provided to approximately 3,300 customers on 4,800 acres located entirely in the County, situated north of the Duval County line and south of the City of Fernandina Beach.
- **Non-Major Proprietary Funds**
 - ▶ **American Beach Water Sewer District**—are used to account for the proceeds of specific revenue sources related to the planning, design and construction of water and sewer facilities located at American Beach.
- **Fiduciary Fund**
 - **The South Amelia Island Shore Stabilization Association (SAISSA) Fund**—is used to account for assets held by the Board as agent for the SAISSA representing property owners within the geographical boundaries of the South Amelia Island Shore Stabilization Municipal Service Benefit Unit.
 - **School Board Impact Fees**—to account for assets held by the County for fees collected for School Board Impact fees.

Measurement Focus

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

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

- **Fiduciary Funds**—Custodial funds are accounted for using the accrual basis of accounting. Per GASB 84, fiduciary funds will now report additions and deductions within the Statement of Changes in Fiduciary Net Position. Fiduciary fund assets and liabilities are reported using economic resources measurement focus and accrual basis of accounting.

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

Basis of Accounting

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

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

Primary revenues, including special assessments, intergovernmental revenues, charges for services, rents, and interest are treated as susceptible to accrual under the modified accrual basis. Other revenue sources are not considered measurable and available, and are not treated as susceptible to accrual. Expenditures are generally recognized under the accrual basis of accounting when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and other postemployment benefits, are recorded only when payment is due.

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

Cash and Cash Equivalents

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

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

Deposits and Investments

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

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

Accounts Receivable

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

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.

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

Inventories and Prepaid Items

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

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

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

Unamortized Refunding Loss

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

Fund Balance

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

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

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

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

Net Position

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

Restricted Assets

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

Capital Assets and Long-Term Liabilities

■ **Governmental Funds**

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

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

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

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

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

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

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

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

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

Proprietary Enterprise Funds

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

Buildings	15-40 Years
Equipment	3-20 Years

Capitalization of Interest Costs

When applicable, the Board capitalizes interest costs related to construction of capital assets. For fiscal year ended September 30, 2021, no interest was capitalized.

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

Deferred Inflows/Outflows of Resources

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

Compensated Absences

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

Use of Estimates

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

Other Postemployment Benefits (OPEB)

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

Retirement Plans

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

Property Taxes

Real property and tangible personal property are assessed by the Property Appraiser according to the property's just value on January 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, 2021, the Board levied 7.4278 mills. An additional 2.3093 mills and 0.0960 mills were levied for the benefit of the Nassau County Municipal Services Taxing Unit and the Amelia Island Beach Renourishment MSTU, respectively.

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

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

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

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

Note 2 - Cash and Investments

Deposits with Financial Institutions

At year-end, the carrying amount of the Board's deposits with financial institutions was \$25,851,609 and the bank balances were \$28,249,929. All of the Board's deposits are held in qualified public depositories pursuant to the provisions of Florida Statutes, Chapter 280, the *Florida Security for Public Deposits Act*. Qualified public depositories are required by this law to pledge collateral with a market value equal to a percentage of the average daily balance of all public deposits in excess of any federal deposit insurance. In event of default by a qualified public depository, all claims for public deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the public depository in default, and if necessary a pro rata assessment to the other qualified public depositories in the collateral pool. Therefore, all cash and time deposits held by banks are fully insured and collateralized.

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

Investments

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

Interest and investment earnings are generally allocated to the various funds based upon each fund's equity balance in the pooled cash or the investment accounts.

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

- *Interest Rate Risk*—The risk that changes in interest rates will adversely affect the fair value of an investment. The Board has a formal investment policy for operating surplus funds that limits investment maturities to twelve months as a means of managing its exposure to fair value losses from increasing interest rates. Investments of bond reserves, construction funds, and other non-operating funds shall have a term appropriate to the need for funds and in accordance with debt covenants. The maturities of the underlying securities of a repurchase agreement will follow the requirements of a Master Repurchase Agreement in form approved by the Public Securities Association.
- *Custodial Credit Risk*—For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The certificates of deposit are held in qualified public depositories or at levels below FDIC insurance thresholds.

In accordance with the provisions of Rule 62-701, *Florida Administrative Code*, the Board has established escrow accounts to provide proof of financial responsibility for the post-closure costs associated with the Old West Nassau 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.

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

Description	Fair Value
Cash and Cash Equivalents	\$ 25,851,609
Florida Local Government Investment Trust	12,390,872
Certificates of Deposit	51,234,288
Money Market Accounts	<u>86,411,618</u>
Total Cash and Investments	<u>\$ 175,888,387</u>

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

Reported in accompanying financial statements as follows:

	<u>Governmental</u> <u>Funds</u>	<u>Proprietary</u> <u>Fund</u>	<u>Fiduciary</u> <u>Fund</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 19,715,161	\$ 3,883,738	\$ 608,078	\$ 24,206,977
Equity in Pooled Investments	144,059,405	4,079,139	1,898,234	150,036,778
Restricted Cash and Cash Equivalents	<u>738,043</u>	<u>906,589</u>	<u>-</u>	<u>1,644,632</u>
Total Cash and Investments	<u>\$ 164,512,609</u>	<u>\$ 8,869,466</u>	<u>\$ 2,506,312</u>	<u>\$ 175,888,387</u>

Note 3 - Accounts Receivable

Accounts receivable (net of allowances for uncollectibles) at September 30, 2021, included the following:

	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>
Governmental Funds			
General Fund	\$ 2,125,131	\$ (1,268,191)	\$ 856,940
County Transportation	68	-	68
Municipal Services	18,294	-	18,294
Non-Major	<u>19,235</u>	<u>-</u>	<u>19,235</u>
Total Governmental Funds	<u>\$ 2,162,728</u>	<u>\$ (1,268,191)</u>	<u>\$ 894,537</u>
Business-Type Funds			
Water and Sewer	<u>\$ 452,713</u>	<u>\$ (1,860)</u>	<u>\$ 450,853</u>

Note 4 - Restricted Assets

Restricted assets in the general fund and the proprietary funds at September 30, 2021, represent monies required to be restricted for landfill post-closure costs, debt service and construction under terms of outstanding bond agreements and impact fees restricted to water and sewer system uses. Assets are also restricted in accordance with ordinances and Florida Statutes. Restricted assets for the general fund and the proprietary funds at September 30, 2021, were restricted for the following purposes:

Customer Deposits	\$ 104,524
Landfill Post-Closure Costs	738,043
Impact Fees (Water/Sewer)	240,329
Debt Service	<u>561,736</u>
Total	<u>\$ 1,644,632</u>

Reported in accompanying financial statements as follows:

<u>Account</u>	<u>Reported Amount</u>
Current: Restricted Cash and Cash Equivalents - General Fund	\$ 738,043
Current: Restricted Cash and Cash Equivalents - Business-Type Activities	<u>906,589</u>
Total Restricted Assets	<u>\$ 1,644,632</u>

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

Note 5 - Capital Assets

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

Capital asset activity for the year ended September 30, 2021, was as follows:

