

Nassau County, Florida

Popular Annual Financial Report



**For the Fiscal Year Ended
9/30/2012**



Message from the Clerk:



Dear Citizens,

As part of our office's commitment to open, accountable and fiscally responsible County government, I am pleased to present the Popular Annual Financial Report for Nassau County, Florida for the fiscal year ended 09/30/2012. The information contained in this report is derived from broader and more detailed data contained in the 2012 Comprehensive Annual Financial Report (CAFR), which includes financial statements audited by Purvis, Gray and Company, LLP.

The financial information presented here is in a condensed and summarized form and is not meant to be a substitute for the County's CAFR, which provides detail on the County's financial position and financial changes during the fiscal year in conformity with generally accepted accounting principles (GAAP).

The financial information within this report includes not only the County itself, but also the following legally separate component units: Nassau County Housing Finance Authority and Recreation and Water Conservation and Control District No. 1.

Additional resources contained in this report include local statistics such as historical population and unemployment numbers as well as a directory of all Elected Officials and Departments of your County government.

I am pleased to report that Nassau County has received the Certificate of Achievement in Financial Reporting for the CAFR for six consecutive years. The County also received the Award for Outstanding Achievement in Popular Annual Financial Reporting for its first PAFR, covering fiscal year 2011.

Both the PAFR and the CAFR are available online at www.nassauclerk.com. Hard copies of the PAFR are available at the Nassau County libraries or upon request at the Nassau County Clerk of Courts at the Historic Courthouse in Fernandina Beach or the Judicial Annex in Yulee. You may also call my office at (904) 548-4600 to share your comments, questions or concerns. I hope that this information will help you more fully understand your government's finances.

Sincerely ,

Clerk & Comptroller

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Award for Outstanding Achievement in Popular Annual Financial Reporting

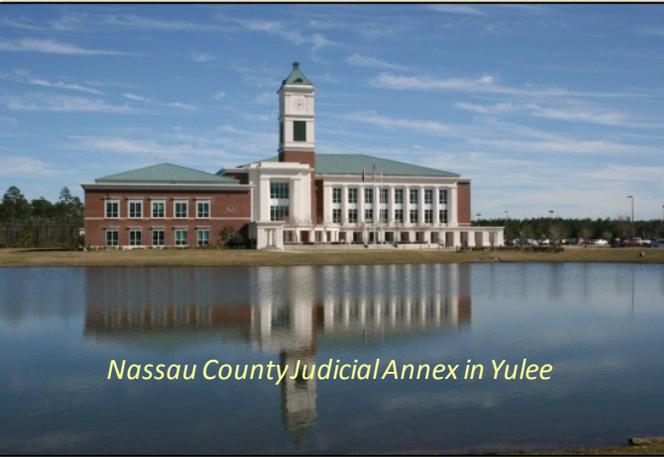
PRESENTED TO

Nassau County
Florida

for the Fiscal Year Ended
September 30, 2011



County Structure:



Nassau County Judicial Annex in Yulee

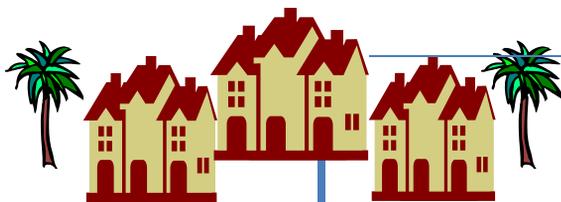
Glossary of Financial Reporting Terms:

- Condensed Statement of Net Assets-** a summary of what the County owns (assets) and owes (liabilities) at the end of each fiscal year.
- Condensed Statement of Activities-**a summary of how the County's net assets changed during the fiscal year which ended on September 30, 2012.
- Governmental Activities-**services the County provides that are mainly paid for with tax dollars and state and federal grants and revenue sharing.
- Business-Type Activities-**includes the County-owned water & sewer utility and solid waste disposal where users pay for most if not all of the costs of operation.
- Program Revenues-**Money that the County takes in during the year for a specific program that reduces how much of its cost has to be paid for out of general County revenues. Examples include Charges for Services, Operating Grants and Capital Grants.
- General Revenues-**Money that the County receives during the year that is not matched to a specific program.

Nassau County was established in 1824 and is named for the Dukedom of Nassau in Germany. The County operates under the Constitution and Laws of the State of Florida. The governing Board consists of five citizen-elected County Commissioners (the BOCC) each representing a different district within the County and elected to staggered four-year terms. This Board sets public policy, levies taxes, and authorizes spending for various County programs, capital projects, and operating expenses. The County Manager reports directly to the Board and is responsible for operations of all BOCC Departments .

As part of the system of checks and balances in Florida government, citizens also elect five constitutional officers to four-year terms: the Clerk of the Circuit Court (who also serves as Ex-Officio Clerk to the BOCC and County Comptroller), Property Appraiser, Sheriff, Supervisor of Elections, and the Tax Collector.

