

**SPECIAL PURPOSE  
FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

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

**SEPTEMBER 30, 2009**

**SPECIAL PURPOSE  
FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

**NASSAU COUNTY BOARD  
OF COUNTY COMMISSIONERS  
NASSAU COUNTY, FLORIDA  
SEPTEMBER 30, 2009**

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## **INTRODUCTORY SECTION**

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

**LIST OF ELECTED AND APPOINTED**

**Serving as of September 30, 2009**

**ELECTED OFFICIALS**

<b>Commissioner – District 4, Chairman</b>	<b>Barry V. Holloway, Jr.</b>
<b>Commissioner – District 2, Vice-Chairman</b>	<b>Michael H. Boyle</b>
<b>Commissioner – District 1</b>	<b>Daniel B. Leeper</b>
<b>Commissioner – District 3</b>	<b>Stacy T. Johnson</b>
<b>Commissioner – District 5</b>	<b>Walter J. Boatright</b>
<b>Clerk of the Circuit Court</b>	<b>John A. Crawford</b>
<b>Tax Collector</b>	<b>John M. Drew</b>
<b>Sheriff</b>	<b>T. L. “Tommy” Seagraves, Jr.</b>
<b>Property Appraiser</b>	<b>Tammy C. Stiles</b>
<b>Supervisor of Elections</b>	<b>Vicki P. Cannon</b>

**APPOINTED OFFICIALS**

<b>County Coordinator</b>	<b>Edward L. Sealover</b>
<b>County Attorney</b>	<b>David A. Hallman</b>

## **FINANCIAL SECTION**

**INDEPENDENT AUDITORS' REPORT**

The Honorable Board of County Commissioners  
Nassau County, Florida

We have audited the accompanying special purpose 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, 2009, as listed in the table of contents. These special purpose financial statements are the responsibility of the Board's management. Our responsibility is to express opinions on these special purpose 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 1 to the special purpose financial statements, the special purpose financial statements referred to above have been prepared on the basis of accounting practices specified by, the *Rules of the Auditor General*, State of Florida, and present only the Board and are intended to present each major fund and the aggregate remaining fund information of Nassau County, Florida, that is attributable to the transactions of the Board. They do not purport to, and do not, present fairly the financial position of Nassau County, Florida, as of September 30, 2009, and the changes in its financial position and its cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the financial position of each major fund and the aggregate remaining fund information of the Board as of September 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof in conformity with accounting principles generally accepted in the United States of America.

The budgetary comparison information presented for the general fund and the major special revenue funds is not a required part of the special purpose financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion upon it.

**Certified Public Accountants**

P.O. Box 23999 • 222 N.E. 1st Street • Gainesville, Florida 32602 • (352) 378-2461 • FAX (352) 378-2505  
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MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS  
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

The Honorable Board of County Commissioners  
Nassau County, Florida

**INDEPENDENT AUDITORS' REPORT**  
*(Concluded)*

In accordance with *Government Auditing Standards*, we have also issued a report dated March 22, 2010, on our consideration of the Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. 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 compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the Board of County Commissioners, management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

*Purvis, Gray and Company, LLP*

March 22, 2010  
Gainesville, Florida

**SPECIAL PURPOSE  
FINANCIAL STATEMENTS**

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2009**

	<b>General Fund</b>	<b>County Transportation Fund</b>	<b>Municipal Services</b>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 1,521,744	\$ 810,378	\$ 25,387
Equity in Pooled Investments	9,717,829	3,667,065	3,175,640
Accounts Receivable, Net of Allowance for Uncollectibles	659,963	32,273	7,149
Due from Other Funds	730,199	0	0
Due from Constitutional Officers	1,835,762	68,193	101,075
Due from Other Governments	607,280	660,389	127,369
Inventories	0	128,405	0
Prepaid Expenditures	699,358	14,442	1,024
Deposits	2,000	0	0
<b>Total Assets</b>	<b>15,774,135</b>	<b>5,381,145</b>	<b>3,437,644</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	1,514,423	460,741	90,737
Accrued Liabilities	1,040,551	3,581	0
Retainage Payable	1,500	0	0
Due to Other Funds	0	215,201	289,286
Due to Constitutional Officers	8,912	254	1,402
Due to Other Governments	11,902	0	0
Deferred Revenues	1,215,675	392,010	60,322
Deposits	122,307	5,000	8,989
<b>Total Liabilities</b>	<b>3,915,270</b>	<b>1,076,787</b>	<b>450,736</b>
<b>Fund Balances</b>			
Reserved for:			
Inventories	0	128,405	0
Prepaid Items	699,358	14,442	1,024
Grants and State Laws	423,180	0	0
Encumbrances	564,331	406,154	45,324
Unreserved - Designated for:			
Capital Purchases	0	0	0
Recreation	28,148	0	0
Professional Services	0	231,070	0
Road Projects	0	0	15,000
Retirement of Bonds	0	0	0
Capital Projects	5,463,678	1,439,129	0
Unreserved - Undesignated:			
General Fund	4,680,170	0	0
Special Revenue Funds	0	2,085,158	2,925,560
Debt Service Funds	0	0	0
Capital Projects Funds	0	0	0
<b>Total Fund Balances</b>	<b>11,858,865</b>	<b>4,304,358</b>	<b>2,986,908</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 15,774,135</b>	<b>\$ 5,381,145</b>	<b>\$ 3,437,644</b>

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

<b>One-Cent County Surtax</b>	<b>Impact Fee Ordinance Trust</b>	<b>Debt Service 1998/2009 Gas Tax Bonds</b>	<b>Capital Projects Transportation Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 479,177	\$ 248,001	\$ 114,287	\$ 1,451,313	\$ 7,708,940	\$ 12,359,227
5,654,998	14,389,425	0	6,127,663	9,552,998	52,285,618
778	1,543	92	1,072	5,000	707,870
0	0	0	0	0	730,199
0	0	0	0	57,685	2,062,715
839,733	0	195,348	752,055	160,987	3,343,161
0	0	0	0	0	128,405
0	0	0	0	112,454	827,278
0	0	0	0	0	2,000
<u>6,974,686</u>	<u>14,638,969</u>	<u>309,727</u>	<u>8,332,103</u>	<u>17,598,064</u>	<u>72,446,473</u>
53,782	212,850	114,287	183,107	1,408,045	4,037,972
0	0	0	0	0	1,044,132
0	0	0	415,294	616,144	1,032,938
0	0	0	0	160,523	665,010
0	0	0	0	0	10,568
0	83	0	0	4,765	16,750
409,093	0	97,674	752,056	178,108	3,104,938
0	0	0	0	2,253	138,549
<u>462,875</u>	<u>212,933</u>	<u>211,961</u>	<u>1,350,457</u>	<u>2,369,838</u>	<u>10,050,857</u>
0	0	0	0	0	128,405
0	0	0	0	112,454	827,278
0	0	0	0	38,651	461,831
326,782	902	0	1,487,300	742,055	3,572,848
0	5,629,861	0	0	0	5,629,861
0	0	0	0	0	28,148
0	0	0	0	0	231,070
0	0	0	0	0	15,000
0	0	0	0	527,335	527,335
1,400,330	0	0	5,494,346	0	13,797,483
0	0	0	0	0	4,680,170
4,784,699	8,795,273	0	0	9,900,292	28,490,982
0	0	97,766	0	1,817,609	1,915,375
0	0	0	0	2,089,830	2,089,830
<u>6,511,811</u>	<u>14,426,036</u>	<u>97,766</u>	<u>6,981,646</u>	<u>15,228,226</u>	<u>62,395,616</u>
<u>\$ 6,974,686</u>	<u>\$ 14,638,969</u>	<u>\$ 309,727</u>	<u>\$ 8,332,103</u>	<u>\$ 17,598,064</u>	<u>\$ 72,446,473</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, 2009**

	<b>General Fund</b>	<b>County Transportation Fund</b>	<b>Municipal Services</b>
<b>Revenues</b>			
Taxes	\$ 36,758,911	\$ 7,979,702	\$ 10,428,569
Licenses and Permits	6,890	25,091	47,234
Intergovernmental Revenues	5,312,504	1,296,236	514,868
Charges for Services	2,094,311	14,363	98,095
Fines and Forfeitures	68,126	0	13,704
Investment Earnings (Loss)	(98,162)	(104,647)	(122,513)
Miscellaneous	269,695	382,360	16,251
<b>Total Revenues</b>	<b>44,412,275</b>	<b>9,593,105</b>	<b>10,996,208</b>
<b>Expenditures</b>			
Current:			
General Government Services	5,730,952	0	605,836
Public Safety	9,048,098	0	5,934,314
Physical Environment	387,242	0	0
Transportation	0	6,330,225	0
Economic Environment	4,903	0	0
Human Services	2,534,478	0	320,890
Culture and Recreation	1,811,196	0	0
Court-related Expenditures	774,209	0	0
Capital Outlay	1,274,023	505,161	556,990
Debt Service:			
Principal Retirement	0	0	101,696
Interest and Fiscal Charges	0	0	4,973
<b>(Total Expenditures)</b>	<b>21,565,101</b>	<b>6,835,386</b>	<b>7,524,699</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>22,847,174</b>	<b>2,757,719</b>	<b>3,471,509</b>
<b>Other Financing Sources (Uses)</b>			
Transfers from Constitutional Officers	1,753,622	47,223	88,489
Transfers to Constitutional Officers	(18,979,176)	(134,367)	(3,705,579)
Operating Transfers in	560,773	0	1,073
Operating Transfers (out)	(4,794,738)	(1,677,978)	(897,233)
Issuance of Refunding Bonds	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(21,459,519)</b>	<b>(1,765,122)</b>	<b>(4,513,250)</b>
<b>Net Change in Fund Balances</b>	<b>1,387,655</b>	<b>992,597</b>	<b>(1,041,741)</b>
<b>Fund Balances at Beginning of Year</b>	<b>10,471,210</b>	<b>3,311,761</b>	<b>4,028,649</b>
<b>Fund Balances at End of Year</b>	<b>\$ 11,858,865</b>	<b>\$ 4,304,358</b>	<b>\$ 2,986,908</b>

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

<b>One-Cent County Surtax</b>	<b>Impact Fee Ordinance Trust</b>	<b>Debt Service 1998/2009 Gas Tax Bonds</b>	<b>Capital Projects Transportation Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 6,165,562	\$ 0	\$ 383,320	\$ 0	\$ 2,667,538	\$ 64,383,602
0	1,430	0	0	1,480,694	1,561,339
0	0	754,959	839,384	2,393,459	11,111,410
0	0	0	81,467	835,103	3,123,339
0	0	0	0	219,209	301,039
131,394	168,975	1,784	51,105	146,533	174,469
0	0	0	0	143,262	811,568
<u>6,296,956</u>	<u>170,405</u>	<u>1,140,063</u>	<u>971,956</u>	<u>7,885,798</u>	<u>81,466,766</u>
24,718	7,125	301,317	0	1,426,359	8,096,307
0	9,325	0	0	883,155	15,874,892
0	0	0	0	315,967	703,209
27,544	55,749	0	1,177,972	0	7,591,490
0	0	0	0	3,026,418	3,031,321
0	0	0	0	123,583	2,978,951
0	20,320	0	0	0	1,831,516
0	0	0	0	76,365	850,574
34,332	40,771	0	5,829,763	6,131,956	14,372,996
0	0	755,000	0	2,104,620	2,961,316
0	0	358,778	0	1,645,078	2,008,829
<u>86,594</u>	<u>133,290</u>	<u>1,415,095</u>	<u>7,007,735</u>	<u>15,733,501</u>	<u>60,301,401</u>
<u>6,210,362</u>	<u>37,115</u>	<u>(275,032)</u>	<u>(6,035,779)</u>	<u>(7,847,703)</u>	<u>21,165,365</u>
0	0	0	0	52,660	1,941,994
0	(71)	0	0	(515,150)	(23,334,343)
82,659	2,630	0	7,212,695	7,049,580	14,909,410
(6,111,215)	(668,105)	0	0	(823,796)	(14,973,065)
0	0	8,842,307	0	0	8,842,307
0	0	(8,610,000)	0	0	(8,610,000)
<u>(6,028,556)</u>	<u>(665,546)</u>	<u>232,307</u>	<u>7,212,695</u>	<u>5,763,294</u>	<u>(21,223,697)</u>
181,806	(628,431)	(42,725)	1,176,916	(2,084,409)	(58,332)
<u>6,330,005</u>	<u>15,054,467</u>	<u>140,491</u>	<u>5,804,730</u>	<u>17,312,635</u>	<u>62,453,948</u>
<u>\$ 6,511,811</u>	<u>\$ 14,426,036</u>	<u>\$ 97,766</u>	<u>\$ 6,981,646</u>	<u>\$ 15,228,226</u>	<u>\$ 62,395,616</u>