	Balance 10/1/20	Increases	(Decreases)	Balance 9/30/21
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 80,552,716	\$ 43,874	\$ -	\$ 80,596,590
Construction Work in Progress	<u>10,605,550</u>	<u>11,572,064</u>	<u>(1,809,993)</u>	<u>20,367,621</u>
Total Capital Assets Not Being Depreciated	<u>91,158,266</u>	<u>11,615,938</u>	<u>(1,809,993)</u>	<u>100,964,211</u>
Capital Assets Being Depreciated:				
Building and Improvements	73,817,610	3,464,599	-	77,282,209
Machinery and Equipment	38,491,824	6,323,356	(1,539,129)	43,276,051
Improvements other than Buildings	993,723	-	-	993,723
Leasehold Improvements	1,040,516	-	-	1,040,516
Infrastructure	<u>635,733,130</u>	<u>468,599</u>	<u>-</u>	<u>636,201,729</u>
Total Capital Assets Being Depreciated	<u>750,076,803</u>	<u>10,256,554</u>	<u>(1,539,129)</u>	<u>758,794,228</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(31,088,100)	(1,936,615)	-	(33,024,715)
Machinery and Equipment	(23,938,742)	(3,363,813)	1,515,789	(25,786,766)
Leasehold Improvements	(425,876)	(73,043)	-	(498,919)
Infrastructure	<u>(386,719,425)</u>	<u>(16,589,954)</u>	<u>-</u>	<u>(403,309,379)</u>
Total Accumulated Depreciation	<u>(442,172,143)</u>	<u>(21,963,425)</u>	<u>1,515,789</u>	<u>(462,619,779)</u>
Total Capital Assets Being Depreciated, Net	<u>307,904,660</u>	<u>(11,706,871)</u>	<u>(23,340)</u>	<u>296,174,449</u>
Total Governmental Activities				
Capital Assets, Net	<u>\$ 399,062,926</u>	<u>\$ (90,933)</u>	<u>\$ (1,833,333)</u>	<u>\$ 397,138,660</u>
Business-Type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 167,966	\$ -	\$ -	\$ 167,966
Construction Work in Progress	<u>218,284</u>	<u>655,918</u>	<u>(1,305)</u>	<u>872,897</u>
Total Capital Assets, Not Being Depreciated	<u>386,250</u>	<u>655,918</u>	<u>(1,305)</u>	<u>1,040,863</u>
Capital Assets, Being Depreciated:				
Building and Improvements	754,865	-	-	754,865
Equipment	<u>24,491,517</u>	<u>885,401</u>	<u>(113,302)</u>	<u>25,263,616</u>
Total Capital Assets, Being Depreciated	<u>25,246,382</u>	<u>885,401</u>	<u>(113,302)</u>	<u>26,018,481</u>
Less Accumulated Depreciation:				
Building and Improvements	(308,489)	(19,839)	-	(328,328)
Infrastructure	(11,208,538)	(826,498)	-	(12,035,036)
Equipment	<u>(431,779)</u>	<u>(79,822)</u>	<u>112,844</u>	<u>(398,757)</u>
Total Accumulated Depreciation	<u>(11,948,806)</u>	<u>(926,159)</u>	<u>112,844</u>	<u>(12,762,121)</u>
Total Capital Assets, Being Depreciated, Net	<u>13,297,576</u>	<u>(40,758)</u>	<u>(458)</u>	<u>13,256,360</u>
Total Business-Type Activities				
Capital Assets, Net	<u>\$ 13,683,826</u>	<u>\$ 615,160</u>	<u>\$ (1,763)</u>	<u>\$ 14,297,223</u>

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

Note 6 - Interfund Activity

Interfund balances at September 30, 2021, consisted of the following:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Total</u>
General	Municipal Service	\$ 2,341
General	Water and Sewer	642,576
County Transportation	General Fund	24,084
Municipal Service	General Fund	45,836
Water and Sewer	General Fund	803
Non-Major	General Fund	11,016
Non-Major Enterprise	General Fund	642,576
Total		\$ 1,369,232

The purpose for each of these interfund receivables and payables is to provide temporary loans for cash flow needs, primarily associated with reimbursable grant programs. In addition to the interfund balances, there was also \$2,667,400 due from the Constitutional Officers, and \$573,353 due to the Constitutional Officers.

Interfund transfers:

<u>Transfers Out</u>	<u>Transfers In</u>						<u>Total</u>
	<u>General</u>	<u>County Transportation</u>	<u>Municipal Services</u>	<u>Capital Project Transportation</u>	<u>Non-Major Government</u>	<u>Non-Major Enterprise</u>	
General	\$ -	\$ 965,940	\$ 1,339,303	\$ 4,269,736	\$ 2,740,283	\$ 974,180	\$ 10,289,442
County Transportation	-	-	-	-	48,731	-	48,731
Municipal Services	85,470	-	-	-	-	-	85,470
Comprehensive Impact Fee	-	-	-	-	1,872,677	-	1,872,677
Non-Major Governmental	988,449	-	-	4,316,600	578,722	-	5,883,771
Water and Sewer	1,040,138	-	-	-	-	-	1,040,138
Total	\$ 2,114,057	\$ 965,940	\$ 1,339,303	\$ 8,586,336	\$ 5,240,413	\$ 974,180	\$ 19,220,229

In addition to the interfund transfers, there were transfers out to the Constitutional Officers of \$44,111,414 and transfers in from the Constitutional Officers of \$2,624,187.

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

Note 7 - Leases

■ **Governmental Funds**

The Board is party to operating leases during the period ended September 30, 2021, as follows:

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

- *Tower Site (14th Street)*—the Board entered into a five-year lease with Pinnacle Towers, LLC, commencing August 1, 2006. The lease has three automatic (unless 90 days' notice is given) renewal terms of 60 months each. The lease automatically renewed for an additional five-years, which has an effective date of August 2021. Operating lease payments for the year ended September 30, 2021, were \$35,562.
- *Two Tower Sites (Hilliard and Dahoma)*—the Board entered into five year lease with American Tower Asset Sub, LLC, commencing May 2021. Operating lease payments for the year ended September 30, 2021, were \$69,983.
- *West Nassau Land Development*—the Board entered into a five-year lease with West Nassau Land Development, LLC, commencing July 1, 2015. The lease was renewed effective July 1, 2020 for an additional five years, with an expiration date of June 30, 2025. Operating lease payments for the year ended September 30, 2021, were \$81,897.

Future minimum lease payments under these leases follow:

Year Ending September 30,	Tower Lease Sites	West Nassau Land Development	Totals
2022	\$ 110,466	\$ 82,482	\$ 192,948
2023	115,619	83,085	198,704
2024	121,016	83,705	204,721
2025	126,666	63,136	189,802
2026	86,855	-	86,855
Total	<u>\$ 560,622</u>	<u>\$ 312,408</u>	<u>\$ 873,030</u>

Note 8 - Long-Term Obligations

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

The following is a summary of changes in long-term obligations for the year ended September 30, 2021:

	Balance 10/1/20	Additions	Reductions	Balance 9/30/21	Due Within One Year
Governmental Activities					
Bonds Payable	\$ 23,429,324	\$ -	\$ (2,094,594)	\$ 21,334,730	\$ 1,703,643
Premium on Bonds Payable	816,731	-	(74,248)	742,483	74,248
Total Bonds and Notes Payable	<u>24,246,055</u>	-	<u>(2,168,842)</u>	<u>22,077,213</u>	<u>1,777,891</u>
Compensated Absences	6,320,703	3,105,521	(2,780,253)	6,645,971	2,480,305
Other Postemployment Benefits	12,663,787	-	(2,939,490)	9,724,297	540,980
Landfill Post-Closure	16,337,291	-	(541,996)	15,795,295	738,043
Net Pension Liability	<u>51,060,702</u>	-	<u>(35,043,371)</u>	<u>16,017,331</u>	<u>94,366</u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 110,628,538</u>	<u>\$ 3,105,521</u>	<u>\$ (43,473,952)</u>	<u>\$ 70,260,107</u>	<u>\$ 5,631,585</u>

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

	<u>Balance</u> <u>10/1/20</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>9/30/21</u>	<u>Due Within</u> <u>One Year</u>
Business-Type Activities					
Bonds Payable					
(Direct Placement)	\$ 8,780,000	\$ -	\$ (1,015,000)	\$ 7,765,000	\$ 1,040,000
Compensated Absences	115,521	12,039	(94,142)	33,418	11,663
Other Postemployment Benefits	276,023	-	(200,052)	75,971	12,810
Net Pension Liability	<u>663,518</u>	<u>-</u>	<u>(608,873)</u>	<u>54,645</u>	<u>322</u>
Total Business-Type Activities					
Long-Term Liabilities	<u>\$ 9,835,062</u>	<u>\$ 12,039</u>	<u>\$ (1,918,067)</u>	<u>\$ 7,929,034</u>	<u>\$ 1,064,795</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, 2021, 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 2000 Bonds are capital appreciation bonds; additional capital appreciation through September 30, 2021, totaled \$2,374,328.

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 \$2,371,718. At year-end, pledged future revenues totaled \$3,780,000, which was the amount of remaining principal and interest on the bonds. Other Board revenues are not available to finance this bond issue. In addition, the bondholders do not have any authority to compel the Board to increase ad valorem taxes for financing this bond issue. Such bonds, bearing interest at a rate between 5.55% to 5.81% per annum, are dated August 30, 2000, and are in denominations of \$5,000 each. A portion of such bonds mature annually starting March 1, 2010, with final maturity being March 1, 2025. The bonds have a required reserve of \$945,000, which is on hand at year-end.