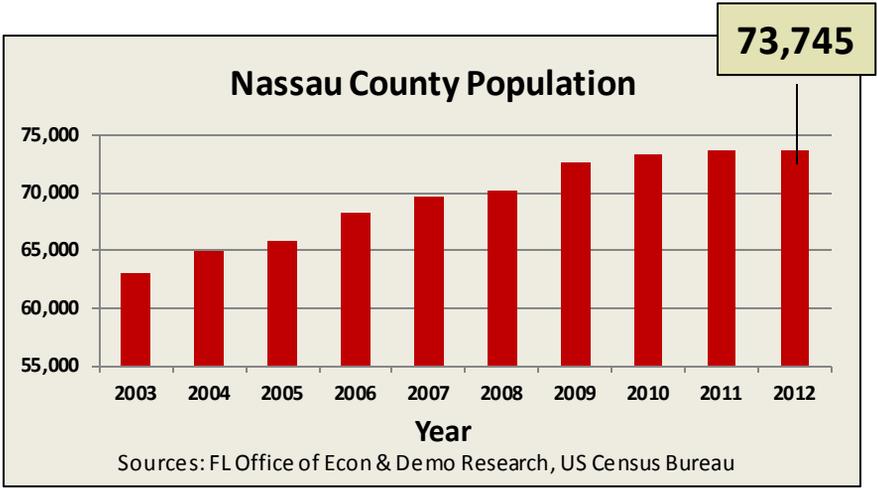
Your County Government (as of 09/30/2012):



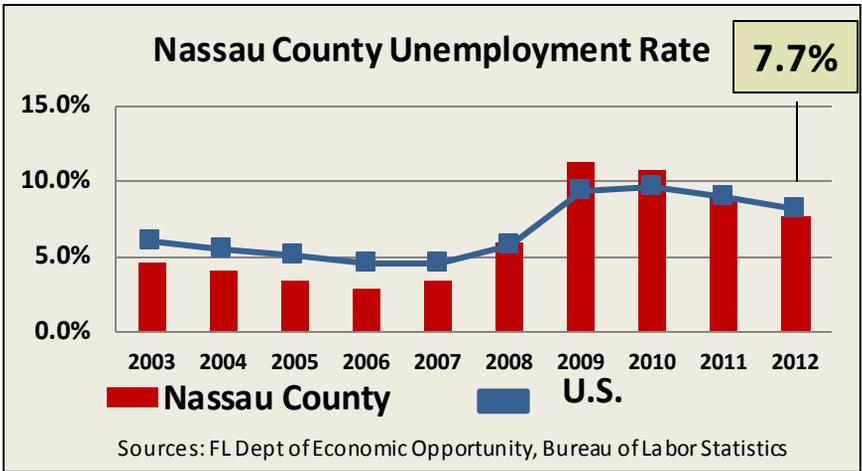
Nassau County Residents



County Statistics:



Nassau County's population has increased 16.9% over the last ten years



Located in the northeastern most section of Florida, Nassau County's population grew by 61 residents in 2012 as compared to 2011. The work force for 2012 was estimated at 34,950, up 5.5% from the prior year. The County's unemployment rate in 2012 fell to 7.7%, compared to 9.0% in 2011. The County's 2012 rate was below both the state average of 8.7% and the national average of 8.1%.

The **FIVE LARGEST PRIVATE EMPLOYERS** in Nassau County in 2012:

	<u>No. Employees</u>
Omni Amelia Island Plantation	630
The Ritz-Carlton Hotel	560
Rock-Tenn	440
Baptist Medical Center-Nassau	410
Wal-Mart	410

The Tourism Industry is estimated to support one out of every four jobs in Nassau County



Annual Shrimp Festival



Annual Concours D'Elegance



Destination Weddings



Family Vacations



Golf Outings

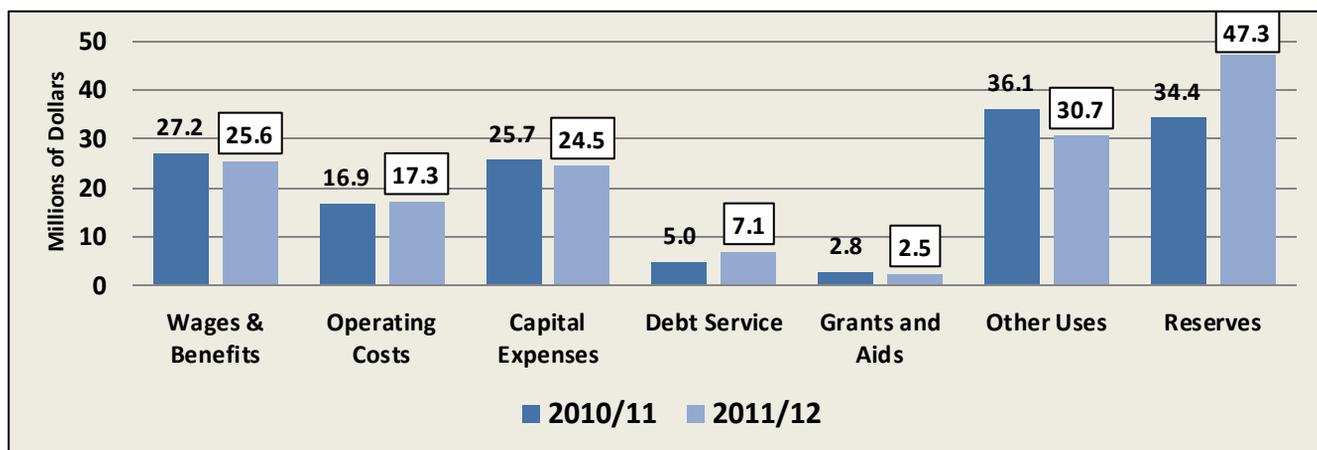
Your County Budget and Fund Balances:

CASH LEFT OVER FROM PRIOR YEAR + REVENUES = EXPENSES + RESERVES

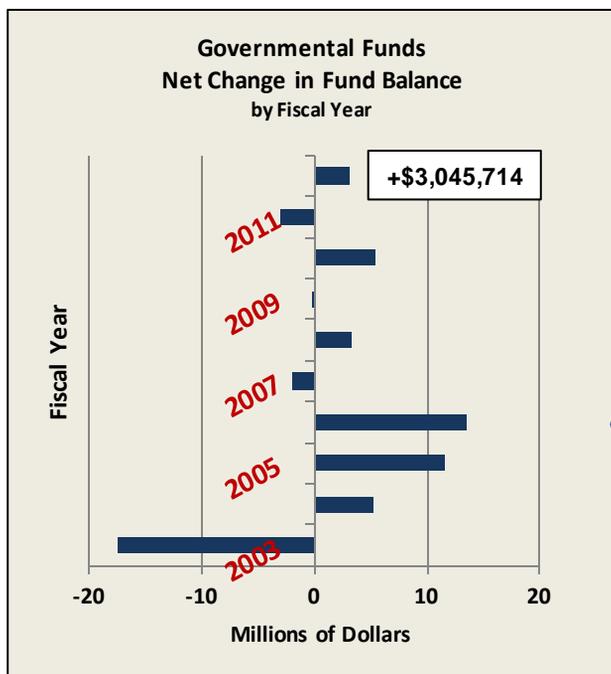
State law requires Nassau County and your elected Commissioners to adopt a balanced budget to operate the County for the upcoming fiscal year, which begins each October 1st. The annual budget must include all governmental funds as well as the enterprise funds (for the solid waste and sewer & water businesses owned and operated by the County). The budget contains the details of required expenses and identifies the sources of the funds to pay for them. The budget also specifies the Reserves, which are the County's funds in excess of known expenses.

With the exceptions of the Property Appraiser and the Tax Collector, whose budgets are approved by the Florida Department of Revenue, and the Clerk, whose Court-Related budget is approved at the State level, the budgets of all Constitutional Officers must be approved by the BOCC.

BOCC 2011/2012 Adopted County Budget = \$155,035,843 (a 4.7% increase over the prior year)



The adopted County budget for fiscal year 2011/2012 included a \$12.9 million (38%) increase in County Reserves to \$47.3 million when compared to the prior year, due in part to a \$15 million underestimate of actual revenues carried over in fiscal year 2010/2011's adopted budget.

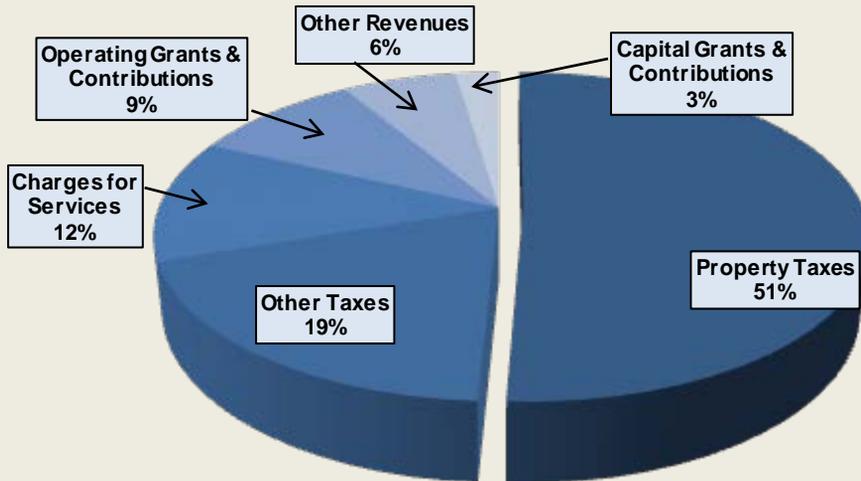


Two methods of Accounting:

1. The **Statement of Activities** and the **Statement of Net Assets** (provided in this report in a condensed fashion) focus on the County as a single entity and use accounting methods similar to those used in the private sector. They present a picture of the long-term economic health of the County.
2. The County prepares its **Annual Budget** (and prepares another set of financial statements) using **Fund Accounting**, which focuses on cash flows and the near-term ability of the County to pay its bills each year. Funds are segregated, each with its own set of rules and objectives. The set of funds known as the **Governmental Funds** are used to account for the general services provided to the public. The chart to the left shows, for each of the last ten fiscal years, whether the County spent more money than it took in, or took in more money than it spent.