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

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS  
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS  
SEPTEMBER 30, 2009**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Solid Waste Disposal</b>	<b>Water and Sewer</b>	<b>Totals</b>
<b>Assets</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 8,619,715	\$ 981,363	\$ 9,601,078
Equity in Pooled Investments	1,381,505	0	1,381,505
Accounts Receivable, Net	137,390	370,003	507,393
Assessments Receivable, Net	63,517	0	63,517
Due from Constitutional Officers	12,392	3,838	16,230
Due from Other Governments	116,397	0	116,397
Prepaid Expenses	128	0	128
<b>Total Current Assets</b>	<b>10,331,044</b>	<b>1,355,204</b>	<b>11,686,248</b>
Noncurrent Assets:			
Cash and Cash Equivalents - Restricted	1,426,829	2,267,029	3,693,858
Equity in Pooled Investments - Restricted	3,712,416	0	3,712,416
Deferred Charges - Bond Issuance Cost	0	616,602	616,602
Capital Assets (Net of Accumulated Depreciation Where Applicable)	1,389,572	14,759,311	16,148,883
<b>Total Noncurrent Assets</b>	<b>6,528,817</b>	<b>17,642,942</b>	<b>24,171,759</b>
<b>Total Assets</b>	<b>16,859,861</b>	<b>18,998,146</b>	<b>35,858,007</b>
<b>Liabilities</b>			
Current Liabilities:			
Accounts Payable	562,010	125,636	687,646
Other Current Liabilities	0	64,954	64,954
Due to Constitutional Officers	0	106	106
Due to Other Funds	34,831	30,358	65,189
Deferred Revenues	1,900	53,240	55,140
Deposits	0	112,302	112,302
Bonds Payable	0	420,000	420,000
Compensated Absences	48,000	50,000	98,000
<b>Total Current Liabilities</b>	<b>646,741</b>	<b>856,596</b>	<b>1,503,337</b>
Noncurrent Liabilities:			
Compensated Absences	18,720	131,774	150,494
Other Postemployment Benefits	11,005	22,010	33,015
Bonds Payable Long-term (Net of Unamortized Discount)	0	16,222,259	16,222,259
Landfill Closure and Postclosure Liability (Payable from Restricted Assets)	22,609,408	0	22,609,408
<b>Total Noncurrent Liabilities</b>	<b>22,639,133</b>	<b>16,376,043</b>	<b>39,015,176</b>
<b>Total Liabilities</b>	<b>23,285,874</b>	<b>17,232,639</b>	<b>40,518,513</b>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	1,389,572	(1,882,948)	(493,376)
Restricted	0	2,154,851	2,154,851
Unrestricted	(7,815,585)	1,493,604	(6,321,981)
<b>Total Net Assets</b>	<b>\$ (6,426,013)</b>	<b>\$ 1,765,507</b>	<b>\$ (4,660,506)</b>

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

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Solid Waste Disposal</b>	<b>Water and Sewer</b>	<b>Totals</b>
<b>Operating Revenues</b>			
Charges for Services	\$ 1,888,077	\$ 2,882,985	\$ 4,771,062
Special Assessments	16,736	0	16,736
Other Income	3,240	33,150	36,390
<b>Total Operating Revenues</b>	<u>1,908,053</u>	<u>2,916,135</u>	<u>4,824,188</u>
<b>Operating Expenses</b>			
Contractual Services	30,161	19,734	49,895
Professional Services	791,850	94,276	886,126
Landfill Closure and Postclosure	651,483	0	651,483
Salaries and Benefits	765,673	718,195	1,483,868
Rentals and Leases	211,881	4,421	216,302
Repairs and Maintenance	98,501	113,123	211,624
Gas and Oil	87,679	18,027	105,706
Materials	189,474	78,079	267,553
Depreciation	506,931	618,552	1,125,483
Other Expenses	126,730	367,695	494,425
<b>(Total Operating Expenses)</b>	<u>3,460,363</u>	<u>2,032,102</u>	<u>5,492,465</u>
<b>Operating (Loss) Income</b>	<u>(1,552,310)</u>	<u>884,033</u>	<u>(668,277)</u>
<b>Nonoperating Revenues (Expenses)</b>			
Interest Earnings	132,346	21,979	154,325
Grant Revenues	277,316	1,830	279,146
Loss on Property, Plant and Equipment Retirement	(431)	0	(431)
Interest and Other Debt Service Costs	0	(825,091)	(825,091)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>409,231</u>	<u>(801,282)</u>	<u>(392,051)</u>
<b>(Loss) Income Before Transfers and Special Items</b>	<u>(1,143,079)</u>	<u>82,751</u>	<u>(1,060,328)</u>
<b>Transfers</b>			
Operating Transfers in	161,317	0	161,317
Operating Transfers (out)	(73,920)	(23,742)	(97,662)
Transfer in from Constitutional Officer	7,793	0	7,793
Transfer (out) to Constitutional Officer	(23,798)	(140,000)	(163,798)
<b>Total Transfers</b>	<u>71,392</u>	<u>(163,742)</u>	<u>(92,350)</u>
<b>Special Items - Landfill Early Closure Costs</b>	<u>(10,765,344)</u>	<u>0</u>	<u>(10,765,344)</u>
<b>Change in Net Assets</b>	<u>(11,837,031)</u>	<u>(80,991)</u>	<u>(11,918,022)</u>
<b>Total Net Assets, Beginning of Year</b>	<u>5,411,018</u>	<u>1,846,498</u>	<u>7,257,516</u>
<b>Total Net Assets, End of Year</b>	<u>\$ (6,426,013)</u>	<u>\$ 1,765,507</u>	<u>\$ (4,660,506)</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 FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Solid Waste Disposal</b>	<b>Water and Sewer</b>	<b>Total</b>
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$ 2,002,445	\$ 2,969,976	\$ 4,972,421
Cash Payments to Vendors for Goods and Services	(1,928,820)	(686,878)	(2,615,698)
Cash Payments to Employees	(758,128)	(633,488)	(1,391,616)
Cash Received from Other Sources	3,240	0	3,240
Cash Received for Deposits	0	(30,083)	(30,083)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>(681,263)</u>	<u>1,619,527</u>	<u>938,264</u>
<b>Noncapital Financing Activities</b>			
Cash Received from Grant Revenues	277,316	1,830	279,146
Transfers from Other Funds	161,317	0	161,317
Transfers from Constitutional Officers	7,793	0	7,793
Transfers to Constitutional Officers	(23,798)	(140,000)	(163,798)
Transfers to Other Funds	(73,920)	(23,742)	(97,662)
<b>Net Cash Provided by (Used in) Noncapital Financing Activities</b>	<u>348,708</u>	<u>(161,912)</u>	<u>186,796</u>
<b>Capital and Related Financing Activities</b>			
Acquisition of Property, Plant, and Equipment	(241,792)	(642,891)	(884,683)
Principal Payments on Bonds	0	(410,000)	(410,000)
Payment of Interest and Other Debt Costs	0	(790,535)	(790,535)
<b>Net Cash Provided by (Used In) Capital and Related Financing Activities</b>	<u>(241,792)</u>	<u>(1,843,426)</u>	<u>(2,085,218)</u>
<b>Investing Activities</b>			
Interest Received	132,346	21,979	154,325
Sales of Investments	11,531,628	0	11,531,628
Purchase of Investments	(3,712,416)	0	(3,712,416)
<b>Net Cash Provided by (Used in) Investing Activities</b>	<u>7,951,558</u>	<u>21,979</u>	<u>7,973,537</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	7,377,211	(363,832)	7,013,379
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>2,669,333</u>	<u>3,612,224</u>	<u>6,281,557</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 10,046,544</u>	<u>\$ 3,248,392</u>	<u>\$ 13,294,936</u>
<b><u>Reported in Statement of Net Assets as</u></b>			
Cash and Cash Equivalents	\$ 8,619,715	\$ 981,363	\$ 9,601,078
Cash and Cash Equivalents - Restricted	1,426,829	2,267,029	3,693,858
<b>Total</b>	<u>\$ 10,046,544</u>	<u>\$ 3,248,392</u>	<u>\$ 13,294,936</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 FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**  
*(Concluded)*

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Solid Waste Disposal</b>	<b>Water and Sewer</b>	<b>Total</b>
<b><u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u></b>			
Operating Income (Loss)	\$ (1,552,310)	\$ 884,033	\$ (668,277)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Depreciation and Amortization	506,931	618,552	1,125,483
Other Postemployment Benefits	11,005	22,010	33,015
Changes in Assets - Decrease (Increase):			
Decrease (Increase) in Accounts Receivable	32,502	(36,270)	(3,768)
Decrease (Increase) in Assessments Receivable	18,454	0	18,454
Decrease (Increase) in Due from Constitutional Officers	9,407	(107)	9,300
Decrease (Increase) in Due from Other Governments	4,965	10,785	15,750
Decrease (Increase) in Prepaid Expense	(110)	750	640
Changes in Liabilities - Increase (Decrease):			
Increase (Decrease) in Accounts Payable	259,048	7,834	266,882
Increase (Decrease) in Due to Other Funds	30,405	26,086	56,491
Increase (Decrease) in Deferred Revenues	1,900	53,240	55,140
Increase (Decrease) in Deposits	0	(30,083)	(30,083)
Increase (Decrease) in Compensated Absences	(3,460)	62,697	59,237
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>\$ (681,263)</b>	<b>\$ 1,619,527</b>	<b>\$ 938,264</b>

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

## **NOTES TO FINANCIAL STATEMENTS**

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

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

The accounting policies of the Nassau County Board of County Commissioners (the Board) conform to accounting principles generally accepted in the United States of America as applied to governmental units. The significant accounting policies followed by the Board are described below to enhance the usefulness of the special purpose 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. The NCHFA had no revenues or expenditures during the fiscal year ended September 30, 2009. 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.

**Basis of Presentation**

These special purpose financial statements are financial statements that have been prepared in conformity with the accounting principles and reporting guidelines established by Governmental Accounting Standards Board (GASB) and accounting practices prescribed by the Auditor General, State of Florida. The basic financial statements for the County as a whole, which includes the funds of the Board, were prepared in conformity with generally accepted accounting principles (GAAP).

**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, liabilities, fund balances, or net assets, 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.

NOTES TO FINANCIAL STATEMENTS  
NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS  
NASSAU COUNTY, FLORIDA  
(Continued)

Note 1 - Summary of Significant Accounting Policies (Continued)

**Fund Accounting (Continued)**

■ **Governmental Funds (Concluded)**

● **Major Governmental Funds (Concluded)**

- ▶ 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 **One-cent Small County Surtax Fund**—is used to account for transactions associated with one-cent funds. Financing is provided by a one-cent sales tax on all transactions occurring in the County that are subject to imposed state tax on sales, use, services, rentals and admissions.
- ▶ The **Impact Fee Ordinance Trust Fund**—is used to account for district expenditures associated with capital expansion. Funding is provided from impact fees on new construction.
- ▶ The **Debt Service – 1998/2009 Gas Tax Bond Fund**—is used to account for the accumulation of resources for and the payment of interest, principal and related cost on the Gas Tax Revenue Bonds Series 1998 and the Gas Tax Revenue Bonds Series 2009. Funding is provided from the County's Constitutional two-cent Gas Tax, the one-cent Motor and Other Fuel Taxes imposed pursuant to Section 206.60, Florida Statutes and the one-cent Optional Gas Tax imposed pursuant to Section 336.021, Florida Statutes.
- ▶ 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.