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

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 278,643	\$ 666,357	\$ 945,000
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>
Total	<u>\$ 1,020,402</u>	<u>\$ 2,759,598</u>	<u>\$ 3,780,000</u>

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

2007 Public Improvement Revenue and Refunding Bonds

The Board, in June 2007, issued the Public Improvement Revenue and Refunding Bonds, Series 2007, in the amount of \$29,630,000. The purposes of the Series 2007 Bonds are to: (1) acquire and construct certain public improvements; (2) partially advance refund 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 25% of such non ad valorem tax revenue and are payable through 2031. Principal and interest payments for the current year totaled \$2,325,000 and non ad valorem tax revenues totaled \$9,291,180. At year-end, pledged future revenues totaled \$23,232,500, 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.

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

Year Ending September 30,	Principal	Interest	Total
2022	\$ 1,425,000	\$ 897,000	\$ 2,322,000
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
2027-2031	10,055,000	1,557,500	11,612,500
Total	\$ 17,940,000	\$ 5,292,500	\$ 23,232,500

Compensated Absences—are not recorded on the accompanying governmental fund financial statements; however, it will be recorded on the County-wide financial statements. Following is a summary of annual sick, bonus, and compensatory leave benefits liabilities at September 30, 2021:

	Beginning Balance	Additions	(Deletions)	Ending Balance
Vacation Leave	\$ 2,388,598	\$ 1,278,576	\$ (1,121,706)	\$ 2,545,468
Paid Time Off	679,344	956,049	(778,139)	857,254
Sick Leave	3,228,420	793,216	(815,941)	3,205,695
Bonus Leave	22,021	42,801	(47,917)	16,905
Compensatory Leave	2,320	34,879	(16,549)	20,650
Total	\$ 6,320,703	\$ 3,105,521	\$ (2,780,252)	\$ 6,645,972

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

Business-Type Activities

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

The revenue bond is secured by a pledge of and is payable solely from pledged revenues, which primarily consist of net revenues and impact fees which derive from the System. Annual principal and interest on the bond is expected to require approximately 94% of such revenue and are payable through 2028. Principal and interest payments for the current year totaled \$1,192,859, and revenues totaled \$1,266,654. At year-end, pledged future revenues totaled \$8,363,290, 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 Board has covenanted to establish and collect fees from users of the Water and Sewer System (gross revenues of the System, as defined in the bond ordinance) sufficient to pay the costs of operation and maintenance of the System (as defined in the bond ordinance) plus 120% of the bond service requirements for that year. The Board met the requirement and, therefore, is in compliance with the rate covenant at year-end.

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

Year Ending September 30,	Principal	Interest	Total
2022	\$ 1,040,000	\$ 155,767	\$ 1,195,767
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
2027-2031	<u>2,335,000</u>	<u>50,471</u>	<u>2,385,471</u>
Total	<u>\$ 7,765,000</u>	<u>\$ 598,290</u>	<u>\$ 8,363,290</u>

Compensated Absences—following is a summary of annual, sick, and bonus leave benefits liabilities at September 30, 2021, for the proprietary funds:

	Beginning Balance	Additions	(Deletions)	Ending Balance
Vacation Leave	\$ 30,455	\$ 6,594	\$ (28,697)	\$ 8,352
Sick Leave	83,550	4,390	(63,138)	24,802
Bonus Leave	<u>1,516</u>	<u>1,055</u>	<u>(2,307)</u>	<u>264</u>
Total	<u>\$ 115,521</u>	<u>\$ 12,039</u>	<u>\$ (94,142)</u>	<u>\$ 33,418</u>

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

Note 9 - Bond Arbitrage Rebate

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

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

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

Note 10 - Landfill Post-Closure Care Costs

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

For the closed landfills, actual post-closure care cost incurred for each year is reported as a reduction of the post-closure liability, along with the change in required escrow balance until the required twenty-or-thirty-year post-closure care period is satisfied. The Board has accrued a total of \$15,795,295 for post-closure care cost at September 30, 2021, for the two closed landfills. The liability is based on engineering estimates of annual post-closure care cost.

These post-closure care costs are based on estimates of what it would cost to perform all post-closure care using 2021 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 \$738,042 as of September 30, 2021). At September 30, 2021, the actual escrow balances are as follows:

Landfills	
Old West Nassau Post-Closure	\$ 44,164
New West Nassau Post-Closure	<u>693,878</u>
Total Escrow Balances	<u><u>\$ 738,042</u></u>

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

Note 11 - Retirement Plans

General Information about the Florida Retirement System (FRS)

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

The Florida Retirement System (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 Retiree Health Insurance Subsidy (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.

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

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2020-2021 fiscal year were as follows:

Class	Year Ended June 30, 2022		Year Ended June 30, 2021	
	Percent of Gross Salary		Percent of Gross Salary	
	Employee	Employer (2)	Employee	Employer (2)
FRS, Regular	3.00	10.82	3.00	10.00
FRS, Special Risk Class	3.00	25.89	3.00	24.45
FRS, Elected County Officers	3.00	51.42	3.00	49.18
FRS, Senior Management Service	3.00	29.01	3.00	27.29
DROP - Applicable to Members				
from All of the Above Classes	0.00	18.34	0.00	16.98
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.

The Board's contributions (employer) to the Plan totaled \$3,968,977 for the fiscal year ended September 30, 2021. This excludes the HIS defined benefit pension plan contributions.

Pension Liabilities and Pension Expense. At September 30, 2021, the Board's proportionate share of the FRS net pension liability was \$7,480,026. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The Board's proportionate share of the net pension liability was based on the Board's contributions during the FRS Pension Plan's fiscal year relative to the contributions of all participating members. At June 30, 2021, the Board's proportion was 0.099022522%, which was a decrease of 0.001585309% from its proportion measured as of June 30, 2020.

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

HIS Pension Plan

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

Benefits Provided. For the fiscal year ended September 30, 2021, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

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

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. Contribution rates during the County's fiscal years 2021 and 2020 were 1.66%. The Board contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The Board's contributions to the HIS Plan totaled \$419,823 for the fiscal year ended September 30, 2021.

Pension Liabilities and Pension Expense. At September 30, 2021, the Board's proportionate share of the HIS net pension liability was \$8,591,950. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The Board's proportionate share of the net pension liability was based on the Board's contributions during the HIS Pension Plan's fiscal year relative to the contributions of all participating members. At June 30, 2021, the Board's proportion was 0.070044003%, which was an increase of 0.003545952% from its proportion measured as of June 30, 2020.

FRS – Defined Contribution Pension Plan

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Board employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Allocations to the investment members' accounts during the 2021-22 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer</u>
FRS, Regular	3.00	3.30
FRS, Elected County Officers	3.00	8.34
FRS, Senior Management		
Service	3.00	4.67
FRS, Special Risk Class	3.11	11.00

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

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended September 30, 2021, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Board.

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

The Board's Investment Plan pension expense totaled \$443,156 for the fiscal year ended September 30, 2021.

Note 12 - Deferred Compensation Plan

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

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

Note 13 - Other Postemployment Benefits

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

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

Years of Service With Nassau County	Hired Before 10/1/06	Hired on or After 10/1/06
At Least 6	100%	0%
15 Years	100%	50%
20 Years	100%	65%
25 Years	100%	80%
30 or More Years	100%	100%

As of most recent actuarial date, there are 331 active employees and 65 retired employees participating in the plan. The Board's Net OPEB obligation totaled \$9,800,269, of which \$226,691 has been recorded in the Proprietary funds. The remainder has been included in long-term debt of the County as a whole. Details of the annual cost, the accrued obligation, and the other required disclosures can be found in the County-wide annual financial report.

Note 14 - Fund Balance Classification and Minimum Fund Balance Policy

The following is a summary of the Board's fund balance classifications and the purpose of each as of September 30, 2021:

Non-Spendable Fund Balance	
Prepaid Expenses	\$ 1,041,370
Inventory	<u>546,015</u>
Total Non-Spendable Fund Balance	<u>1,587,385</u>
Restricted Fund Balance	
General Government	205,434
General Government – Court-Related	1,698,206
Crime Prevention	130,045
Economic Development	38,289
Other Human Services	1,000
Physical Environment	3,434,030
Law Enforcement	862,197
Impact Fees	16,178,299
Law Library	109,000
Public Safety	581,690
Other Culture/Recreation	221,845
State Housing Initiative Program	1,085,658
Court Facilities	655,118
Criminal Justice	118,615
Tourist Development	13,167,924
Building Department	6,802,750
Debt Services – Bonds	1,496,250
Capital Projects – Transportation	<u>4,909,664</u>
Total Restricted Fund Balance	<u>51,696,014</u>

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

Committed Fund Balance	
General Government	\$ 245,432
General Government – Court-Related	355,885
Culture/Recreation	5,199,842
Physical Environment	393,621
Public Safety	4,763,457
Economic Environment	150,000
Human Services	1,541,383
Transportation	<u>23,892,246</u>
Total Committed Fund Balance	<u>36,541,866</u>
Assigned Fund Balance	
General Government	637,230
Public Safety	2,404,745
Economic Development	1,863
Transportation	1,265,954
Culture and Recreation	74,923
Court-Related	80,605
Physical Environment	295,996
Reserves - Capital Projects	9,781,341
Capital Projects – Public Safety	14,544,512
Minimum Fund Balance	<u>15,554,524</u>
Total Assigned Fund Balance	<u>44,641,693</u>
Unassigned Fund Balance	<u>20,628,791</u>
Total	<u><u>\$ 155,095,749</u></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 Board is exposed to various risks of loss related to legal liability; theft of, damage to, and destruction of assets; accidental death and dismemberment; and on the job injury to employees. Many of these risks are transferred through the purchase of various insurance coverage. Settled claims from these risks have not exceeded insurance coverage for the past three years.