County Revenues:

Sources of County Revenues for the Fiscal Year ended 09/30/2012



Property Taxes accounted for 51% of the County Revenues in fiscal year 2012 and represented an average cost per citizen of \$590.

Year-to-Year Comparison

Revenues	Fiscal Year 2012	Fiscal Year 2011	YTY Increase/ (Decrease)
Charges for Services	10,291,689	10,425,997	(134,308)
Operating Grants & Contributions	8,047,507	16,033,914	(7,986,407)
Capital Grants & Contributions	2,063,815	2,036,168	27,647
Property Taxes	43,513,184	45,209,950	(1,696,766)
Other Taxes	16,273,101	15,856,249	416,852
Other Revenues	5,405,201	2,162,757	3,242,444
Total County Revenues	85,594,497	91,725,035	(6,130,538)

Operating Grants & Contributions include "pass through" contributions (with off-setting expenses) from property owners benefiting from a beach re-nourishment project on South Amelia Island. Excluding these contributions, 2012 revenues exceeded 2011 revenues by about \$2.2 million.

Year-to-year changes in recurring revenues included a \$1.7 million decline in property tax revenue, partially offset by an increase in other tax revenues of about \$417,000. Non-recurring revenues in 2012 included \$3.4 million from JEA utility, of which \$2.66 million represented an advance payment obligation under an inter-local agreement with the County.

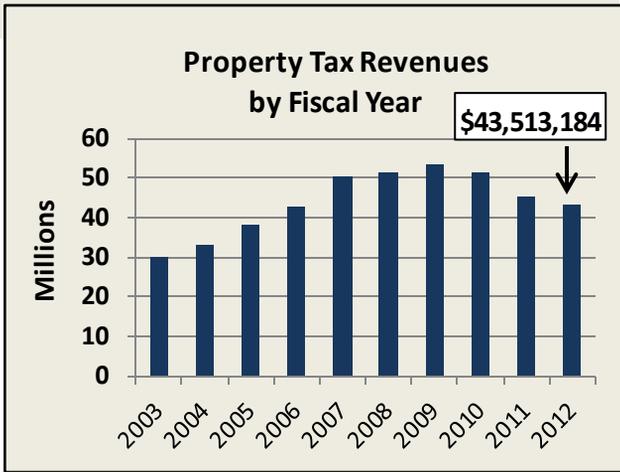
Your County Tax Revenues:

The **FIVE LARGEST PROPERTY TAX ASSESSED VALUES** in Nassau County in 2012:

	<u>Taxable Assessed Value</u>
Rock-Tenn (formerly Smurfit-Stone)	\$ 154.9 million
Ameliatel	86.6
Rayonier Performance Fibers	76.2
Omni Amelia Plantation Company	48.5
Florida Power & Light Company	34.9