● **Nonmajor 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.

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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Fund Accounting (Concluded)**

■ **Major Proprietary Funds**

- **The Solid Waste Disposal and the Water and Sewer Enterprise 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 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.

The Solid Waste Disposal Fund accounts for the collection of solid waste services provided to the County on all improved County property. The Water and Sewer Fund accounts for water and wastewater services provided to approximately 3,000 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.

**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 and current liabilities are generally included on the balance sheet. Accordingly, the reported fund balances (assets less liabilities) 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 and liabilities are included on their balance sheets, and the reported net assets (total reported assets less total reported liabilities) 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 assets.

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

The Board consistently applies Financial Accounting Standards Board (FASB) pronouncements issued subsequent to November 30, 1989, for its proprietary funds, except for those that conflict with or contradict GASB pronouncements.

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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Basis of Accounting**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the special purpose 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 30 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 accounting when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences, 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.

**Encumbrance Procedures**

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. These amounts are reported as a reservation of fund balance.

**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.

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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Deposits and Investments**

The Board is allowed to invest in: (1) obligations of the United States or its agencies and instrumentalities; (2) other obligations, the principal of and interest on, which are unconditionally guaranteed or insured by the United States; (3) certificates of deposit issued by state or national banks domiciled in Florida that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor; (4) interest-bearing demand deposits; (5) fully collateralized direct repurchase agreements, secured by obligations described in subdivisions (1) and (2) above, and pledged with third parties selected or approved by the Board; (6) commercial paper; (7) corporate bonds; (8) derivative securities limited to those types authorized in (1) through (7) above; and (9) the Local Government Surplus Funds Trust Fund (the Florida State Board of Administration).

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 2a-7-like 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 assets - 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.

**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. The change in inventories from one period to another is reported as an increase (decrease) in reserve for inventory on the statement of revenues, expenditures, and changes in fund balances - governmental funds.

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.

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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Restricted Assets**

Certain resources in the solid waste disposal and water and sewer enterprise funds are set-aside for payment of the landfill closure, postclosure and monitoring costs, capital reserves, renewal and replacement, and the utility system. These resources are classified as restricted cash and investments on the statement of net assets - proprietary funds because their use is limited. All cash and investments classified as restricted is 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 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 assets 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 special purpose fund financial statements.

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

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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Capital Assets and Long-term Liabilities (Concluded)**

■ **Governmental Funds (Concluded)**

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	2-5 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

The open West Nassau landfill is depreciated based on the usage of the landfill. The closed landfills are fully depreciated.

**Unamortized Bond Issuance Costs**

Bond issuance costs are amortized over the life of the bonds by the straight-line method, which does not result in a material difference from the effective interest method.

**Capitalization of Interest Costs**

When applicable the Board follows the guidelines of FASB Statement Nos. 34 and 62 to determine if interest costs related to construction of capital assets should be capitalized. For fiscal year ended September 30, 2009, no interest was capitalized.

**Deferred Revenue**

Deferred revenues reported in the governmental fund financial statements represent unearned revenues or revenues that are measurable but not available.

**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.

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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Other Postemployment Benefits (OPEB)**

The County implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions*, during the fiscal year ending September 30, 2009. A liability for OPEB has been recorded in the enterprise funds.

**Fund Equity Reservations and Designations**

In the accompanying financial statements, use of the terms “reserved” and “restricted” is limited to indicating that a portion of reported fund equity is legally restricted to a specific future use more narrow than the fund designation or is not available for appropriation of expenditure.

“Designated” portions of fund equity represent management’s tentative spending plan. Such designations should clearly be distinguished from reserves, since managerial plans are subject to change and may never be legally authorized or result in actual expenditures.

**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, 2009, the Board levied 5.5670 mills. An additional 1.6694 mills was levied for the benefit of the Nassau County Municipal Services Taxing Unit.

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

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

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

**Note 1 - Summary of Significant Accounting Policies (Concluded)**

**Property Taxes (Concluded)**

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 \$25,652,549 and the bank balances were \$27,619,510. 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 50% of the average daily balance of all public deposits in excess of any federal deposit insurance. In addition, to the extent that total public deposits exceed the total amount of the regulatory capital accounts of a bank or the regulatory net worth of a savings association, the required collateral shall have a market value equal to 125% of the deposits. 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.

**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.

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

**Note 2 - Cash and Investments (Continued)**

**Investments (Continued)**

During 2008, the Florida State Board of Administration (SBA), who provides oversight for the Local Government Surplus Trust Fund (now Florida PRIME), reported that the fund was exposed to potential risks due to indirect exposure in the subprime mortgage financial market. Consequently, the SBA placed restrictions on how participants could access portions of their surplus funds and ultimately restructured the pool into two separate pools (Florida PRIME and Fund B). During the fiscal year ended September 30, 2009, the Board divested its holdings in the State Pool Florida Prime. As of September 30, 2009, the Board has \$1,134,632 remaining in Fund B. The Board's investment in Fund B is reported at estimated fair value, determined by the estimated fair value per share of the pool's underlying portfolio.

The SBA is governed by Chapter 19-7 of the Florida Administrative Code, which identifies the rules of the SBA. These rules provide guidance and establish the general operating procedures for the administration of the pool. The powers and duties of the SBA are also defined in Florida Statute 218.40. Additionally, the office of the Auditor General performs an operational audit of the activities and investments of the SBA.

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 Board's investments conform to the provisions of Florida Statutes, Section 218.415. 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 weighted average life (WAL) of the County's investment in the SBA Fund B at September 30, 2009, was 6.69 years. A portfolio's WAL is the dollar weighted average length of time until securities held reach maturity. However, because Fund B consists of restructured or defaulted securities there is considerable uncertainty regarding the weighted average life. The certificates of deposit have an average maturity of less than one year.
- *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. Fund B is not rated by a nationally recognized statistical rating agency and 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 (FAC.), the Board has established escrow accounts to provide proof of financial responsibility for the postclosure costs associated with the Old West Nassau, the Bryceville, and the Lofton Creek Landfills. In addition, an escrow account was established for the closure and postclosure costs associated with the New West Nassau Landfill. Furthermore, the Board has established an escrow account for financial responsibility for corrective actions for the West Nassau Landfill vertical expansion. The amounts in these escrow accounts are determined by engineering studies as required by the above rule, and are cash and cash equivalents-restricted.

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

**Note 2 - Cash and Investments (Concluded)**

**Investments (Concluded)**

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

<u>Description</u>	<u>Fair Value</u>
Cash and Cash Equivalents	\$ 25,654,163
Certificates of Deposit	37,185,245
SBA Local Government Surplus Funds Trust- Fund B	1,134,632
Money Market Accounts	19,059,662
<b>Total Cash and Investments</b>	<b><u>\$ 83,033,702</u></b>

Reported in accompanying financial statements as follows:

<u>Account</u>	<u>Reported Amount</u>
Cash and Cash Equivalents - Governmental Activities	\$ 12,359,227
Cash and Cash Equivalents - Business-type Activities	9,601,078
Equity in Pooled Investments - Governmental Activities	52,285,618
Equity in Pooled Investments - Business-type Activities	1,381,505
Restricted Cash and Cash Equivalents - Business-type Activities	3,693,858
Restricted Equity in Pooled Investments - Business-type Activities	3,712,416
<b>Total Cash and Investments</b>	<b><u>\$ 83,033,702</u></b>

**Note 3 - Accounts Receivable**

Accounts receivable (net of allowances for uncollectibles) at September 30, 2009, included the following:

	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>
<b>Governmental Funds</b>			
General Fund	\$ 2,764,673	\$ (2,104,710)	\$ 659,963
County Transportation	32,273	0	32,273
Municipal Services	7,149	0	7,149
One-cent County Surtax	778	0	778
Impact Fee Ordinance	1,543	0	1,543
1998/2009 Gas Tax	92	0	92
Capital Projects - Transportation	1,072	0	1,072
Nonmajor Governmental Funds	5,000	0	5,000
<b>Total Governmental Funds</b>	<b><u>\$ 2,812,580</u></b>	<b><u>\$ (2,104,710)</u></b>	<b><u>\$ 707,870</u></b>
<b>Business-type Funds</b>			
Solid Waste Disposal	\$ 137,390	\$ 0	\$ 137,390
Water	370,003	0	370,003
<b>Total Business-type Funds</b>	<b><u>\$ 507,393</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 507,393</u></b>

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

**Note 4 - Assessments Receivable**

Assessments receivable (net of allowances for uncollectibles) at September 30, 2009, included the following:

	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>
<b>Business-type Funds</b>			
Solid Waste Disposal	\$ 842,392	\$ (778,875)	\$ 63,517
<b>Total Business-type Funds</b>	<u>\$ 842,392</u>	<u>\$ (778,875)</u>	<u>\$ 63,517</u>

**Note 5 - Restricted Assets**

Restricted assets in the proprietary funds at September 30, 2009, represent monies required to be restricted for debt service and construction under terms of outstanding bond agreements and impact fees restricted to water and sewer system uses. Assets are also restricted in accordance with ordinances and Florida Statutes. Restricted assets for the proprietary funds at September 30, 2009, were restricted for the following purposes:

Customer Deposits	\$ 112,178
Landfill Closure Costs	4,933,680
Landfill Postclosure Costs	205,565
Renewal and Replacement (Water/Sewer)	620,634
Impact Fees	1,434,263
Debt Service	<u>99,954</u>
<b>Total</b>	<u>\$ 7,406,274</u>

Reported in accompanying financial statements as follows:

<u>Account</u>	<u>Reported Amount</u>
Restricted Cash and Cash Equivalents - Business-type Activities	\$ 3,693,858
Restricted Equity in Pooled Investments - Business-type Activities	<u>3,712,416</u>
<b>Total Restricted Assets</b>	<u>\$ 7,406,274</u>

**Note 6 - 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 assets.

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

**Note 6 - Capital Assets (Continued)**

Capital asset activity for the year ended September 30, 2009, was as follows:

	<u>Balance</u> <u>10/1/08</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Balance</u> <u>9/30/09</u>
<b>Governmental Activities</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 75,106,936	\$ 0	\$ (3,600)	\$ 75,103,336
Construction Work in Progress	<u>4,325,864</u>	<u>963,974</u>	<u>(3,425,183)</u>	<u>1,864,655</u>
Total Capital Assets Not Being Depreciated	<u>79,432,800</u>	<u>963,974</u>	<u>(3,428,783)</u>	<u>76,967,991</u>
Capital Assets Being Depreciated:				
Building and Improvements	53,175,143	2,886,173	(60,274)	56,001,042
Machinery and Equipment	20,758,225	2,212,067	(372,381)	22,597,911
Leasehold Improvements	111,469	1,040,516	0	1,151,985
Infrastructure	<u>584,978,084</u>	<u>12,337,484</u>	<u>0</u>	<u>597,315,568</u>
Total Capital Assets Being Depreciated	<u>659,022,921</u>	<u>18,476,240</u>	<u>(432,655)</u>	<u>677,066,506</u>
Less Accumulated Depreciation:				
Buildings and Improvements	12,515,374	1,434,812	(39,554)	13,910,632
Machinery and Equipment	14,978,345	1,915,919	(369,580)	16,524,684
Leasehold Improvements	64,114	12,014	0	76,128
Infrastructure	<u>195,230,190</u>	<u>15,293,295</u>	<u>0</u>	<u>210,523,485</u>
Total Accumulated Depreciation	<u>222,788,023</u>	<u>18,656,040</u>	<u>(409,134)</u>	<u>241,034,929</u>
Total Capital Assets Being Depreciated, Net	<u>436,234,898</u>	<u>(179,800)</u>	<u>(23,521)</u>	<u>436,031,577</u>
<b>Total Governmental Activities Capital Assets, Net</b>	<u>\$ 515,667,698</u>	<u>\$ 784,174</u>	<u>\$ (3,452,304)</u>	<u>\$ 512,999,568</u>
<b>Business-type Activities</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 808,434	\$ 0	\$ 0	\$ 808,434
Construction Work in Progress	<u>0</u>	<u>251,498</u>	<u>0</u>	<u>251,498</u>
Total Capital Assets Not Being Depreciated	<u>808,434</u>	<u>251,498</u>	<u>0</u>	<u>1,059,932</u>
Capital Assets, Being Depreciated:				
Building and Improvements	836,683	0	(572)	836,111
Equipment	20,416,709	830,243	(19,463)	21,227,489
Landfill	<u>41,667,323</u>	<u>33,962</u>	<u>0</u>	<u>41,701,285</u>
Total Capital Assets Being Depreciated	<u>62,920,715</u>	<u>864,205</u>	<u>(20,035)</u>	<u>63,764,885</u>
Less Accumulated Depreciation:				
Building and Improvements	130,173	21,755	(572)	151,356
Equipment	6,154,821	687,504	(19,032)	6,823,293
Landfill	<u>35,800,756</u>	<u>5,900,529</u>	<u>0</u>	<u>41,701,285</u>
Total Accumulated Depreciation	<u>42,085,750</u>	<u>6,609,788</u>	<u>(19,604)</u>	<u>48,675,934</u>
Total Capital Assets, Being Depreciated, Net	<u>20,834,965</u>	<u>(5,745,583)</u>	<u>(431)</u>	<u>15,088,951</u>
<b>Total Business-type Activities Capital Assets, Net</b>	<u>\$ 21,643,399</u>	<u>\$ (5,494,085)</u>	<u>\$ (431)</u>	<u>\$ 16,148,883</u>

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

**Note 6 - Capital Assets (Concluded)**

Included in increases of accumulated depreciation of the Business-type activities schedule above, is a loss on the impairment of the landfill assets of \$5,484,304. This loss resulted from the Board's decision to close the West Nassau Landfill early.

**Note 7 - Interfund Activity**

Interfund balances at September 30, 2009, consisted of the following:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Total</u>
General	County Transportation	\$ 215,201
	Municipal Service	289,286
	Nonmajor	160,523
	Solid Waste Disposal	34,831
	Water and Sewer	<u>30,358</u>
<b>Total</b>		<u>\$ 730,199</u>

The purpose for each of these interfund receivables and payables is to provide temporary loans for cash flow needs, primarily associated with reimbursable grant programs. In addition, to the interfund balances, there were also \$10,674 due to the Constitutional Officers and \$2,078,945 due from the Constitutional Officers.

Interfund transfers:

<u>Transfers Out</u>	<u>Transfers In</u>							<u>Totals</u>
	<u>General</u>	<u>Municipal Services</u>	<u>One-cent</u>	<u>Impact Fee</u>	<u>Capital Projects Transportation</u>	<u>Nonmajor Govern-mental</u>	<u>Solid Waste</u>	
General	\$ 0	\$ 0	\$ 0	\$ 1,315	\$ 0	\$ 4,632,106	\$ 161,317	\$ 4,794,738
County Transportation	0	0	0	0	1,673,761	4,217	0	1,677,978
Municipal	85,470	0	0	0	0	811,763	0	897,233
One-cent County	0	0	0	0	5,278,715	832,500	0	6,111,215
NC Impact Fees	0	0	82,659	0	0	585,446	0	668,105
Nonmajor Govern-mental	377,641	1,073	0	1,315	260,219	183,548	0	823,796
Solid Waste	73,920	0	0	0	0	0	0	73,920
Water and Sewer	<u>23,742</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>23,742</u>
<b>Total</b>	<u>\$ 560,773</u>	<u>\$ 1,073</u>	<u>\$ 82,659</u>	<u>\$ 2,630</u>	<u>\$ 7,212,695</u>	<u>\$ 7,049,580</u>	<u>\$ 161,317</u>	<u>\$ 15,070,727</u>

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

**Note 7 - Interfund Activity (Concluded)**

In addition to the interfund transfers, there were transfers out to the Constitutional Officers of \$23,498,141 and transfers in from the Constitutional Officers of \$1,949,787.

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 8 - Operating Leases**

■ **Governmental Funds**

The Board is party to five operating leases during the period ended September 30, 2009, as follows:

- *Public Library Building*—the Board signed a five-year second amendment to the lease with Cal Plaza Holding Association, LTD, commencing June 1, 2005. Operating lease payments for the year ended September 30, 2009, were \$44,224.
- *Tower Site (14<sup>th</sup> Street)*—the Board entered into a five-year lease with Pinnacle Towers, LLC, commencing April 24, 2006. Operating lease payments for the year ended September 30, 2009, were \$23,912.
- *Two Tower Sites (Hilliard and Dahoma)*—the Board entered into two one-year leases (with renewal terms of four additional periods of one year each) with Tower Asset Sub, LLC, commencing April 24, 2006. Operating lease payments for the year ended September 30, 2009, were \$29,712.
- *EMS/ALS Vehicle Housing*—the Board entered into a three-year lease with the Town of Callahan, effective October 1, 2008. Operating lease payments for the year ended September 30, 2009, were \$16,200.

Future minimum lease payments under these leases follow:

<u>Year Ending September 30</u>	<u>Public Library Building</u>	<u>Tower Lease Sites</u>	<u>EMS/ALS Vehicle Housing</u>	<u>Total</u>
2010	\$ 32,865	\$ 54,604	\$ 19,200	\$ 106,669
2011	0	30,652	21,600	52,252
<b>Total</b>	<u>\$ 32,865</u>	<u>\$ 85,256</u>	<u>\$ 40,800</u>	<u>\$ 158,921</u>

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

**Note 9 - Long-term Obligations**

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

The following is a summary of changes in long-term obligations for the year ended September 30, 2009:

	<u>Balance</u> <u>10/1/08</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>9/30/09</u>	<u>Due Within</u> <u>One Year</u>
<b>Governmental Activities</b>					
Bonds Payable	\$ 51,515,151	\$ 9,370,774	\$ (11,060,000)	\$ 49,825,925	\$ 3,103,785
Premium on Bonds Payable	1,707,710	0	(74,248)	1,633,462	74,248
Special Assessment Debt	<u>2,737,566</u>	<u>0</u>	<u>(409,619)</u>	<u>2,327,947</u>	<u>427,233</u>
Total Bonds and Notes Payable	55,960,427	9,370,774	(11,543,867)	53,787,334	3,605,266
Capital Lease Payable	101,667	0	(101,667)	0	0
Claims Payable	122,957	0	(44,245)	78,712	43,361
Compensated Absences	4,770,139	2,442,622	(1,582,434)	5,630,327	1,590,000
Other Postemployment Benefits	<u>0</u>	<u>1,044,947</u>	<u>(309,824)</u>	<u>735,123</u>	<u>0</u>
<b>Total Governmental Activities Long-term Liabilities</b>	<u>\$ 60,955,190</u>	<u>\$ 12,858,343</u>	<u>\$ (13,582,037)</u>	<u>\$ 60,231,496</u>	<u>\$ 5,238,627</u>
<b>Business-type Activities</b>					
Bonds Payable	\$ 17,265,000	\$ 0	\$ (410,000)	\$ 16,855,000	\$ 420,000
Unamortized Discount	(221,605)	0	8,864	(212,741)	8,864
Compensated Absences	189,257	125,754	(66,517)	248,494	98,000
Other Postemployment Benefits	0	46,929	(13,914)	33,015	0
Landfill Closure/Postclosures	<u>17,093,510</u>	<u>6,002,832</u>	<u>(486,934)</u>	<u>22,609,408</u>	<u>0</u>
<b>Total Business-type Activities Long-term Liabilities</b>	<u>\$ 34,326,162</u>	<u>\$ 6,175,515</u>	<u>\$ (968,501)</u>	<u>\$ 39,533,176</u>	<u>\$ 526,864</u>

**Governmental Activities**

A brief synopsis of long-term debt existing at September 30, 2009, follows:

**2001 Optional Gas Tax Revenue Refunding Bonds**

The Board, in December 2001, issued the 2001 Optional Gas Tax Revenue Refunding Bonds in the amount of \$5,630,000. The purposes of the Series 2001 bonds are to provide funds for financing the costs of: (1) refunding the County's outstanding Optional Gas Tax Revenue Refunding Bond, Series 1992 (the refunded bonds); and (2) paying certain costs related to the issuance and sale of the Series 2001 bonds, including the premium for a municipal bond insurance policy.

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

**Note 9 - Long-term Obligations (Continued)**

**Governmental Activities (Continued)**

**2001 Optional Gas Tax Revenue Refunding Bonds (Concluded)**

The 2001 Optional Gas Tax Revenue Refunding Bonds, (serial bonds) were secured by a prior lien upon and pledge of revenues received by the Board from the six-cent optional gas taxes upon motor and other fuels in the County pursuant to a related bond resolution. Annual principal and interest on the bonds were expected to require approximately 52% of such tax revenue and were payable through 2009. Principal and interest payments for the current year totaled \$902,700 and optional gas tax revenues totaled \$1,816,472.

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 rates between 2.0% and 4.0% per annum, are dated December 1, 2001, and are in denominations of \$5,000 each. A portion of such bonds mature annually with the final maturity date being March 1, 2009.

**2009 Gas Tax Revenue Bonds**

Advance Refunding - The Board, in May 2009, issued the Gas Tax Revenue Bonds, Series 2009 in the amount of \$8,842,307. The Series 2009 Bonds were issued to provide funds sufficient, together with other available moneys of the Issuer, to refund the outstanding Nassau County, Florida Gas Tax Revenue Bonds, Series 1998, other than the Series 1998 Bonds maturing October 1, 2009 and pay certain costs and expenses related to issuance of the Series 2009 Bonds.

Proceeds from the advance refunding were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on the Florida Gas Tax Revenue Bonds, Series 1998. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets in the County-wide report. This advance refunding was undertaken to reduce total debt service payments over the next 9 years by \$413,113 and resulted in an economic gain of \$290,859.

The 2009 Gas Tax Revenue Bonds, Series 2009, are secured by a lien upon and pledge of the proceeds of the constitutional, County and ninth-cent gas taxes. Annual principal and interest on the bonds are expected to require approximately 6% of such tax revenue and are payable through 2018. Interest payments for the current year totaled \$112,386 and gas tax revenues totaled \$1,961,493. At year-end, pledged future revenues totaled \$10,566,742, 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 rates at 3.720% per annum, are dated May 28, 2009, and are in denominations of \$5,000 each. A portion of such bonds mature annually with the final maturity date being October 1, 2018.

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

**Note 9 - Long-term Obligations (Continued)**

**Governmental Activities (Continued)**

**2009 Gas Tax Revenue Bonds (Concluded)**

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

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 843,158	\$ 328,934	\$ 1,172,092
2011	878,413	297,568	1,175,981
2012	907,315	264,891	1,172,206
2013	944,787	231,139	1,175,926
2014	980,814	195,993	1,176,807
2015-2018	4,287,820	405,910	4,693,730
<b>Total</b>	<u>\$ 8,842,307</u>	<u>\$ 1,724,435</u>	<u>\$ 10,566,742</u>

**2001 Public Improvement Revenue Bonds**

The Board, in May 2001, issued the Public Improvement Revenue Bond, Series 2001, of Nassau County, Florida in the amount of \$35,610,000. The proceeds of the bond issue are being used to retire certain outstanding debts of the County, finance the acquisition and construction of certain capital improvements, and pay certain costs and expenses related to issuance of the Series 2001 bonds.