The financial liability of the Board is limited to premiums paid and losses exceeding or not covered by insurance. The premiums are paid from various funds based on coverage required.

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

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

Note 16 - Commitments and Contingencies

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

The following is a summary of major commitments of the Board and contracts in progress as of September 30, 2021:

<u>Project</u>	<u>Source of Payment</u>	<u>Paid to Date</u>	<u>Commitment Remaining</u>
Fire Station 71	Current Available Resources	\$ 2,906,964	\$ 296,752
CR 115 Widening and Resurfacing	Current Available Resources	6,455,363	964,745
CR 115 Widening and Resurfacing – Design Svs	Current Available Resources	1,266,883	435
Crawford Road Phase I	Current Available Resources	981,926	109,103
Crawford Road Phase 1 CEI	Current Available Resources	134,252	-
Crawford Road Phase II	Current Available Resources	2,838,966	1,240,386
Crawford Road Phase 2 CEI	Current Available Resources	349,713	13,264
Chester Rd & Pages Dairy Widening & Resurfacing	Current Available Resources	1,207,679	97,518
William Burgess Extension	Current Available Resources	869,182	88,158
Pages Dairy Widening	Current Available Resources	1,434,349	2,113,645
Pages Dairy Widening CEI	Current Available Resources	406,927	284,849
Animal Services Cattery Expansion	Current Available Resources	222,735	49,848
Total		<u>\$ 19,074,939</u>	<u>\$ 5,258,703</u>

Note 17 - Conduit Debt Obligations

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

As of September 30, 2021, there was one series of such bonds outstanding with a principal amount payable of \$9,020,000. The issue amount and the September 30, 2021, outstanding balance is as follows:

<u>Original Issuance</u>	<u>Year</u>	<u>9/30/21 Balance</u>	<u>Description</u>
\$ 11,150,000	2008	\$ 9,020,000	AICC, Inc. and Nassau Care Centers—70 Bed Care Intermediate Care and Day Program Service Facilities

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

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 Benefit 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, 2021, the Special Assessment Bond outstanding totaled \$4,934,504.

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, 2021, the only existing EDG agreement potentially material in size (fiscal year abatement >\$300,000) was with LignoTech Florida, LLC.

As of September 30, 2021, LignoTech has submitted applications for reimbursement. The County is reviewing the requests and evaluating eligibility. It is unknown if LignoTech has met the requirements to receive a tax abatement at this time.

REQUIRED SUPPLEMENTARY INFORMATION

NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Taxes	\$ 75,336,210	\$ 75,332,842	\$ 79,701,616	\$ 4,368,774
Licenses and Permits	88,171	88,171	73,483	(14,688)
Intergovernmental Revenues	7,249,218	21,232,780	17,523,074	(3,709,706)
Charges for Services	2,043,768	2,043,768	3,464,289	1,420,521
Fines and Forfeitures	44,912	44,912	20,058	(24,854)
Interest Earnings	340,384	340,384	207,757	(132,627)
Miscellaneous	194,852	245,323	354,228	108,905
Total Revenues	85,297,515	99,328,180	101,344,505	2,016,325
Expenditures				
Current:				
General Government Services	11,076,751	11,590,477	9,510,127	2,080,350
Public Safety	15,088,612	19,386,863	17,326,374	2,060,489
Physical Environment	2,390,279	2,390,279	1,797,885	592,394
Transportation	4,007	3,978	-	3,978
Economic Environment	208,054	1,082,432	997,260	85,172
Human Services	3,009,282	3,137,008	2,984,090	152,918
Culture and Recreation	2,831,615	2,934,562	2,575,704	358,858
Court-Related Expenditures	1,459,268	1,559,007	921,173	637,834
Capital Outlay	3,392,672	6,979,794	3,806,494	3,173,300
(Total Expenditures)	39,460,540	49,064,400	39,919,107	9,145,293
Excess (Deficiency) of Revenues Over				
(Under) Expenditures	45,836,975	50,263,780	61,425,398	11,161,618
Other Financing Sources (Uses)				
Transfers from Constitutional Officers	502,514	502,514	2,486,695	1,984,181
Transfers to Constitutional Officers	(39,270,294)	(41,117,358)	(39,968,206)	1,149,152
Transfers in	1,146,799	2,122,847	2,114,057	(8,790)
Transfers (out)	(8,959,889)	(10,289,442)	(10,289,442)	-
Sale of General Capital Assets	-	-	10,807	10,807
Total Other Financing Sources (Uses)	(46,580,870)	(48,781,439)	(45,646,089)	3,135,350
Net Change in Fund Balances	(743,895)	1,482,341	15,779,309	14,296,968
Fund Balances at Beginning of Year	25,878,668	34,770,281	40,417,495	5,647,214
Fund Balances at End of Year	\$ 25,134,773	\$ 36,252,622	\$ 56,196,804	\$ 19,944,182

NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - COUNTY TRANSPORTATION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Taxes	\$ 8,039,153	\$ 8,039,153	\$ 9,296,357	\$ 1,257,204
Licenses and Permits	7,419	7,419	14,936	7,517
Intergovernmental Revenues	1,986,268	2,003,117	2,035,560	32,443
Charges for Services	12,353	12,353	34,858	22,505
Fines and Forfeitures	-	-	176	176
Interest Earnings	75,000	75,000	46,744	(28,256)
Miscellaneous	109,203	109,203	131,660	22,457
Total Revenues	10,229,396	10,246,245	11,560,291	1,314,046
Expenditures				
Current:				
Transportation	10,198,983	11,368,906	7,376,711	3,992,195
Capital Outlay	475,835	1,211,361	577,810	633,551
(Total Expenditures)	10,674,818	12,580,267	7,954,521	4,625,746
Excess (Deficiency) of Revenues Over				
(Under) Expenditures	(445,422)	(2,334,022)	3,605,770	5,939,792
Other Financing Sources (Uses)				
Transfers from Constitutional Officers	7,000	7,000	21,321	14,321
Transfers to Constitutional Officers	(114,699)	(114,699)	(114,116)	583
Transfers in	965,940	965,940	965,940	-
Transfers (out)	(30,000)	(48,731)	(48,731)	-
Sale of General Capital Assets	2,500	2,500	19,731	17,231
Total Other Financing Sources (Uses)	830,741	812,010	844,145	32,135
Net Change in Fund Balances	385,319	(1,522,012)	4,449,915	5,971,927
Fund Balances at Beginning of Year	4,291,150	8,235,601	8,340,473	104,872
Fund Balances at End of Year	\$ 4,676,469	\$ 6,713,589	\$ 12,790,388	\$ 6,076,799

NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - MUNICIPAL SERVICES FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Taxes	\$ 16,494,957	\$ 16,494,957	\$ 16,631,751	\$ 136,794
Licenses and Permits	312,851	322,851	737,835	414,984
Intergovernmental Revenues	685,437	1,093,860	1,071,629	(22,231)
Charges for Services	385,366	385,366	663,676	278,310
Fines and Forfeitures	2,020	2,020	7,098	5,078
Interest Earnings	83,452	83,452	50,968	(32,484)
Miscellaneous	2,000	66,504	102,847	36,343
Total Revenues	17,966,083	18,449,010	19,265,804	816,794
Expenditures				
Current:				
General Government Services	2,363,463	2,452,923	1,926,902	526,021
Public Safety	10,248,463	10,848,777	10,486,635	362,142
Human Services	1,363,472	1,569,372	1,344,649	224,723
Capital Outlay	4,109,568	4,081,494	2,555,360	1,526,134
(Total Expenditures)	18,084,966	18,952,566	16,313,546	2,639,020
Excess (Deficiency) of Revenues Over				
(Under) Expenditures	(118,883)	(503,556)	2,952,258	3,455,814
Other Financing Sources (Uses)				
Transfers from Constitutional Officers	20,000	20,000	83,423	63,423
Transfers to Constitutional Officers	(3,122,950)	(3,123,383)	(3,121,752)	1,631
Transfers in	1,352,051	1,342,051	1,339,303	(2,748)
Transfers (out)	(85,470)	(85,470)	(85,470)	-
Sale of General Capital Assets	-	-	5	5
Total Other Financing Sources (Uses)	(1,836,369)	(1,846,802)	(1,784,491)	62,311
Net Change in Fund Balances	(1,955,252)	(2,350,358)	1,167,767	3,518,125
Fund Balances at Beginning of Year	6,182,036	8,294,618	11,092,581	2,797,963
Fund Balances at End of Year	\$ 4,226,784	\$ 5,944,260	\$ 12,260,348	\$ 6,316,088

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GRANTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Intergovernmental Revenues	\$ -	\$ 8,607,184	\$ -	\$ (8,607,184)
Interest Earnings	-	-	8,131	8,131
Total Revenues	-	8,607,184	8,131	(8,599,053)
Expenditures				
Current:				
Physical Environment	-	443	442	1
(Total Expenditures)	-	443	442	1
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	8,606,741	7,689	(8,599,052)
Net Change in Fund Balances	-	8,606,741	7,689	(8,599,052)
Fund Balances at Beginning of Year	-	-	-	-
Fund Balances at End of Year	\$ -	\$ 8,606,741	\$ 7,689	\$ (8,599,052)

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
NOTE TO SCHEDULES OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Budgets and Budgetary Accounting

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

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

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

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

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

If during the fiscal year, additional revenues become available for appropriations in excess of those estimated in the budget, the Board, by resolution, may make supplemental appropriations for the year up to the amount of such excess. During the fiscal year ended September 30, 2021, various supplemental appropriations were approved by the Board in accordance with Florida Statutes. The following funds received supplemental appropriations during the year ended September 30, 2021:

Governmental Funds	
General Fund	\$ 23,898,326
Special Revenue Funds	43,267,524
Debt Service Funds	(356)
Capital Projects Funds	<u>2,458,948</u>
Total	<u><u>\$ 69,624,442</u></u>

**COMBINING NON-MAJOR
GOVERNMENTAL FUNDS**

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

- **Law Enforcement Training**—to account for criminal justice education degree programs and training courses. Financing is provided by the imposition of a court cost surcharge.
- **Sheriff Donations**—to account for law enforcement projects funded with donations.
- **Law Enforcement Trust**—to account for law enforcement related projects funded by the proceeds from confiscated property forfeitures.
- **Nassau County Anti-Drug Enforcement**—to account for activities associated with the County's drug enforcement and drug education programs. Financing is provided principally by Federal drug grants.
- **Court Facility Fees**—to account for the operation and maintenance of Nassau County court facilities. Financing is provided by a court service charge.
- **Law Library Trust**—to account for the costs associated with furnishing and maintaining Nassau County's law library. Funding is provided from a surcharge on civil court filings.
- **Criminal Justice Trust**—to account for the reimbursement of expenditures incurred by the County in providing for the services of the State Attorney and Public Defender. Funding is provided by a surcharge on felony, misdemeanor, and criminal traffic cases.
- **Legal Aid Trust**—to account for expenditures incurred in providing legal aid to Nassau County residents. Funding is provided for by a service charge on the filing of circuit and county civil court proceedings.
- **Special Drug/Alcohol Rehabilitation**—to account for expenditures associated with Nassau County's drug and alcohol rehabilitative programs. Funding is provided by a fine imposed for alcohol/drug-related offenses.
- **Drivers Ed Safety Trust**—to account for driver education programs in public and non-public schools. Funding is provided by a surcharge on civil traffic penalties.
- **911 Operations and Maintenance**—to account for the expenditures associated with providing a uniform addressing system for 911 equipment. Funding is principally provided from telephone user charges.
- **EMS County Awards HRS**—to account for expenditures associated with EMS prehospital care. Funding is provided by Florida State grants.
- **Amelia Island Beach Renourishment**—to account for beach renourishment, restoration, erosion control, and storm protection projects outside the South Amelia Island Shore Stabilization MSBU boundaries.
- **Amelia Island Tourist Development**—to account for revenues and expenditures relating to development of tourism in the County through the assessment of a tourist tax.
- **South Amelia Island Shore Stabilization MSBU 2021**—is used to account for revenues and expenditures relating to the Amelia Island Beach Restoration, local improvement and maintenance costs.
- **Local Affordable Housing Trust (SHIP)**—to account for funds received from the State to be used to assist eligible low income individuals to buy or construct new housing or rehabilitate older homes.

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

- **South Amelia Island Shore Stabilization MSBU 2011**—is used to account for revenues and expenditures relating to the Amelia Island Beach Restoration, local improvement, and maintenance cost.
- **Building Department**—to account for funds received for various fees charged to be used to fund the building, zoning, and planning department.
- **Amelia Concourse MSBU**—to account for funds received from the Amelia Concourse assessment allocated to the administrative charges associated with the levy of the special assessments.
- **Firefighter Education Trust**—to account for surcharges on civil penalties for non-criminal, non-moving traffic violations of Section 316.1945(1)(b)(2) or (5), Florida Statutes.
- **F.S. Special Revenues Fund**—to account for State/other restricted revenues from general revenues.

Debt Service Funds

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

- **Optional Gas Tax 2000**—to account for debt service requirements to retire the local option gas tax revenue bonds, Series 2000, dated September 12, 2000. The bonds are payable solely from and secured by a lien upon and a pledge of the County's local option gas tax. The bonds mature on March 1, 2025.
- **County Complex**—to account for debt service requirements to retire the public improvement revenue bonds, Series 2001, of Nassau County, Florida, dated May 1, 2001, and Series 2007, of Nassau County, Florida, dated June 1, 2007. The bonds are payable solely from non ad valorem budgeted revenues. The bonds mature on May 2031.

Capital Projects Funds

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

- **Grants**—to account for capital expenditures financed primarily by federal and/or state grants.
- **NC Mobility Fee**—is used to account for the construction or improving of the County Transportation System. Funding is provided from fees on new construction within specific mobility zones.
- **County Complex**—to account for the development of County building projects at the County Complex. Financing for the completed Courthouse Annex and Detention Center was primarily provided by the 2001 Public Improvement Revenue Bonds.
- **ENCPA Mobility Network Fund**—to account for the construction or improving of the County Transportation System within the East Nassau Community Planning Area. Funding is provided from the collection of mobility fees from development within the ENCPA and through tax incremental revenues.
- **Capital Projects – Impact Fees**—is used to account for the District expenditures associated with capital expansion. Funding is provided from fees on new construction.
- **Capital Projects**—to account for various capital projects. Some projects may have their own fund.

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	Special Revenue Funds		
	Law Enforcement Training	Sheriff Donations	Law Enforcement Trust
Assets			
Cash and Cash Equivalents	\$ 184,402	\$ 3,109	\$ 630,098
Equity in Pooled Investments	-	-	-
Accounts Receivable	-	-	-
Loans Receivable			
(Net of Allowance for Uncollectibles)	-	-	-
Prepays	-	-	-
Due from Constitutional Officers	1,095	-	-
Due from Other Funds	-	-	-
Due from Other Governments	-	-	-
Total Assets	185,497	3,109	630,098
Liabilities and Deferred Inflows of Resources and Fund Balance			
Liabilities			
Accounts Payable	-	-	-
Due to Constitutional Officers	-	-	-
Due to Other Governments	-	-	-
Deposits	-	-	-
Total Liabilities	-	-	-
Deferred Inflows of Resources	-	-	-
Fund Balances			
Non-Spendable	-	-	-
Restricted	185,497	3,109	630,098
Committed	-	-	-
Assigned	-	-	-
Total Fund Balances	185,497	3,109	630,098
Total Liabilities and Deferred Inflows of Resources and Fund Balances	\$ 185,497	\$ 3,109	\$ 630,098