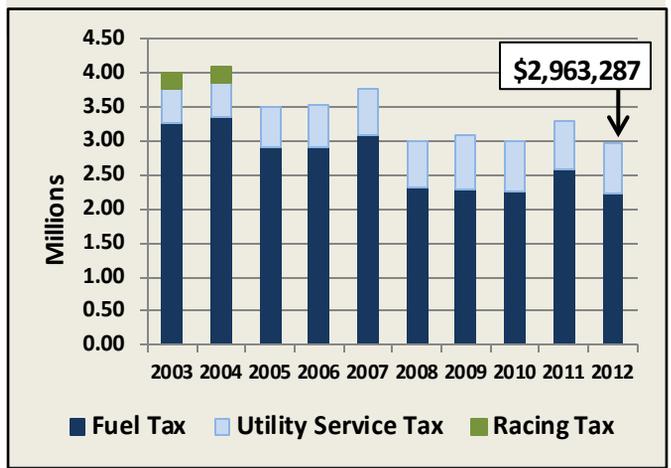


Property Tax Revenues



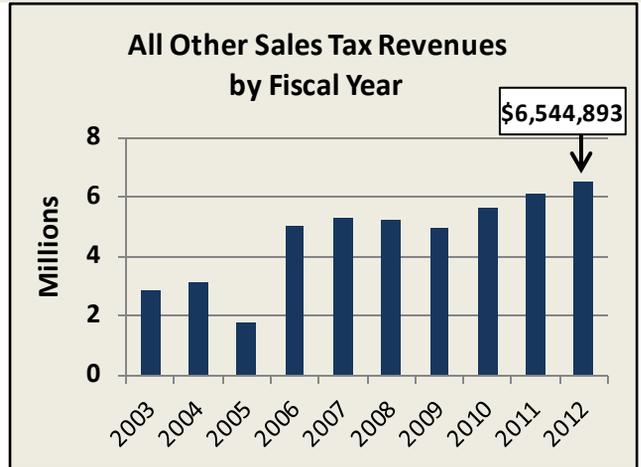
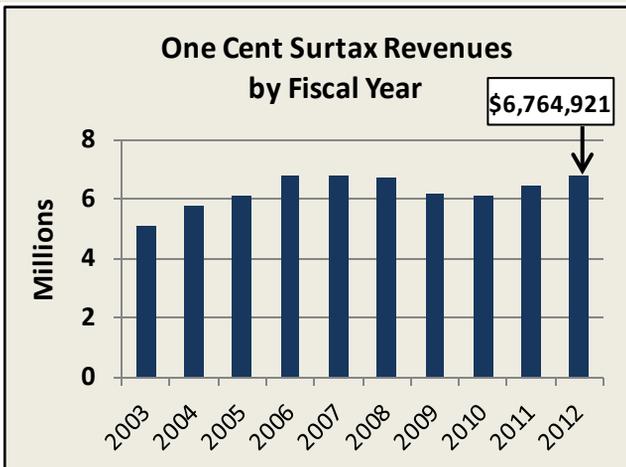
County Property Tax Revenues decreased by approximately \$1.7 million (3.75%) compared to the prior fiscal year due to a continued decline in assessed property values and no change to the millage rate.

Fuel, Utility & Racing Tax Revenues



County Fuel and Utility Services Tax Revenues decreased by \$327,266 (9.9%) compared to the prior fiscal year.

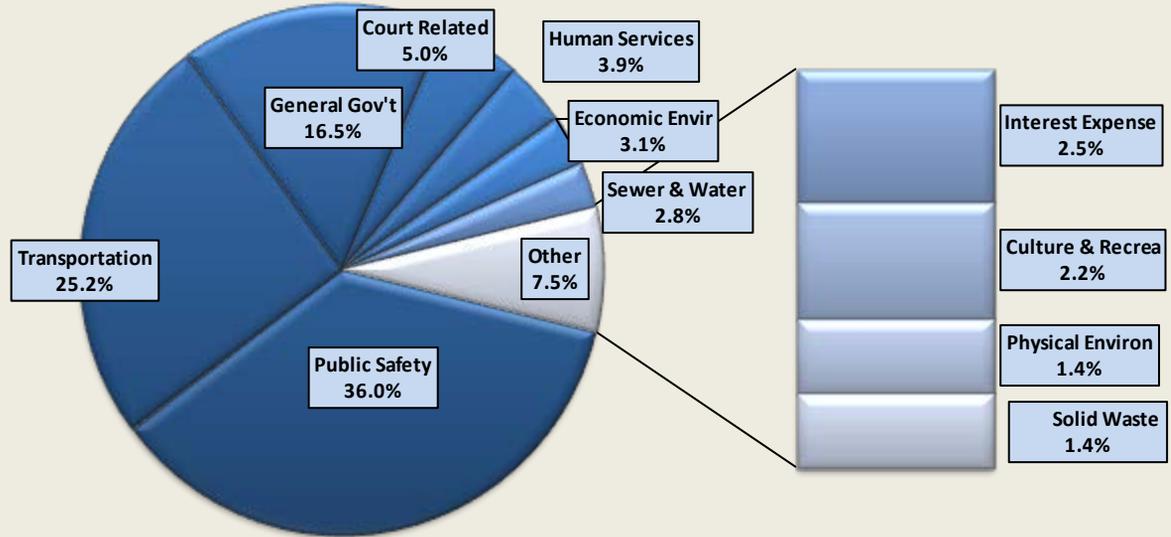
Sales Tax Revenues



A strengthening tourism business helped boost County Sales Tax Revenues by \$744,118 (5.9%) to \$13,309,814 when compared to the prior year, including a \$339,437 (5.3%) year-to-year increase in One Cent Surtax Revenues.

County Expenses:

County Expenses for the Fiscal Year ended 09/30/2012



Year-to Year-Comparison

Expense	Fiscal Year 2012	Fiscal Year 2011	YTY Increase/ (Decrease)
General Government	15,692,118	15,416,312	275,806
Court Related	4,245,186	4,665,856	(420,670)
Public Safety	32,542,628	33,510,454	(967,826)
Physical Environment	1,428,246	11,198,899	(9,770,653)
Transportation	22,723,333	23,458,596	(735,263)
Economic Environment	3,145,596	2,862,652	282,944
Human Services	4,058,552	3,679,943	378,609
Culture/Recreation	2,300,385	2,028,017	272,368
Interest Expense on LT Debt	2,173,187	2,319,687	(146,500)
Sewer & Water	2,634,394	2,617,204	17,190
Solid Waste	2,058,137	1,286,923	771,214
Total County Expenses	93,001,762	103,044,543	(10,042,781)

The County's Physical Environment expenses included the construction costs of a beach re-nourishment project that were paid for with special assessments of the benefiting property owners. Excluding these "pass-through" capital outlays, County expenses were down about \$464,000 in fiscal year 2012, helped by a \$1.7 million decrease in the County's required contribution to the Florida State Retirement due to changes in the program.