The Series 2001 bonds are special obligations of the County payable solely from amounts budgeted and appropriated by the County from non ad valorem tax funds in accordance with the terms of the Resolution. Annual principal and interest on the bonds are expected to require approximately 15% of such tax revenue and are payable through 2011. Principal and interest payments for the current year totaled \$847,391 and tax revenues totaled \$5,240,096. At year-end, pledged future revenues totaled \$1,691,806, which was the amount of remaining principal and interest on the bonds. Such appropriations shall be in amounts sufficient to pay principal and interest on the Series 2001 bonds when due and make all required deposits to the rebate fund.

The Series 2001 bonds bearing interest rates between 3.50% and 5.75% per annum are dated May 1, 2001, and are in denominations of \$5,000 each. A portion of such bonds mature annually starting May 2002 through May 2011 and May 2014 through 2019. There are term maturities in May of 2013, 2021, 2025, and 2031. Interest payments are made on November 1 and May 1 of each year and principal payments are made annually on May 1 of each year.

The Board, in June 2007, advanced refunded \$28,840,000 in aggregate principal amount of the Series 2001 maturing in years 2013 through 2031. Those amounts maturing in years 2008 through 2011 were noncallable and were therefore not subject to the refunding. Future principal and interest payments for this bond issue are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 775,000	\$ 70,356	\$ 845,356
2011	810,000	36,450	846,450
<b>Total</b>	<u>\$ 1,585,000</u>	<u>\$ 106,806</u>	<u>\$ 1,691,806</u>

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

**Note 9 - Long-term Obligations (Continued)**

**Governmental Activities (Continued)**

**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, 2009 totaled \$3,886,037.

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, on a parity with the County's \$5,630,000 principal amount of Optional Gas Tax Revenue Refunding Bond, Series 2001. 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 5.0% and 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.

This bond was issued on parity with the 1992 Local Option Gas Tax Bond issue therefore, since the last payment for the 1992 bond is March 1, 2009, the 2000 bond principal and interest payments do not start until March 1, 2010.

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

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 592,014	\$ 352,986	\$ 945,000
2011	557,758	387,242	945,000
2012	524,466	420,534	945,000
2013	492,203	452,797	945,000
2014	461,037	483,963	945,000
2015-2019	1,908,399	2,816,601	4,725,000
2020-2024	1,399,006	3,325,994	4,725,000
2025	<u>232,697</u>	<u>712,303</u>	<u>945,000</u>
<b>Total</b>	<u>\$ 6,167,580</u>	<u>\$ 8,952,420</u>	<u>\$ 15,120,000</u>

**2007 Public Improvement Revenue and Refunding Bonds**

The Board, in June 2007, issued the Public Improvement Revenue and Refunding Bonds, Series 2007, in the amount of \$29,630,000. The purposes of the Series 2007 bonds are to: (1) acquire and construct certain public improvements; (2) partially advance refund 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.

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

**Note 9 - Long-term Obligations (Continued)**

**Governmental Activities (Continued)**

**2007 Public Improvement Revenue and Refunding Bonds (Concluded)**

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 funds in accordance with the terms of the Resolution. Annual principal and interest on the bonds are expected to require approximately 26% of such tax revenue and are payable through 2031. Principal and interest payments for the current year totaled \$1,470,838 and tax revenues totaled \$5,240,096. At year-end, pledged future revenues totaled \$49,473,125, 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 3.75% and 5.0% per annum, are dated June 12, 2007, and are in denominations of \$5,000 each. A portion of such bonds mature annually beginning May 2008, with term maturities in May of 2023, 2025, 2027, and 2031.

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

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 70,000	\$ 1,403,400	\$ 1,473,400
2011	70,000	1,400,775	1,470,775
2012	920,000	1,398,150	2,318,150
2013	960,000	1,361,350	2,321,350
2014	1,065,000	1,322,950	2,387,950
2015-2019	5,665,000	5,954,250	11,619,250
2020-2024	7,155,000	4,468,250	11,623,250
2025-2029	9,120,000	2,492,250	11,612,250
2030-2031	4,320,000	326,750	4,646,750
<b>Total</b>	<u>\$ 29,345,000</u>	<u>\$ 20,128,125</u>	<u>\$ 49,473,125</u>

Special Assessment Debt—payable at September 30, 2009, totaled \$ 2,327,946. These funds consist of one bond.

- Special Assessment Debt, Series 2004—in order to facilitate the construction of a 3.5 mile roadway through the Amelia Concourse Assessment Area, the Board authorized a \$6,487,372, Nassau County, Florida, Special Assessment Bond Series 2004. The bonds are collateralized by pledged funds from a special assessment upon property within said improvement area. Annual principal and interest on the bonds are expected to require approximately 87% of such assessment revenue and are payable through 2014. Principal and interest payments for the current year totaled \$527,263 and assessment revenues totaled \$510,004. At year-end, pledged future revenues totaled \$2,636,675, which was the amount of remaining principal and interest on the bonds.

The bonds bear interest at a rate of 4.30% per annum and are dated May 25, 2004. Such bonds are payable annually on October 1st of each year through and including October 1, 2014.

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

**Note 9 - Long-term Obligations (Continued)**

**Governmental Activities (Concluded)**

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

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 427,233	\$ 100,102	\$ 527,335
2011	445,604	81,731	527,335
2012	464,765	62,570	527,335
2013	484,750	42,585	527,335
2014	505,594	21,741	527,335
<b>Total</b>	<u>\$ 2,327,946</u>	<u>\$ 308,729</u>	<u>\$ 2,636,675</u>

Compensated Absences—are not recorded on the accompanying governmental fund financial statements; however, it will be recorded on the County-wide financial statements. Following is a summary of annual, sick, bonus and compensatory leave benefits liabilities at September 30, 2009:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Vacation Leave	\$ 2,170,829	\$ 1,448,050	\$ (1,222,942)	\$ 2,395,937
Sick Leave	2,548,902	928,068	(278,714)	3,198,256
Bonus Leave	42,988	58,293	(72,417)	28,864
Compensatory Leave	7,420	8,211	(8,361)	7,270
<b>Total</b>	<u>\$ 4,770,139</u>	<u>\$ 2,442,622</u>	<u>\$ (1,582,434)</u>	<u>\$ 5,630,327</u>

**Defeased Bonds**

The Board has outstanding bonds that have been defeased by the purchase of qualifying governmental securities in irrevocable trusts. The scheduled maturities and interest earnings on the escrowed securities are sufficient to redeem the defeased bonds without further debt service costs to the Board. Both the defeased bonds and the escrowed securities are, as required by generally accepted accounting principles, omitted from the financial statements of the Board.

The following bonds have been defeased by the Board and are no longer included in the accompanying financial statements:

	<u>Balance 09/30/09</u>
1998 Gas Tax Revenue Bonds, Series 1998	\$ 8,610,000
Public Improvement Revenue Bonds, Series 2001	\$ 28,840,000

**Business-type Activities**

On September 22, 2003, the Board issued \$19,160,000 Variable Rate Water and Sewer System Revenue Bonds with an interest rate that ranges from 2.000% to 4.250%. The net proceeds of \$18,756,550 were used to refund \$17,675,005 in principal amount of the Board's outstanding Revenue Note, Series 2000, to reimburse the Board for certain capital costs relating to the acquisition of the System, to fund the Renewal and Replacement Fund established pursuant to the Bond Ordinance, and to pay the issuance costs of the Series 2003 bonds.

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

**Note 9 - Long-term Obligations (Concluded)**

**Business-type Activities (Concluded)**

The revenue bonds are secured by a pledge of and are 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 bonds are expected to require approximately 69% of such revenue and are payable through 2033. Principal and interest payments for the current year totaled \$1,200,725 and revenues totaled \$1,364,357. At year-end, pledged future revenues totaled \$28,792,831, which was the amount of remaining principal and interest on the bonds. The Series 2003 bonds shall not be or constitute general obligations 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 110% of the bond service requirements for that year. In addition, the rate covenant requires the Board to establish and collect fees from users of the System and impact fees sufficient to pay the costs of operation and maintenance of the System plus 125% of the bond service requirements for that year. The Board did not meet the 125% requirement and, therefore, is not in compliance with the rate covenant at year-end.

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

<u>Year Ending</u> <u>September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 420,000	\$ 779,450	\$ 1,199,450
2011	435,000	766,325	1,201,325
2012	450,000	751,644	1,201,644
2013	465,000	735,331	1,200,331
2014	480,000	717,894	1,197,894
2015-2019	2,715,000	3,285,506	6,000,506
2020-2024	3,385,000	2,614,294	5,999,294
2025-2029	4,265,000	1,730,556	5,995,556
2030-2033	4,240,000	556,831	4,796,831
<b>Total</b>	<u>\$ 16,855,000</u>	<u>\$ 11,937,831</u>	<u>\$ 28,792,831</u>

Compensated Absences—Following is a summary of annual, sick and bonus leave benefits liabilities at September 30, 2009, for the proprietary funds:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u> <u>Balance</u>
Vacation Leave	\$ 74,943	\$ 73,646	\$ (58,552)	\$ 90,037
Sick Leave	111,417	43,292	(595)	154,114
Bonus Leave	2,897	8,816	(7,370)	4,343
<b>Total</b>	<u>\$ 189,257</u>	<u>\$ 125,754</u>	<u>\$ (66,517)</u>	<u>\$ 248,494</u>

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

**Note 10 - Bond Arbitrage Rebate**

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

- \$29,630,000 Nassau County, Florida, Public Improvement Revenue and Refunding, Series 2007.
- \$19,160,000 Nassau County, Florida, Water and Sewer System Revenue Bonds, Series 2003.
- \$6,487,372 Nassau County, Florida, Special Assessment Bond, Series 2004.

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

**Note 11 - Landfill Closure and Postclosure Care Costs**

State and federal laws require the Board to fund landfill closure costs when a landfill site stops accepting waste and to perform certain maintenance and monitoring functions at the landfill site 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. Effective October 1, 2009, the Board stopped accepting waste at the West Nassau Active Landfill.

Three of the closed landfills, actual postclosure care cost incurred for each year is reported as a reduction of the liability, along with the change in required escrow balance until the required twenty-year postclosure care period is satisfied. The fourth closed landfill, actual postclosure care cost incurred for each year is reported as a reduction of the liability, along with the change in required escrow balance until the required thirty-year postclosure care period is satisfied.

The Board has accrued \$ 13,405,115 for three of the closed landfills (before October 9, 1993) for postclosure care cost at September 30, 2009. The liability is based on engineering estimates of annual postclosure care cost. The Board has accrued \$ 9,204,293 for the one closed landfill (after October 9, 1993). This liability is based on engineering estimates as part of the closure permit.

As a result of the early closure of the West Nassau Active Landfill, a Special Item was recorded in the statement of revenues, expenses and changes in net assets of the Solid Waste Disposal fund totaling \$10,765,344. The components of this Special Item include:

Increase to Closure Liability	\$ 3,148,464
Increase to Postclosure Liability	2,132,576
Asset Depreciation Acceleration	<u>5,484,304</u>
<b>Total Special Item</b>	<b><u>\$ 10,765,344</u></b>

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

**Note 11 - Landfill Closure and Postclosure Care Costs (Concluded)**

These closure and postclosure care costs are based on estimates of what it would cost to perform all closure and postclosure care using 2009 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 \$5,139,245). At September 30, 2009, the escrow balances are as follows:

	<b>Total</b>
<b>Landfills</b>	
Old West Nassau Postclosure	\$ 116,580
Bryceville Postclosure	48,907
Lofton Creek Postclosure	100,769
New West Nassau Closure	7,608,022
<b>Total Escrow Balances</b>	<b>\$ 7,874,279</b>

Due to the early closing of the New West Nassau Landfill at September 30, 2009, the Board anticipates the next landfill engineering report to reflect a larger cash restriction.

**Note 12 - Retirement Plans**

The Board participates in the Florida Retirement System (the System) administered by the State of Florida Division of Retirement. Such a retirement system is a cost-sharing multiple-employer public employee retirement system established to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes, establishes the authority for participant eligibility, contribution requirements, vesting eligibility, and benefit provisions and amendments. The System issues a publicly available financial report that includes financial statements and required supplementary information for the plan. The report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or by calling (850) 488-5706.