Special Revenue Funds

Nassau County Anti-Drug Enforcement	Court Facility Fees	Law Library Trust	Criminal Justice Trust	Legal Aid Trust	Special Drug/Alcohol Rehabilitation	Drivers Ed Safety Trust
\$ 33,943	\$ 217,724	\$ 109,308	\$ 115,795	\$ 19,343	\$ (301)	\$ 25,382
-	426,233	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	59	-	-	-
-	13,028	1,571	3,143	1,571	301	2,203
-	-	19	-	-	-	-
9,550	-	-	-	-	-	-
43,493	656,985	110,898	118,997	20,914	-	27,585
-	1,867	1,898	59	20,914	-	-
-	-	-	-	-	-	-
-	-	-	263	-	-	-
-	-	-	-	-	-	-
-	1,867	1,898	322	20,914	-	-
-	-	-	-	-	-	-
-	-	-	59	-	-	-
43,493	655,118	109,000	118,616	-	-	27,585
-	-	-	-	-	-	-
-	-	-	-	-	-	-
43,493	655,118	109,000	118,675	-	-	27,585
\$ 43,493	\$ 656,985	\$ 110,898	\$ 118,997	\$ 20,914	\$ -	\$ 27,585

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	Special Revenue Funds		
	911 Operations and Maintenance	EMS County Awards HRS	Amelia Island Beach Renourishment
Assets			
Cash and Cash Equivalents	\$ 267,993	\$ -	\$ 103,761
Equity in Pooled Investments	243,678	-	1,503,962
Accounts Receivable	-	-	-
Loans Receivable			
(Net of Allowance for Uncollectibles)	-	-	-
Prepays	-	-	-
Due from Constitutional Officers	31,103	-	1,649
Due from Other Funds	-	-	-
Due from Other Governments	-	-	-
Total Assets	542,774	-	1,609,372
Liabilities and Deferred Inflows of Resources and Fund Balance			
Liabilities			
Accounts Payable	-	-	-
Due to Constitutional Officers	-	-	1,240
Due to Other Governments	-	-	-
Deposits	-	-	-
Total Liabilities	-	-	1,240
Deferred Inflows of Resources	-	-	-
Fund Balances			
Non-Spendable	-	-	-
Restricted	542,774	-	1,608,132
Committed	-	-	-
Assigned	-	-	-
Total Fund Balances	542,774	-	1,608,132
Total Liabilities and Deferred Inflows of Resources and Fund Balances	\$ 542,774	\$ -	\$ 1,609,372

Special Revenue Funds					
Amelia Island Tourist Development	South Amelia Island Shore Stabilization MSBU - 2021	Local Affordable Housing Trust (SHIP)	South Amelia Island Shore Stabilization MSBU - 2011	Building Department	Amelia Concourse MSBU
\$ 1,087,975	\$ 2,888	\$ 1,085,696	\$ 103,256	\$ 827,561	\$ 144,408
12,545,658		-	601,356	6,339,875	756,628
16,758	2,477	-	-	-	-
-	-	40,000	-	-	-
10	-	-	-	-	-
-	-	-	4	-	730
-	-	-	-	10,805	-
-	2,896,534	-	-	-	-
<u>13,650,401</u>	<u>2,901,899</u>	<u>1,125,696</u>	<u>704,616</u>	<u>7,178,241</u>	<u>901,766</u>
470,548	2,504,348	39	37,775	20,717	-
11,918	-	-	-	-	138
-	-	-	-	28,494	8,715
-	-	-	-	326,279	-
<u>482,466</u>	<u>2,504,348</u>	<u>39</u>	<u>37,775</u>	<u>375,490</u>	<u>8,853</u>
-	786,537	40,000	-	-	-
10	-	-	-	-	-
13,167,925	(388,986)	1,085,657	666,841	6,802,751	892,913
-	-	-	-	-	-
-	-	-	-	-	-
<u>13,167,935</u>	<u>(388,986)</u>	<u>1,085,657</u>	<u>666,841</u>	<u>6,802,751</u>	<u>892,913</u>
<u>\$ 13,650,401</u>	<u>\$ 2,901,899</u>	<u>\$ 1,125,696</u>	<u>\$ 704,616</u>	<u>\$ 7,178,241</u>	<u>\$ 901,766</u>

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	Special Revenue Funds		
	Firefighter Education Trust	F.S. Special Revenues Fund	Total Special Revenue Funds
Assets			
Cash and Cash Equivalents	\$ 3	\$ 1,844,742	\$ 6,807,086
Equity in Pooled Investments	-	-	22,417,390
Accounts Receivable	-	-	19,235
Loans Receivable			
(Net of Allowance for Uncollectibles)	-	-	40,000
Prepays	-	10,929	10,998
Due from Constitutional Officers	-	40,133	96,531
Due from Other Funds	-	192	11,016
Due from Other Governments	-	20	2,906,104
Total Assets	3	1,896,016	32,308,360
Liabilities and Deferred Inflows of Resources and Fund Balance			
Liabilities			
Accounts Payable	-	12,604	3,070,769
Due to Constitutional Officers	-	-	13,296
Due to Other Governments	-	-	37,472
Deposits	-	-	326,279
Total Liabilities	-	12,604	3,447,816
Deferred Inflows of Resources	-	-	826,537
Fund Balances			
Non-Spendable	-	10,929	10,998
Restricted	-	1,872,483	28,023,006
Committed	3	-	3
Assigned	-	-	-
Total Fund Balances	3	1,883,412	28,034,007
Total Liabilities and Deferred Inflows of Resources and Fund Balances	\$ 3	\$ 1,896,016	\$ 32,308,360

Debt Service Funds			Capital Projects Funds			
Optional Gas Tax 2000	County Complex	Total Debt Service Funds	Grants	NC Mobility Fee Fund	County Complex	ENCPA Mobility Network Fund
\$ 549,100	\$ -	\$ 549,100	\$ 3,284	\$ 2,240,926	\$ 117,695	\$ 48,828
947,151	-	947,151	-	2,540,321	-	89,086
-	-	-	-	-	-	-
-	-	-	-	-	-	-
431	-	431	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,496,682	-	1,496,682	3,284	4,781,247	117,695	137,914
-	-	-	-	12,781	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	12,781	-	-
-	-	-	-	-	-	-
431	-	431	-	-	-	-
1,496,251	-	1,496,251	3,284	4,768,466	-	137,914
-	-	-	-	-	-	-
-	-	-	-	-	117,695	-
1,496,682	-	1,496,682	3,284	4,768,466	117,695	137,914
\$ 1,496,682	\$ -	\$ 1,496,682	\$ 3,284	\$ 4,781,247	\$ 117,695	\$ 137,914

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	Capital Projects Funds			
	Capital Projects Impact Fees	Capital Projects	Total Capital Project Funds	Total Non-Major Governmental Funds
Assets				
Cash and Cash Equivalents	\$ 124,456	\$ 35,999	\$ 2,571,188	\$ 9,927,374
Equity in Pooled Investments	4,114,866	5,781,289	12,525,562	35,890,103
Accounts Receivable	-	-	-	19,235
Loans Receivable				
(Net of Allowance for Uncollectibles)	-	-	-	40,000
Prepays	-	-	-	11,429
Due from Constitutional Officers	-	-	-	96,531
Due from Other Funds	-	-	-	11,016
Due from Other Governments	-	-	-	2,906,104
Total Assets	4,239,322	5,817,288	15,096,750	48,901,792
Liabilities and Deferred Inflows of Resources and Fund Balance				
Liabilities				
Accounts Payable	4,768	97,693	115,242	3,186,011
Due to Constitutional Officers	-	-	-	13,296
Due to Other Governments	-	-	-	37,472
Deposits	-	-	-	326,279
Total Liabilities	4,768	97,693	115,242	3,563,058
Deferred Inflows of Resources	-	-	-	826,537
Fund Balances				
Non-Spendable	-	-	-	11,429
Restricted	4,234,554	-	9,144,218	38,663,475
Committed	-	5,719,595	5,719,595	5,719,598
Assigned	-	-	117,695	117,695
Total Fund Balances	4,234,554	5,719,595	14,981,508	44,512,197
Total Liabilities and Deferred Inflows of Resources and Fund Balances	\$ 4,239,322	\$ 5,817,288	\$ 15,096,750	\$ 48,901,792