Major County Initiatives in Fiscal Year 2011/2012:

COMPLETED NUMEROUS CONSTRUCTION PROJECTS INCLUDING:

Widening of Franklin Road



Dornbush Area Drainage Improvements



Installation of new bleachers, pads, sidewalks & shade structures at Yulee Ball Park



PLACED TWO NEW RESCUE UNITS AND A NEW LIVE SUPPORT UNIT INTO SERVICE



Established quarterly communications exercises and events with Kings Bay Naval Base and Nassau County Emergency Management staff.



Completed beach re-nourishment construction project on South Amelia Island



Increased Animal Control's live release rate by 13% through new programs, and by transferring more animals to no-kill facilities.



Nassau County Condensed Statement of Activities:

	Governmental 2012 Activities	Business-Type 2012 Activities	TOTAL 09/30/2012	TOTAL 09/30/2011
<u>REVENUES</u>				
Program Revenues	16,246,971	4,156,040	20,403,011	28,496,079
General Revenues	64,601,252	590,234	65,191,486	63,228,956
Total Revenues	<u>80,848,223</u>	<u>4,746,274</u>	<u>85,594,497</u>	<u>91,725,035</u>
<u>EXPENSES</u>				
General Government	15,692,118	-	15,692,118	15,416,312
Court Related	4,245,186	-	4,245,186	4,665,856
Public Safety	32,542,628	-	32,542,628	33,510,454
Physical Environment	1,428,246	-	1,428,246	11,198,899
Transportation	22,723,333	-	22,723,333	23,458,596
Economic Environment	3,145,596	-	3,145,596	2,862,652
Human Services	4,058,552	-	4,058,552	3,679,943
Culture and Recreation	2,300,385	-	2,300,385	2,028,017
Interest on Long-term Debt	2,173,187	-	2,173,187	2,319,687
Solid Waste	-	2,058,137	2,058,137	1,286,923
Water and Sewer	-	2,634,394	2,634,394	2,617,204
Total Expenses	<u>88,309,231</u>	<u>4,692,531</u>	<u>93,001,762</u>	<u>103,044,543</u>
Beginning Net Assets	498,538,727	(5,503,307)	493,035,420	504,354,928
Ending Net Assets	491,077,719	(5,449,564)	485,628,155	493,035,420
Change in Net Assets	<u>(7,461,008)</u>	<u>53,743</u>	<u>(7,407,265)</u>	<u>(11,319,508)</u>



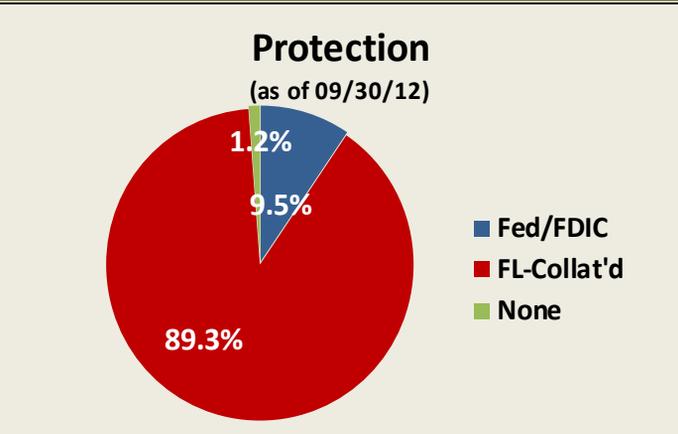
The Ritz-Carlton, Amelia Island completed room renovations in fiscal year 2012, part of \$65 million in improvements in the last five years, including a new ballroom.

Nassau County Condensed Statement of Net Assets:

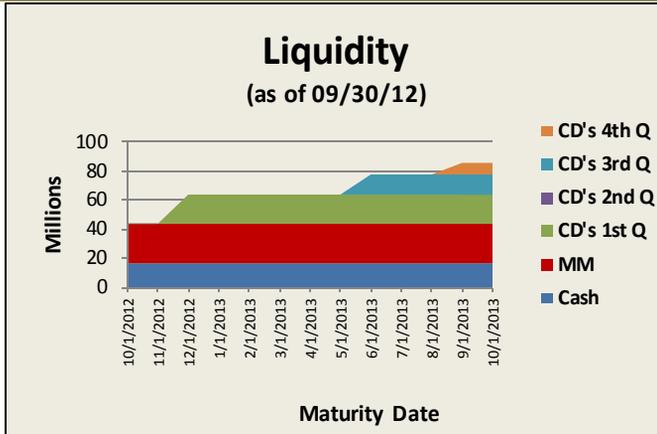
	Governmental 2012 Activities	Business-Type 2012 Activities	TOTAL 09/30/2012	TOTAL 09/30/2011
ASSETS				
Cash & Investments	74,080,376	13,104,667	87,185,043	85,833,964
Receivables, net	784,441	430,573	1,215,014	1,168,448
Capital assets, net	478,015,553	15,253,895	493,269,448	506,135,851
Other assets	5,305,686	635,581	5,941,267	5,299,929
Total Assets	<u>558,186,056</u>	<u>29,424,716</u>	<u>587,610,772</u>	<u>598,438,192</u>
LIABILITIES				
Payables & other short-term liabilities	14,786,887	19,687,584	34,474,471	36,502,503
Bonds, notes and other long-term liabilities	52,321,450	15,186,696	67,508,146	68,900,269
Total Liabilities	<u>67,108,337</u>	<u>34,874,280</u>	<u>101,982,617</u>	<u>105,402,772</u>
NET ASSETS	<u>491,077,719</u>	<u>(5,449,564)</u>	<u>485,628,155</u>	<u>493,035,420</u>