The System provides for vesting of benefits after six years of creditable service. Normal retirement is after thirty years of service for full benefits. Normal retirement is also available for members who have ten years of service and attained the age of sixty-two. Early retirement may be taken after completing ten years of service with a 5% benefit reduction for each year prior to normal retirement. Generally, membership is compulsory for all full-time and part-time employees, except for elected Officials who may elect not to participate in the System. Retirement coverage is employee noncontributory.

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

**Note 12 - Retirement Plans (Concluded)**

The funding methods and determination of benefits payable are provided in various Acts of the State Legislature. These Acts provide that employers make required contributions actuarially determined at the following rates:

	<b>As of September 30, 2009</b>
Regular Employees	9.85%
Senior Management Service	13.12%
Elected County Officials	16.53%
Deferred Retirement Option Program	10.91%

The Board's contributions to the System for the years ended September 30, 2009, 2008, and 2007 were \$2,454,624, \$2,316,063, and \$2,258,467, respectively, equal to the required contributions for each year.

**Note 13 - Deferred Compensation Plan**

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

Pursuant to GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code, Section 457, Deferred Compensation Plans*, the Board has contracted with a third party for the establishment of custodial accounts to administer these funds for the exclusive benefit of participants and their beneficiaries. The Board has no administrative involvement, and does not perform the investing function for this plan.

**Note 14 - Other Postemployment Benefits**

The Board implemented GASB Statement No. 45, *Accounting and Reporting for Post Employment Benefits other than Pensions*, during the fiscal year ending September 30, 2009. 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 65 that retire under the terms and conditions of the System as follows:

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

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

**Note 14 - Other Postemployment Benefits (Concluded)**

Currently, there are 305 active employees and 44 retired employees participating in the plan. The Board's OPEB obligation for the year totaled \$768,138, of which \$33,015 has been recorded in the Proprietary funds. The remainder has been included in long-term debt of the County as a whole. Details of the annual cost, the accrued obligation, and the other required disclosures can be found in the County-wide annual financial report.

**Note 15 - Unrestricted Net Assets**

In accordance with GASB Statement No. 18, the County has accrued estimated closure and postclosure costs of its landfills as capacity is used. These liabilities are not required to be fully funded until later dates. As a result, the Solid Waste Disposal Fund has accumulated negative unrestricted net assets at September 30, 2009, as follows:

Prior Year Total Net Assets	\$ 5,411,018
Change in Net Assets for the Year Ended September 30, 2009	<u>(11,837,031)</u>
Total Net Assets for the Year Ended September 30, 2009	(6,426,013)
Invested in Capital Assets, Net of Related Debt	(1,389,572)
Restricted Net Assets	<u>0</u>
<b>Total Unrestricted Net Assets</b>	<b><u>\$ (7,815,585)</u></b>

**Note 16 - Risk Management**

The Board is exposed to various risks of loss related to theft of, damage to and destruction of assets; accidental death and dismemberment and injury on the job to employees. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial or workers' compensation insurance coverage for the past three years.

The Board is also exposed to various risks of loss related to general medical and civil liability, and errors and omissions. For these insurance coverages, the Board joined the Florida Association of Counties Trust (the Trust), a public entity risk pool currently operating as a common risk management and insurance program for twenty-one member counties. The financial liability of the Board is limited to premiums and surplus contributions paid to the Trust. The premiums are paid from various funds based on coverage required.

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

**Note 17 - Commitments and Contingencies**

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

The Board had several outstanding projects as of September 30, 2009. These projects are evidenced by contractual commitments with contractors and include:

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

**Note 17 - Commitments and Contingencies (Concluded)**

<u>Project</u>	<u>Source of Payment</u>	<u>Paid to Date</u>	<u>Commitment Remaining</u>
American Beach			
Historic Park	State Grant/Current Available Sources	\$ 316,250	\$ 491,851
Old Dixie Highway	State Grant/Current Available Sources	2,017,844	671,045
CR 108 Milling & Resurfing	State Grant/Current Available Sources	2,815,165	65,949
Detention Center			
Showers	Current Available Sources	0	360,446
Emergency Op Center	Bonds/Current Available Resources	2,327,975	13,290
Fire Suppression System	Current Available Resources	0	144,780
Gene Lasserre/AIA			
West Nassau	Current Available Resources	256,703	88,096
Convenience Center	Current Available Resources	97,883	144,144
Chester Road			
Feasibility Study	Current Available Resources	<u>28,783</u>	<u>95,659</u>
<b>Total</b>		<u>\$ 7,860,603</u>	<u>\$ 2,075,260</u>

**Note 18 - Conduit Debt Obligations**

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

As of September 30, 2009, there were two series of such bonds outstanding, with an aggregate principal amount payable of \$ 34,260,000. The issue amount and the September 30, 2009, outstanding balance is as follows:

<u>Original Issuance</u>	<u>Year</u>	<u>9/30/09 Balance</u>	<u>Description</u>
\$ 23,110,000	2002	\$ 23,110,000	Rayonier-Pollution Control Refunding
<u>11,150,000</u>	2008	<u>11,150,000</u>	AICC, Inc. and Nassau Care Centers - 70 Bed Care Intermediate Care and Day Program Service Facilities
<u>\$ 34,260,000</u>		<u>\$ 34,260,000</u>	

**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, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 36,560,471	\$ 36,560,471	\$ 36,758,911	\$ 198,440
Licenses and Permits	5,000	5,000	6,890	1,890
Intergovernmental Revenues	5,060,938	6,184,827	5,312,504	(872,323)
Charges for Services	2,428,816	2,092,249	2,094,311	2,062
Fines and Forfeitures	128,200	73,200	68,126	(5,074)
Interest Earnings	15,000	47,839	(98,162)	(146,001)
Miscellaneous	119,322	85,216	269,695	184,479
<b>Total Revenues</b>	<u>44,317,747</u>	<u>45,048,802</u>	<u>44,412,275</u>	<u>(636,527)</u>
<b>Expenditures</b>				
Current:				
General Government Services	9,065,117	6,138,583	5,730,952	407,631
Public Safety	10,042,264	10,009,082	9,048,098	960,984
Physical Environment	595,288	595,288	387,242	208,046
Economic Environment	175	15,833	4,903	10,930
Human Services	2,907,267	3,132,253	2,534,478	597,775
Culture and Recreation	1,896,837	1,976,250	1,811,196	165,054
Court-related Expenditures	913,480	859,711	774,209	85,502
Capital Outlay	4,261,073	3,637,769	1,274,023	2,363,746
<b>(Total Expenditures)</b>	<u>29,681,501</u>	<u>26,364,769</u>	<u>21,565,101</u>	<u>4,799,668</u>
<b>Excess of Revenues Over Expenditures</b>	<u>14,636,246</u>	<u>18,684,033</u>	<u>22,847,174</u>	<u>4,163,141</u>
<b>Other Financing Sources (Uses)</b>				
Transfers from Constitutional Officers	765,000	765,000	1,753,622	988,622
Transfers to Constitutional Officers	(14,792,060)	(19,070,770)	(18,979,176)	91,594
Operating Transfers in	158,429	561,757	560,773	(984)
Operating Transfers (out)	(7,990,352)	(10,742,620)	(4,794,738)	5,947,882
<b>Total Other Financing Sources (Uses)</b>	<u>(21,858,983)</u>	<u>(28,486,633)</u>	<u>(21,459,519)</u>	<u>7,027,114</u>
<b>Net Change in Fund Balances</b>	(7,222,737)	(9,802,600)	1,387,655	11,190,255
<b>Fund Balances at Beginning of Year</b>	<u>7,222,737</u>	<u>9,802,600</u>	<u>10,471,210</u>	<u>668,610</u>
<b>Fund Balances at End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 11,858,865</u>	<u>\$ 11,858,865</u>

**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, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 7,738,326	\$ 7,738,326	\$ 7,979,702	\$ 241,376
Licenses and Permits	25,400	25,400	25,091	(309)
Intergovernmental Revenues	829,729	1,084,732	1,296,236	211,504
Charges for Services	36,100	36,100	14,363	(21,737)
Interest Earnings	0	0	(104,647)	(104,647)
Miscellaneous	25,000	25,000	382,360	357,360
<b>Total Revenues</b>	<u>8,654,555</u>	<u>8,909,558</u>	<u>9,593,105</u>	<u>683,547</u>
<b>Expenditures</b>				
Current:				
Transportation	8,094,454	8,073,324	6,330,225	1,743,099
Capital Outlay	736,297	869,646	505,161	364,485
<b>(Total Expenditures)</b>	<u>8,830,751</u>	<u>8,942,970</u>	<u>6,835,386</u>	<u>2,107,584</u>
<b>Excess of Revenues Over Expenditures</b>	<u>(176,196)</u>	<u>(33,412)</u>	<u>2,757,719</u>	<u>2,791,131</u>
<b>Other Financing Sources (Uses)</b>				
Transfers from Constitutional Officers	0	0	47,223	47,223
Transfers to Constitutional Officers	(139,312)	(139,413)	(134,367)	5,046
Operating Transfers (out)	(2,948,866)	(2,943,866)	(1,677,978)	1,265,888
<b>Total Other Financing Sources (Uses)</b>	<u>(3,088,178)</u>	<u>(3,083,279)</u>	<u>(1,765,122)</u>	<u>1,318,157</u>
<b>Net Change in Fund Balances</b>	(3,264,374)	(3,116,691)	992,597	4,109,288
<b>Fund Balances at Beginning of Year</b>	<u>3,264,374</u>	<u>3,116,691</u>	<u>3,311,761</u>	<u>195,070</u>
<b>Fund Balances at End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,304,358</u>	<u>\$ 4,304,358</u>

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - MUNICIPAL SERVICES FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 10,305,571	\$ 10,305,571	\$ 10,428,569	\$ 122,998
Licenses and Permits	64,500	64,500	47,234	(17,266)
Intergovernmental Revenues	482,878	482,878	514,868	31,990
Charges for Services	117,370	117,370	98,095	(19,275)
Fines and Forfeitures	10,000	5,000	13,704	8,704
Interest Earnings	0	0	(122,513)	(122,513)
Miscellaneous	2,000	4,583	16,251	11,668
<b>Total Revenues</b>	<u>10,982,319</u>	<u>10,979,902</u>	<u>10,996,208</u>	<u>16,306</u>
<b>Expenditures</b>				
Current:				
General Government Services	704,333	760,202	605,836	154,366
Public Safety	5,920,133	6,019,798	5,934,314	85,484
Human Services	220,635	476,762	320,890	155,872
Capital Outlay	895,255	915,709	556,990	358,719
Debt Service:				
Principal Retirement	101,697	101,697	101,696	1
Interest and Fiscal Charges	4,973	4,973	4,973	0
<b>(Total Expenditures)</b>	<u>7,847,026</u>	<u>8,279,141</u>	<u>7,524,699</u>	<u>754,442</u>
<b>Excess of Revenues Over Expenditures</b>	<u>3,135,293</u>	<u>2,700,761</u>	<u>3,471,509</u>	<u>770,748</u>
<b>Other Financing Sources (Uses)</b>				
Transfers from Constitutional Officers	0	0	88,489	88,489
Transfers to Constitutional Officers	(4,012,995)	(3,756,435)	(3,705,579)	50,856
Operating Transfers in	0	5,000	1,073	(3,927)
Operating Transfers (out)	(2,663,735)	(2,975,110)	(897,233)	2,077,877
<b>Total Other Financing Sources (Uses)</b>	<u>(6,676,730)</u>	<u>(6,726,545)</u>	<u>(4,513,250)</u>	<u>2,213,295</u>
<b>Net Change in Fund Balances</b>	(3,541,437)	(4,025,784)	(1,041,741)	2,984,043
<b>Fund Balances at Beginning of Year</b>	<u>3,541,437</u>	<u>4,025,784</u>	<u>4,028,649</u>	<u>2,865</u>
<b>Fund Balances at End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,986,908</u>	<u>\$ 2,986,908</u>