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Special Revenue Funds		
	Law Enforcement Training	Sheriff Donations	Law Enforcement Trust
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental Revenues	-	-	70,529
Charges for Services	8,661	-	-
Fines and Forfeitures	10,873	-	189,273
Investment Earnings (Loss)	196	-	571
Miscellaneous	-	3	433
Total Revenues	19,730	3	260,806
Expenditures			
Current:			
General Government Services	-	-	-
Public Safety	14,645	-	38,500
Physical Environment	-	-	-
Transportation	-	-	-
Economic Environment	-	-	-
Human Services	-	-	-
Culture and Recreation	-	-	-
Court-Related Expenditures	-	-	-
Capital Outlay	-	-	-
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
(Total Expenditures)	14,645	-	38,500
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,085	3	222,306
Other Financing Sources (Uses)			
Aid from Individuals	-	-	-
Transfers from Constitutional Officers	-	-	-
Transfers to Constitutional Officers	-	-	(216,928)
Transfers in	-	-	-
Transfers (out)	-	-	(10,794)
Total Other Financing Sources (Uses)	-	-	(227,722)
Net Change in Fund Balances	5,085	3	(5,416)
Fund Balances at Beginning of Year	180,412	3,106	635,514
Fund Balances at End of Year	\$ 185,497	\$ 3,109	\$ 630,098

Special Revenue Funds

Nassau County Anti-Drug Enforcement	Court Facility Fees	Law Library Trust	Criminal Justice Trust	Legal Aid Trust	Special Drug/Alcohol Rehabilitation	Drivers Ed Safety Trust
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
56,627	-	-	-	-	-	-
-	157,005	21,602	43,205	21,602	4,000	-
13,824	-	-	-	-	-	27,564
46	1,247	118	125	-	-	22
-	-	-	-	-	-	-
70,497	158,252	21,720	43,330	21,602	4,000	27,586
-	-	-	-	-	-	-
28,391	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	83,655	4,000	32,223
-	-	-	-	-	-	-
-	59,615	18,915	46,646	-	-	-
38,623	818	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
67,014	60,433	18,915	46,646	83,655	4,000	32,223
3,483	97,819	2,805	(3,316)	(62,053)	-	(4,637)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	2,687	62,053	-	-
-	-	(2,687)	-	-	-	-
-	-	(2,687)	2,687	62,053	-	-
3,483	97,819	118	(629)	-	-	(4,637)
40,010	557,299	108,882	119,304	-	-	32,222
\$ 43,493	\$ 655,118	\$ 109,000	\$ 118,675	\$ -	\$ -	\$ 27,585

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Special Revenue Funds		
	911 Operations and Maintenance	EMS County Awards HRS	Amelia Island Beach Renourishment
Revenues			
Taxes	\$ -	\$ -	\$ 414,821
Licenses and Permits	-	-	-
Intergovernmental Revenues	-	8,750	-
Charges for Services	479,302	-	-
Fines and Forfeitures	-	-	-
Investment Earnings (Loss)	910	-	3,985
Miscellaneous	-	-	-
Total Revenues	480,212	8,750	418,806
Expenditures			
Current:			
General Government Services	-	-	-
Public Safety	500	-	-
Physical Environment	-	-	1,240
Transportation	-	-	-
Economic Environment	-	-	-
Human Services	-	-	-
Culture and Recreation	-	-	-
Court-Related Expenditures	-	-	-
Capital Outlay	-	8,750	-
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
(Total Expenditures)	500	8,750	1,240
Excess (Deficiency) of Revenues Over (Under) Expenditures	479,712	-	417,566
Other Financing Sources (Uses)			
Aid from Individuals	-	-	-
Transfers from Constitutional Officers	31,103	-	1,645
Transfers to Constitutional Officers	(401,103)	-	(8,198)
Transfers in	-	-	-
Transfers (out)	-	-	-
Total Other Financing Sources (Uses)	(370,000)	-	(6,553)
Net Change in Fund Balances	109,712	-	411,013
Fund Balances at Beginning of Year	433,062	-	1,197,119
Fund Balances at End of Year	\$ 542,774	\$ -	\$ 1,608,132

Special Revenue Funds					
Amelia Island Tourist Development	South Amelia Island Shore Stabilization MSBU - 2021	Local Affordable Housing Trust (SHIP)	South Amelia Island Shore Stabilization MSBU - 2011	Building Department	Amelia Concourse MSBU
\$ 8,561,900	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	306,738	3,673,062	178,269
-	2,109,997	605,166	-	-	-
-	-	-	-	36,141	-
-	-	-	-	-	-
37,952	-	608	1,482	36,325	2,842
-	-	71,755	-	13,574	-
8,599,852	2,109,997	677,529	308,220	3,759,102	181,111
-	-	-	-	2,159,158	-
-	-	-	-	532,444	-
447,551	-	-	212,142	-	170,929
-	-	-	-	-	-
4,304,391	-	143,318	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	7,383,852	1,559	59,600	51,694	-
-	-	-	-	-	-
-	52,112	-	-	-	-
4,751,942	7,435,964	144,877	271,742	2,743,296	170,929
3,847,910	(5,325,967)	532,652	36,478	1,015,806	10,182
-	4,936,981	-	-	-	-
-	-	-	-	-	-
(256,857)	-	-	(15,919)	-	(8,335)
-	-	-	-	-	-
(997)	-	-	-	(249,651)	(2,007)
(257,854)	4,936,981	-	(15,919)	(249,651)	(10,342)
3,590,056	(388,986)	532,652	20,559	766,155	(160)
9,577,879	-	553,005	646,282	6,036,596	893,073
\$ 13,167,935	\$ (388,986)	\$ 1,085,657	\$ 666,841	\$ 6,802,751	\$ 892,913

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Special Revenue Funds		
	Firefighter Education Trust	F.S. Special Revenues Fund	Total Special Revenue Funds
Revenues			
Taxes	\$ -	\$ -	\$ 8,976,721
Licenses and Permits	-	-	4,158,069
Intergovernmental Revenues	-	30,606	2,881,675
Charges for Services	-	346,026	1,117,544
Fines and Forfeitures	-	44,614	286,148
Investment Earnings (Loss)	-	1,828	88,257
Miscellaneous	-	-	85,765
Total Revenues	-	423,074	17,594,179
Expenditures			
Current:			
General Government Services	-	-	2,159,158
Public Safety	-	49,709	664,189
Physical Environment	-	-	831,862
Transportation	-	-	-
Economic Environment	-	-	4,447,709
Human Services	-	-	119,878
Culture and Recreation	-	5,708	5,708
Court-Related Expenditures	-	115,008	240,184
Capital Outlay	-	64,148	7,609,044
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	52,112
(Total Expenditures)	-	234,573	16,129,844
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	188,501	1,464,335
Other Financing Sources (Uses)			
Aid from Individuals	-	-	4,936,981
Transfers from Constitutional Officers	-	-	32,748
Transfers to Constitutional Officers	-	-	(907,340)
Transfers in	-	-	64,740
Transfers (out)	-	-	(266,136)
Total Other Financing Sources (Uses)	-	-	3,860,993
Net Change in Fund Balances	-	188,501	5,325,328
Fund Balances at Beginning of Year	3	1,694,911	22,708,679
Fund Balances at End of Year	\$ 3	\$ 1,883,412	\$ 28,034,007

Debt Service Funds			Capital Projects Funds			
Optional Gas Tax 2000	County Complex	Total Debt Service Funds	Grants	NC Mobility Fee Fund	County Complex	ENCPA Mobility Network Fund
\$ 942,722		\$ 942,722	\$ -	\$ -	\$ -	\$ -
-	-	-	-	2,109,360	-	569,395
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,634	-	2,634	4	17,286	126	2,496
-	-	-	-	-	-	-
945,356	-	945,356	4	2,126,646	126	571,891
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	13,166	-	2,005,719
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
296,125	1,360,000	1,656,125	-	-	-	-
649,306	965,000	1,614,306	-	-	-	-
945,431	2,325,000	3,270,431	-	13,166	-	2,005,719
(75)	(2,325,000)	(2,325,075)	4	2,113,480	126	(1,433,828)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	2,325,000	2,325,000	-	-	-	48,731
-	-	-	-	(4,316,600)	-	-
-	2,325,000	2,325,000	-	(4,316,600)	-	48,731
(75)	-	(75)	4	(2,203,120)	126	(1,385,097)
1,496,757	-	1,496,757	3,280	6,971,586	117,569	1,523,011
\$ 1,496,682	\$ -	\$ 1,496,682	\$ 3,284	\$ 4,768,466	\$ 117,695	\$ 137,914