Nassau County Investments:

All Nassau County cash deposits and investments of surplus funds are made and maintained in accordance with local, state, and national laws.



The County's primary focus is always the *protection of taxpayer funds* with the maintenance of *adequate liquidity* to meet the County's cash flow needs a crucial secondary consideration.



The County ladders the maturities of its time deposits in order to provide adequate liquidity, improve income predictability, and increase the portfolio return.

The book value of Nassau County BOCC Cash and Investments totaled **\$85,755,855** on 09/30/2012. A detailed report of income and investments is available at <http://www.nassauclerk.com/finance/finance.reporting.cfm#quarterly>

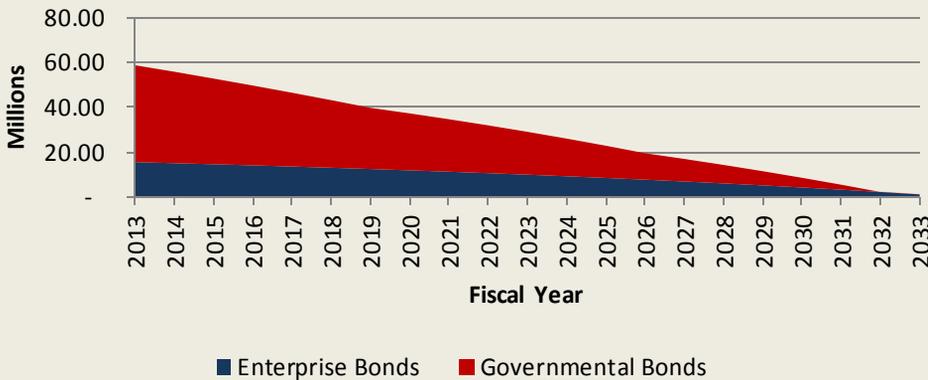


County Long-Term Debt:

Summary of Nassau County Municipal Bond Obligations (as of 09/30/2012):

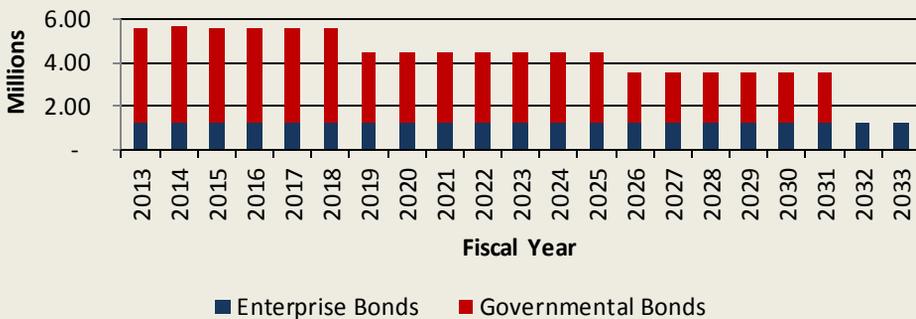
<u>Description</u>	<u>Issue Amount</u>	<u>Principal Balance</u>	<u>Debt Service Payments</u>	<u>Maturity Date</u>
GOVERNMENTAL				
Series 2007 Rev & Refunding Bonds	\$29,630,000	\$28,285,000	\$44,210,800	05/01/2031
Series 2000 Optional Gas Tax Rev Bond	6,167,580	8,710,444	12,285,000	03/01/2025
Series 2009 Gas Tax Revenue Bond	8,842,307	6,213,421	6,624,125	10/01/2018
Total Governmental Bonds :		\$43,208,865	\$63,119,925	
ENTERPRISE				
Series 2003 Water & Sewer Rev Bonds	\$19,160,000	\$15,550,000	\$25,190,413	09/01/2033
Total County Obligations :		\$58,758,865	\$88,310,338	

Scheduled Pay Down of \$58.8 Million of Debt Principal



The Series 2007 refunding bonds are related to construction of the County Judicial Complex in Yulee

Scheduled Payments of \$88.3 Million of Debt Service



Proceeds of Series 2000 bonds were used to finance County Transportation Projects

Note: Effective October 1, 2012, the interest rate on the Series 2009 Gas Tax Revenue Bond was lowered from 3.76% to 1.86%. This refinancing will save the County approximately \$422,000 over the remaining five years of the debt term.