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - ONE-CENT SURTAX FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 6,198,119	\$ 6,198,119	\$ 6,165,562	\$ (32,557)
Interest Earnings	129,000	129,000	131,394	2,394
<b>Total Revenues</b>	<u>6,327,119</u>	<u>6,327,119</u>	<u>6,296,956</u>	<u>(30,163)</u>
<b>Expenditures</b>				
Current:				
General Government Services	402,000	402,000	24,718	377,282
Transportation	0	375,000	27,544	347,456
Capital Outlay	1,180,800	1,395,699	34,332	1,361,367
<b>(Total Expenditures)</b>	<u>1,582,800</u>	<u>2,172,699</u>	<u>86,594</u>	<u>2,086,105</u>
<b>Excess of Revenues Over Expenditures</b>	<u>4,744,319</u>	<u>4,154,420</u>	<u>6,210,362</u>	<u>2,055,942</u>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers in	0	82,659	82,659	0
Operating Transfers (out)	(11,194,765)	(10,784,365)	(6,111,215)	4,673,150
<b>Total Other Financing Sources (Uses)</b>	<u>(11,194,765)</u>	<u>(10,701,706)</u>	<u>(6,028,556)</u>	<u>4,673,150</u>
<b>Net Change in Fund Balances</b>	(6,450,446)	(6,547,286)	181,806	6,729,092
<b>Fund Balances at Beginning of Year</b>	<u>6,450,446</u>	<u>6,547,286</u>	<u>6,330,005</u>	<u>(217,281)</u>
<b>Fund Balances at End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,511,811</u>	<u>\$ 6,511,811</u>

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - IMPACT FEE ORDINANCE TRUST FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Licenses and Permits	\$ 0	\$ 1,382,859	\$ 1,430	\$ (1,381,429)
Interest Earnings	245,010	245,010	168,975	(76,035)
Miscellaneous	1,382,859	0	0	0
<b>Total Revenues</b>	<u>1,627,869</u>	<u>1,627,869</u>	<u>170,405</u>	<u>(1,457,464)</u>
<b>Expenditures</b>				
Current:				
General Government Services	2,800	7,125	7,125	0
Public Safety	8,789	12,515	9,325	3,190
Transportation	18,638	55,752	55,749	3
Culture and Recreation	2,800	20,321	20,320	1
Capital Outlay	15,885,772	15,786,123	40,771	15,745,352
<b>(Total Expenditures)</b>	<u>15,918,799</u>	<u>15,881,836</u>	<u>133,290</u>	<u>15,748,546</u>
<b>Excess of Revenues Over Expenditures</b>	<u>(14,290,930)</u>	<u>(14,253,967)</u>	<u>37,115</u>	<u>14,291,082</u>
<b>Other Financing Sources (Uses)</b>				
Transfers to Constitutional Officers	(65,954)	(65,954)	(71)	65,883
Operating Transfers in	0	2,634	2,630	(4)
Operating Transfers (out)	(563,897)	(737,177)	(668,105)	69,072
<b>Total Other Financing Sources (Uses)</b>	<u>(629,851)</u>	<u>(800,497)</u>	<u>(665,546)</u>	<u>134,951</u>
<b>Net Change in Fund Balances</b>	(14,920,781)	(15,054,464)	(628,431)	14,426,033
<b>Fund Balances at Beginning of Year</b>	<u>14,920,781</u>	<u>15,054,464</u>	<u>15,054,467</u>	<u>3</u>
<b>Fund Balances at End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 14,426,036</u>	<u>\$ 14,426,036</u>

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS  
NOTE TO SCHEDULES OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

**Budgets and Budgetary Accounting**

Budgets were adopted by the Board for all Board funds. The Tax Collector and the Property Appraiser adopt budgets independently of the Board. The Sheriff, Supervisor of Elections, and the Clerk of the Circuit Court (to the extent of his function as ex officio Clerk of the Board 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. Budget amendments greater than \$50,000 require Board approval.

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 and amortization of bond costs are not budgeted for capital assets; while capital outlay expenditures are budgeted and are reclassified into fixed 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, 2009, 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, 2009:

<b>Governmental Funds</b>	
General Fund	\$ 3,714,246
Special Revenue Funds	5,483,778
Debt Service Funds	10,305,805
Capital Projects Funds	<u>3,035,959</u>
<b>Total</b>	<b><u>\$ 22,539,788</u></b>

All budget appropriations lapse at year-end except as described in Note 1, “Encumbrance Procedures.”

**COMBINING NONMAJOR  
GOVERNMENTAL FUNDS**

# NONMAJOR 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.
- **Special Law Enforcement**—to account for undercover drug and alcohol investigations funded with investigative fines.
- **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.
- **School Crossing**—to account for the school crossing guard program, which is funded primarily from school crossing fines.
- **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 Improvement**—to account for expenditures related to planning and providing a permanent court facility per Florida Statutes. Financing is provided by court service charges.
- **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.
- **Special Drug and 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.
- **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.
- **Drivers Ed Safety Trust**—to account for driver education programs in public and nonpublic 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.

## NONMAJOR GOVERNMENTAL FUNDS

*(Continued)*

### Special Revenue Funds

*(Concluded)*

- **EMS County Awards HRS**—to account for expenditures associated with EMS prehospital care. Funding is provided by Florida State grants.
- **DES Donations**—to account for EMS projects funded with donations.
- **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.
- **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.
- **South Amelia Island Shore Stabilization**- to account for revenues and expenditures relating to the Amelia Island Beach Restoration, local improvement and maintenance cost.
- **Nassau County Economic Development**—to account for expenditures related to funds contributed and donated for projects relating to the development of the County.
- **Building Department**—to account for funds received for various fees charged to be used to fund the building, zoning and planning department.
- **Community Based Care Program**—to account for child welfare services that are provided through a combination of staff and contracts with a network of providers.
- **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 noncriminal, nonmoving 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.
- **Bond Refunding 2001**—to account for debt service requirements to retire local option gas tax refunding revenue bonds, Series 2001, dated December 1, 2001. The bonds are payable solely from and secured by a lien upon a pledge of the County's local option gas tax. The bonds mature March 1, 2009.

## NONMAJOR GOVERNMENTAL FUNDS

*(Concluded)*

### Debt Service Funds

*(Concluded)*

- **Amelia Concourse**—to account for the debt service requirements to retire the Amelia Concourse Special Assessment Bond, Series 2004. The bonds are payable solely from a Special Assessment upon property within said area.
- **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. The bonds are payable solely from non-ad valorem budgeted revenues. The bonds mature on May 2031.
- **Special Assessment - Series 2001A**—to account for debt service requirements to retire the Pirates Wood Municipal Service Benefit Unit Special Assessment Bonds, Series 2001A, dated September 11, 2001. The bonds are collateralized by pledged funds from a special assessment upon property within said improvement area.

### 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.
- **Road Projects**—to account for resources to be used for various road improvements throughout the County.
- **County Road 121**—to account for expenditures associated with the resurfacing and widening of County Road 121. Financing provided by a Florida Department of Transportation grant, County Transportation Trust funds, and One Cent County Surtax funds.
- **County Complex**—to be used to account for the development of various County building projects. Financing is provided by the 2001 Public Improvement Revenue Bonds.
- **Amelia Concourse**—to be used to account for the construction of a 3.5 mile roadway through the Amelia Concourse Assessment Area. Financing is provided by 2004 Special Assessment Bonds
- **Capital Projects** — to account for various capital projects. Some projects may have their own fund.
- **CDBG**—to account for community development block grant income received after December 13, 1988.

**NASSAU COUNTY BOARD OF COUNTY COMMISSISONERS  
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2009**

	<b>Special Revenue Funds</b>			
	<b>Law Enforcement Training</b>	<b>Special Law Enforcement</b>	<b>Sheriff Donations</b>	<b>Law Enforcement Trust</b>
<b>Assets</b>				
Cash and Cash Equivalents	\$ 56,598	\$ 19,601	\$ 8,774	\$ 77,474
Equity in Pooled Investments	0	130,000	0	100,000
Accounts Receivable (Net of Allowance for Uncollectibles)	25	37	4	57
Due from Constitutional Officers	0	0	0	0
Due from Other Governments	1,782	1,063	0	0
Prepaid Expenditures	0	0	0	0
<b>Total Assets</b>	<b>58,405</b>	<b>150,701</b>	<b>8,778</b>	<b>177,531</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	3,862	0	0	7,786
Retainage Payable	0	0	0	0
Due to Other Funds	0	0	0	0
Due to Other Governments	0	0	0	0
Deferred Revenues	0	0	0	0
Deposits	0	0	0	0
<b>Total Liabilities</b>	<b>3,862</b>	<b>0</b>	<b>0</b>	<b>7,786</b>
<b>Fund Balances</b>				
Reserved for:				
Prepaid Items	0	0	0	0
Grants and State Laws	0	0	0	0
Encumbrances	0	0	0	0
Unreserved - Designated for:				
Retirement of Bonds	0	0	0	0
Unreserved - Undesignated:				
Special Revenue Funds	54,543	150,701	8,778	169,745
Debt Service Funds	0	0	0	0
Capital Project Funds	0	0	0	0
<b>Total Fund Balances</b>	<b>54,543</b>	<b>150,701</b>	<b>8,778</b>	<b>169,745</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 58,405</b>	<b>\$ 150,701</b>	<b>\$ 8,778</b>	<b>\$ 177,531</b>

Special Revenue Funds

<u>School Crossing</u>	<u>Nassau County Anti-Drug Enforcement</u>	<u>Court Improvement</u>	<u>Court Facility Fees</u>	<u>Law Library Trust</u>	<u>Criminal Justice Trust</u>	<u>Special Drug/Alcohol Rehabilitation</u>	<u>Legal Aid Trust</u>
\$ 0	\$ 73,620	\$ 34,968	\$ 96,873	\$ 200,417	\$ 75,089	\$ 0	\$ 18,015
0	0	0	500,000	0	190,000	0	0
0	470	15	152	88	60	0	0
0	0	0	0	0	0	0	0
0	13,826	0	7,196	2,590	0	443	2,590
0	0	0	0	0	131	0	0
<u>0</u>	<u>87,916</u>	<u>34,983</u>	<u>604,221</u>	<u>203,095</u>	<u>265,280</u>	<u>443</u>	<u>20,605</u>
0	20,364	0	554	2,204	8,470	0	20,605
0	0	0	0	0	0	0	0
0	0	0	0	0	0	235	0
0	0	0	0	0	0	0	0
0	24,834	0	0	0	0	0	0
0	0	0	0	0	0	0	0
<u>0</u>	<u>45,198</u>	<u>0</u>	<u>554</u>	<u>2,204</u>	<u>8,470</u>	<u>235</u>	<u>20,605</u>
0	0	0	0	0	131	0	0
0	15,150	0	251	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	27,568	34,983	603,416	200,891	256,679	208	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
<u>0</u>	<u>42,718</u>	<u>34,983</u>	<u>603,667</u>	<u>200,891</u>	<u>256,810</u>	<u>208</u>	<u>0</u>
<u>\$ 0</u>	<u>\$ 87,916</u>	<u>\$ 34,983</u>	<u>\$ 604,221</u>	<u>\$ 203,095</u>	<u>\$ 265,280</u>	<u>\$ 443</u>	<u>\$ 20,605</u>