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Capital Projects Funds			
	Capital Projects Impact Fees	Capital Projects	Total Capital Project Funds	Total Non-Major Governmental Funds
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ 9,919,443
Licenses and Permits	-	-	2,678,755	6,836,824
Intergovernmental Revenues	-	-	-	2,881,675
Charges for Services	-	-	-	1,117,544
Fines and Forfeitures	-	-	-	286,148
Investment Earnings (Loss)	13,273	11,905	45,090	135,981
Miscellaneous	-	639,541	639,541	725,306
Total Revenues	13,273	651,446	3,363,386	21,902,921
Expenditures				
Current:				
General Government Services	-	-	-	2,159,158
Public Safety	-	18,352	18,352	682,541
Physical Environment	-	-	-	831,862
Transportation	-	-	2,018,885	2,018,885
Economic Environment	-	-	-	4,447,709
Human Services	-	-	-	119,878
Culture and Recreation	17,500	-	17,500	23,208
Court-Related Expenditures	-	-	-	240,184
Capital Outlay	-	2,080,301	2,080,301	9,689,345
Debt Service:				
Principal Retirement	-	-	-	1,656,125
Interest and Fiscal Charges	-	-	-	1,666,418
(Total Expenditures)	17,500	2,098,653	4,135,038	23,535,313
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,227)	(1,447,207)	(771,652)	(1,632,392)
Other Financing Sources (Uses)				
Aid from Individuals	-	-	-	4,936,981
Transfers from Constitutional Officers	-	-	-	32,748
Transfers to Constitutional Officers	-	-	-	(907,340)
Transfers in	-	2,801,942	2,850,673	5,240,413
Transfers (out)	(576,035)	(725,000)	(5,617,635)	(5,883,771)
Total Other Financing Sources (Uses)	(576,035)	2,076,942	(2,766,962)	3,419,031
Net Change in Fund Balances	(580,262)	629,735	(3,538,614)	1,786,639
Fund Balances at Beginning of Year	4,814,816	5,089,860	18,520,122	42,725,558
Fund Balances at End of Year	\$ 4,234,554	\$ 5,719,595	\$ 14,981,508	\$ 44,512,197

OTHER INFORMATION

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

The Honorable Board of County Commissioners
Nassau County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Nassau County Board of County Commissioners, Nassau County, Florida, (the Board) as of and for the year ended September 30, 2021, and the related notes to the financial statements, and have issued our report thereon dated March 18, 2022.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2021-001 that we consider to be a significant deficiency.

CERTIFIED PUBLIC ACCOUNTANTS

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

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

An Independent Member of the BDO Alliance USA

The Honorable Board of County Commissioners
Nassau County, Florida

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

Compliance and Other Matters

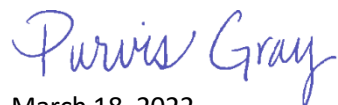
As part of obtaining reasonable assurance about whether the Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material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

Board's Response to Findings

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

Purpose of this Report

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



March 18, 2022
Gainesville, Florida

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

The Honorable Board of County Commissioners
Nassau County, Florida

We have examined the Nassau County Board of County Commissioners', Nassau County, Florida, (the Board) compliance with Section 218.415, Florida Statutes, as of and for the year ended September 30, 2021, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Board's compliance with those requirements. Our responsibility is to express an opinion on the Board's compliance based on our examination.

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

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

In our opinion, the Board complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

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



March 18, 2022
Gainesville, Florida

CERTIFIED PUBLIC ACCOUNTANTS

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

purvisgray.com

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

MANAGEMENT LETTER

The Honorable Board of County Commissioners
Nassau County, Florida

Report on the Financial Statements

We have audited the financial statements of the Nassau County Board of County Commissioners, Nassau County, Florida, (the Board) as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated March 18, 2022.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated March 18, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

CERTIFIED PUBLIC ACCOUNTANTS

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

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

An Independent Member of the BDO Alliance USA

MANAGEMENT LETTER

Financial Management

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

Special District Component Units

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

Specific Information

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

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

Main Improvement Project	\$ 178,421
Sewer Improvement Project	\$ 399,479

- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes is \$1,274,180.

The Honorable Board of County Commissioners
Nassau County, Florida

MANAGEMENT LETTER

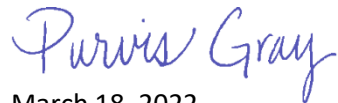
Additional Matters

- Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

Purpose of this Letter

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

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



March 18, 2022
Gainesville, Florida

**NASSAU COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2021**

SECTION I – FINANCIAL STATEMENT FINDINGS

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

Condition

Effective October 1, 2020, the Board outsourced substantially all of the operations and billing functions of Nassau-Amelia Utilities (NAU) to a third party. During our audit we noted certain utility billing adjustments did not include documentation of a secondary review and approval. We also noted a lack of controls and monitoring over posting utility billing activity to the general ledger that resulted in significant adjustments to the Water and Sewer Fund's revenue and receivable accounts.

Criteria

Proper internal control over financial reporting should be designed to allow management or employees to prevent, or detect and correct, material misstatements on a timely basis. Auditors are prohibited from acting as a segment of the Board's internal control over financial reporting.

Cause of Condition

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

Effect of Condition

Weaknesses in internal control processes resulted in significant errors to recorded amounts of utility revenues and receivables which went undetected. In addition, the lack of a secondary review of billing adjustments could lead to inaccurate billing or inappropriate billing adjustments.

Recommendation

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



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

John F. Martin
Aaron C. Bell
Jeff Gray
Thomas R. Ford
Klynt A. Farmer

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

TACO E. POPE, AICP
County Manager

JOHN A. CRAWFORD
Ex-Officio Clerk

DENISE MAY
Interim County Attorney

March 22, 2022

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

Dear Ms. Norman,

This letter is in response to the Independent Auditors' Report on Internal Control related to Nassau-Amelia Utilities (NAU) to the Board of County Commissioners of Nassau County, for the year ended September 30, 2021. As detailed below the independent auditors identified a deficiency in timeliness and internal control related to the tracking of NAU operations that was considered to be a significant deficiency.

Finding 2021-001: Internal Controls Related to Nassau-Amelia Utilities

Condition

Effective October 1, 2020, the Board outsourced substantially all of the operations and billing functions of Nassau-Amelia Utilities (NAU) to a third party. During our audit we noted certain utility billing adjustments did not include documentation of a secondary review and approval. We also noted a lack of controls and monitoring over posting utility billing activity to the general ledger that resulted in significant adjustments to the Water and Sewer Fund's revenue and receivable accounts.

Criteria

Proper internal control over financial reporting should be designed to allow management or employees to prevent, or detect and correct, material misstatements on a timely basis. Auditors are prohibited from acting as a segment of the Board's internal control over financial reporting.

Cause of Condition

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

Effect of Condition

Weaknesses in internal control processes resulted in significant errors to recorded amounts of utility revenues and receivables which went undetected. In addition, the lack of a secondary review of billing adjustments could lead to inaccurate billing or inappropriate billing adjustments.

Recommendation

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

Views of Responsible Officials and Planned Corrective Actions

As noted in the *Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*, a deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies important enough to merit attention by those charged with governance.

Additionally, as noted in the *Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes*, it is stated that in the opinion of the Auditor, the Board complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

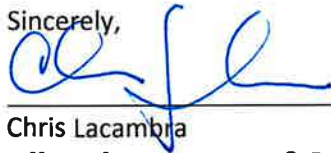
As further noted in the Management Letter, it notes that Section 10.554(1)(i)2., Rules of the Auditor General, requires that the Auditor communicate any recommendations to improve financial management. In connection with the audit, the Auditor did not have any such recommendations.

With regard to the timeliness to detect and correct any financial misstatement, we understand there were internal accounting accruals and a duplicate posting which were not corrected in a timely and efficient manner. Although these items were resolved through the closing of the financials and the audit process, these items should have been adjusted during monthly and quarterly reviews of the financials.

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

To improve both timeliness and internal controls, it should be noted that since FY 20/21, there have been significant changes and enhancements within the Office of Management and Budget (OMB), including the appointment of a new OMB Director and Assistant OMB Director. With the addition of these new individuals with direct internal control and audit experience, there is a greater focus on developing formal proactive controls for the monitoring of the financial reporting and billings related to NAU on a timely basis. Although financial and billing information was previously available for monitoring, to further assure timeliness of reviews and formal approvals are documented, the County is in the process a securing a secondary audit firm to review the expansion of the internal controls to meet the request of the Auditor.

Sincerely,



Chris Lacambra

Office of Management & Budget Director

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

PURVIS GRAY

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Lakeland

purvisgray.com