Your Nassau County Constitutional Officers effective November, 2012

John A. Crawford
Clerk of the Circuit Court

www.nassauclerk.com

Ph (904) 548-4600
(800) 958-3496



Vicki P. Cannon
Supervisor of
Elections

www.votenassau.com

Ph (904) 491-7500
(866) 260-4301



Bill Leeper
Sheriff

www.nassaucountysheriff.com

Ph (904) 548-4000



John M. Drew
Tax Collector

www.nassautaxes.com

Ph (904) 491-7400
(904) 879-1930



Michael Hickox
Property
Appraiser

www.nassauflpa.com

Ph (904) 491-7300
(888) 615-4398



Your Nassau County Board of County Commissioners effective November, 2012



Daniel B. Leeper
Chairman

District One
Fernandina Beach

cell: (904) 430-3868
dleeper@nassaucountyfl.com

Barry V. Holloway
Vice-Chairman

District Four
Hilliard, Bryceville, Nassau
Oaks, Kingsferry

cell: (904) 753-1072
bholloway@nassaucountyfl.com



Walter J. Boatright

District Five
Callahan

cell: (904) 753-0141
wboatright@nassaucountyfl.com



Steve W. Kelley

District Two

S. Amelia Island, O'Neil, Nassauville
cell: (904) 556-0241
skelley@nassaucountyfl.com



Pat Edwards

District Three
Yulee, Chester,
Blackrock

cell: (904) 335-0260
pedwards@nassaucountyfl.com

County Directory (continued):

County Manager

Ted Selby – County Manager
Sabrina Robertson – Admin Assistant
Ph 491-7380 Fax 321-5784

County Attorney

David Hallman – County Attorney
Joyce Bradley – Assistant
Ph 548-4590 Fax 321-2658

Animal Control

Joe Novello – Director
Ruth Kitchens – Assistant
Ph 491-7440 Fax 225-3894

Building Department

Robert McKinney - Building Official
Ph 491-7337

Building & Permitting

Rhonda Sikes - Admin Assistant
Ph 491-7337 Fax 321-5763

Code Enforcement

Janet Wiley – Admin Assistant
Ph 491-7326 Fax 491-2027

Contracts Management

Charlotte Young - Manager
Dawn Krass – Assistant
Ph 491-7377 Fax 321-2658

County Extension

Becky Jordi - Director
Winifred Favors – Assistant/Office Mgr.
Ph 879-1019 Fax 879-2097

Emergency Mgmt.

Danny Hinson
Ph 548-4980 Fax 548-9335

Facilities Maintenance

Robert Knott – Director
Suzie Fontes – Assistant/Office Mgr.
Ph 548-4688 Fax 548-4687

Parks & Recreation

Ph 548-4689 Fax 548-4687

Fire Rescue

Matt Graves – Fire Chief
Constance Holmes – Assistant
Ph 491-7525 Fax 321-5748

Growth Management

Peter King – Director
Ann Gregory – Assistant
Ph 491-7328 Fax 491-3611

Human Resources

Chili Pope - Director
Ph 491-7332 Fax 321-5797
Tina Keiter – HR Coordinator

Risk Mgmt

Ph 491-7385 Fax 321-5797

Library

Dawn Bostwick - Director
Direct Line 548-4862
Claire Shepard – Assistant
Ph 277-7365 Fax 277-7366

Office of Management & Budget

Shanea Jones – Director/Assistant County Mgr.
Ph 491-7370 Fax 321-5917

Rescue & NAU Billing

Ph 491-7373 Fax 491-7372

Public Works

Scott Herring – Director

Engineering Dept.

Shelley Caldwell – Assistant
Ph 491-7330 Fax 491-3611

Nassau Amelia Utilities

Yvonne Thomas – Assistant
Ph 261-9452 Fax 261-2548

Road & Bridge Dept.

George Aviles – Assistant/Office Mgr.
Ph 491-7334 Fax 321-5926

Solid Waste

Becky Diden – Assistant
Ph 548-4974 Fax 879-6323

Technical Services

Guy Riner – Director
Ph 491-7393

Photos:

Annual City of Fernandina Beach Rib Cook-off



Newly Renovated and Expanded Omni Hotel

Omni Amelia Island Plantation Resort's \$85 million in renovations and additions to the property in fiscal year 2012 included 155 new hotel rooms, a new 20,000 square foot Conference Center addition and infinity edge pool. The enhancements, scheduled for completion in March of 2013, will add 200 full-time and 120 seasonal jobs at the Nassau County resort.





Several Beach Walkovers were repaired in 2012, including the Julia Street Walkover at American Beach.



Historic Callahan Railroad Depot built in 1881 and site of the annual Railroad Days Festival.

Front Cover: Scene on Centre Street in historic downtown Fernandina Beach. The annual Isle of Eight Flags Shrimp Festival is always held the first week in May and will mark its 50th anniversary in 2013 with the theme "The Year of the Golden Shrimp".