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2009**  
*(Continued)*

	<b>Special Revenue Funds</b>			
	<b>911</b>	<b>911</b>	<b>911</b>	<b>911</b>
	<b>Drivers Ed Safety Trust</b>	<b>Operations and Maintenance</b>	<b>EMS County Awards HRS</b>	<b>DES Donations</b>
<b>Assets</b>				
Cash and Cash Equivalents	\$ 29,408	\$ 221,359	\$ 23,245	\$ 8,930
Equity in Pooled Investments	0	0	0	0
Accounts Receivable (Net of Allowance for Uncollectibles)	12	43	7	4
Due from Constitutional Officers	0	52,660	0	0
Due from Other Governments	2,515	31,693	0	0
Prepaid Expenditures	0	0	0	0
<b>Total Assets</b>	<b>31,935</b>	<b>305,755</b>	<b>23,252</b>	<b>8,934</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	0	(702)	0	0
Retainage Payable	0	0	0	0
Due to Other Funds	0	0	0	0
Due to Other Governments	0	0	0	0
Deferred Revenues	0	31,041	12,806	0
Deposits	0	0	0	0
<b>Total Liabilities</b>	<b>0</b>	<b>30,339</b>	<b>12,806</b>	<b>0</b>
<b>Fund Balances</b>				
Reserved for:				
Prepaid Items	0	0	0	0
Grants and State Laws	0	0	0	0
Encumbrances	0	0	0	0
Unreserved - Designated for:				
Retirement of Bonds	0	0	0	0
Unreserved - Undesignated:				
Special Revenue Funds	31,935	275,416	10,446	8,934
Debt Service Funds	0	0	0	0
Capital Project Funds	0	0	0	0
<b>Total Fund Balances</b>	<b>31,935</b>	<b>275,416</b>	<b>10,446</b>	<b>8,934</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 31,935</b>	<b>\$ 305,755</b>	<b>\$ 23,252</b>	<b>\$ 8,934</b>

**Special Revenue Funds**

<b>Amelia Island Tourist Development</b>	<b>Local Affordable Housing Trust (SHIP)</b>	<b>South Amelia Island Shore Stabilization</b>	<b>Nassau County Economic Development</b>	<b>Building Department</b>	<b>Community Based Care Program</b>
\$ 569,914	\$ 624,267	\$ 403,169	\$ 0	\$ 513,624	\$ 29,350
1,025,667	554,001	526,070	0	2,800,831	0
697	400	117	0	1,099	13
0	0	2,219	0	0	0
0	0	0	0	41	671
5,000	105,966	0	0	926	0
<u>1,601,278</u>	<u>1,284,634</u>	<u>931,575</u>	<u>0</u>	<u>3,316,521</u>	<u>30,034</u>
124,585	139,231	68,731	0	11,602	0
0	0	0	0	0	0
0	2,322	0	0	157,966	0
0	0	0	0	4,463	0
0	0	0	0	0	29,801
0	0	0	0	2,253	0
<u>124,585</u>	<u>141,553</u>	<u>68,731</u>	<u>0</u>	<u>176,284</u>	<u>29,801</u>
5,000	105,966	0	0	926	0
0	23,250	0	0	0	0
91,051	0	0	0	0	0
0	0	0	0	0	0
1,380,642	1,013,865	862,844	0	3,139,311	233
0	0	0	0	0	0
0	0	0	0	0	0
<u>1,476,693</u>	<u>1,143,081</u>	<u>862,844</u>	<u>0</u>	<u>3,140,237</u>	<u>233</u>
<u>\$ 1,601,278</u>	<u>\$ 1,284,634</u>	<u>\$ 931,575</u>	<u>\$ 0</u>	<u>\$ 3,316,521</u>	<u>\$ 30,034</u>

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2009**  
*(Continued)*

	<b>Special Revenue Funds</b>			<b>Total Special Revenue Funds</b>
	<b>Amelia Concourse MSBU</b>	<b>Firefighter Education Trust</b>	<b>F.S. Special Revenues</b>	
<b>Assets</b>				
Cash and Cash Equivalents	\$ 1,839	\$ 3	\$ 1,043,670	\$ 4,130,207
Equity in Pooled Investments	875,001	0	0	6,701,570
Accounts Receivable (Net of Allowance for Uncollectibles)	196	0	276	3,772
Due from Constitutional Officers	630	0	0	55,509
Due from Other Governments	0	0	17,791	82,201
Prepaid Expenditures	0	0	0	112,023
<b>Total Assets</b>	<b>877,666</b>	<b>3</b>	<b>1,061,737</b>	<b>11,085,282</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	269,171	0	0	676,463
Retainage Payable	0	0	0	0
Due to Other Funds	0	0	0	160,523
Due to Other Governments	23	0	0	4,486
Deferred Revenues	0	0	0	98,482
Deposits	0	0	0	2,253
<b>Total Liabilities</b>	<b>269,194</b>	<b>0</b>	<b>0</b>	<b>942,207</b>
<b>Fund Balances</b>				
Reserved for:				
Prepaid Items	0	0	0	112,023
Grants and State Laws	0	0	0	38,651
Encumbrances	0	0	1,058	92,109
Unreserved - Designated for:				
Retirement of Bonds	0	0	0	0
Unreserved - Undesignated:				
Special Revenue Funds	608,472	3	1,060,679	9,900,292
Debt Service Funds	0	0	0	0
Capital Project Funds	0	0	0	0
<b>Total Fund Balances</b>	<b>608,472</b>	<b>3</b>	<b>1,061,737</b>	<b>10,143,075</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 877,666</b>	<b>\$ 3</b>	<b>\$ 1,061,737</b>	<b>\$ 11,085,282</b>

## Debt Service Funds

Optional Gas Tax 2000	Bond Refunding 2001	Amelia Concourse	County Complex	Special Assessment Series 2001A	Total Debt Service Funds
\$ 550,989	\$ 0	\$ 797,251	\$ 0	\$ 10,868	\$ 1,359,108
951,425	0	500,001	0	0	1,451,426
243	0	462	0	5	710
0	0	2,176	0	0	2,176
78,786	0	0	0	0	78,786
431	0	0	0	0	431
<u>1,581,874</u>	<u>0</u>	<u>1,299,890</u>	<u>0</u>	<u>10,873</u>	<u>2,892,637</u>
0	0	468,476	0	0	468,476
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
78,786	0	0	0	0	78,786
0	0	0	0	0	0
<u>78,786</u>	<u>0</u>	<u>468,476</u>	<u>0</u>	<u>0</u>	<u>547,262</u>
431	0	0	0	0	431
0	0	0	0	0	0
0	0	0	0	0	0
0	0	527,335	0	0	527,335
0	0	0	0	0	0
1,502,657	0	304,079	0	10,873	1,817,609
0	0	0	0	0	0
<u>1,503,088</u>	<u>0</u>	<u>831,414</u>	<u>0</u>	<u>10,873</u>	<u>2,345,375</u>
<u>\$ 1,581,874</u>	<u>\$ 0</u>	<u>\$ 1,299,890</u>	<u>\$ 0</u>	<u>\$ 10,873</u>	<u>\$ 2,892,637</u>

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2009**  
*(Concluded)*

	<b>Capital Projects Funds</b>			
	<b>Grants</b>	<b>Road Projects</b>	<b>County Road 121</b>	<b>County Complex</b>
<b>Assets</b>				
Cash and Cash Equivalents	\$ 18,134	\$ 0	\$ 0	\$ 587,003
Equity in Pooled Investments	0	0	0	0
Accounts Receivable (Net of Allowance for Uncollectibles)	6	0	0	282
Due from Constitutional Officers	0	0	0	0
Due from Other Governments	0	0	0	0
Prepaid Expenditures	0	0	0	0
<b>Total Assets</b>	<b>18,140</b>	<b>0</b>	<b>0</b>	<b>587,285</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	0	0	0	63,285
Retainage Payable	0	0	0	232,798
Due to Other Funds	0	0	0	0
Due to Other Governments	279	0	0	0
Deferred Revenues	0	0	0	840
Deposits	0	0	0	0
<b>Total Liabilities</b>	<b>279</b>	<b>0</b>	<b>0</b>	<b>296,923</b>
<b>Fund Balances</b>				
Reserved for:				
Prepaid Items	0	0	0	0
Grants and State Laws	0	0	0	0
Encumbrances	0	0	0	58,415
Unreserved - Designated for:				
Retirement of Bonds	0	0	0	0
Unreserved - Undesignated:				
Special Revenue Funds	0	0	0	0
Debt Service Funds	0	0	0	0
Capital Project Funds	17,861	0	0	231,947
<b>Total Fund Balances</b>	<b>17,861</b>	<b>0</b>	<b>0</b>	<b>290,362</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 18,140</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 587,285</b>

**Capital Projects Funds**

<b>Amelia Concourse</b>	<b>Capital Projects</b>	<b>CDBG</b>	<b>Total Capital Project Funds</b>	<b>Total Nonmajor Governmental Funds</b>
\$ 449,676	\$ 1,015,338	\$ 149,474	\$ 2,219,625	\$ 7,708,940
0	800,001	600,001	1,400,002	9,552,998
198	5	27	518	5,000
0	0	0	0	57,685
0	0	0	0	160,987
0	0	0	0	112,454
<u>449,874</u>	<u>1,815,344</u>	<u>749,502</u>	<u>3,620,145</u>	<u>17,598,064</u>
0	122,197	77,624	263,106	1,408,045
351,721	0	31,625	616,144	616,144
0	0	0	0	160,523
0	0	0	279	4,765
0	0	0	840	178,108
0	0	0	0	2,253
<u>351,721</u>	<u>122,197</u>	<u>109,249</u>	<u>880,369</u>	<u>2,369,838</u>
0	0	0	0	112,454
0	0	0	0	38,651
0	4,900	586,631	649,946	742,055
0	0	0	0	527,335
0	0	0	0	9,900,292
0	0	0	0	1,817,609
98,153	1,688,247	53,622	2,089,830	2,089,830
<u>98,153</u>	<u>1,693,147</u>	<u>640,253</u>	<u>2,739,776</u>	<u>15,228,226</u>
<u>\$ 449,874</u>	<u>\$ 1,815,344</u>	<u>\$ 749,502</u>	<u>\$ 3,620,145</u>	<u>\$ 17,598,064</u>

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	<b>Special Revenue Funds</b>			
	<b>Law Enforcement Training</b>	<b>Special Law Enforcement</b>	<b>Sheriff Donations</b>	<b>Law Enforcement Trust</b>
<b>Revenues</b>				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Licenses and Permits	0	0	0	0
Intergovernmental Revenues	0	0	0	0
Charges for Services	8,848	0	0	0
Fines and Forfeitures	14,143	15,909	0	96,062
Investment Earnings (Loss)	526	1,295	62	1,657
Miscellaneous	383	0	13,050	2,533
<b>Total Revenues</b>	<u>23,900</u>	<u>17,204</u>	<u>13,112</u>	<u>100,252</u>
<b>Expenditures</b>				
Current:				
General Government Services	0	0	0	0
Public Safety	43,744	0	569	93,977
Physical Environment	0	0	0	0
Economic Environment	0	0	0	0
Human Services	0	0	0	0
Court-related Expenditures	0	0	0	0
Capital Outlay	0	0	10,400	145,450
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<b>(Total Expenditures)</b>	<u>43,744</u>	<u>0</u>	<u>10,969</u>	<u>239,427</u>
<b>(Deficiency) Excess of Revenues (Under) Over Expenditures</b>	<u>(19,844)</u>	<u>17,204</u>	<u>2,143</u>	<u>(139,175)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers from Constitutional Officers	0	0	0	0
Transfers to Constitutional Officers	0	(20,000)	0	0
Operating Transfers in	0	0	0	0
Operating Transfers (out)	0	0	0	(7,921)
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>(20,000)</u>	<u>0</u>	<u>(7,921)</u>
<b>Net Change in Fund Balances</b>	(19,844)	(2,796)	2,143	(147,096)
<b>Fund Balances at Beginning of Year</b>	<u>74,387</u>	<u>153,497</u>	<u>6,635</u>	<u>316,841</u>
<b>Fund Balances at End of Year</b>	<u>\$ 54,543</u>	<u>\$ 150,701</u>	<u>\$ 8,778</u>	<u>\$ 169,745</u>

Special Revenue Funds

School Crossing	Nassau County Anti-Drug Enforcement	Court Improvement	Court Facility Fees	Law Library Trust	Criminal Justice Trust	Special Drug/Alcohol Rehabilitation
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	0
0	136,227	0	0	0	0	0
0	0	0	91,781	34,588	0	0
0	14,170	0	0	0	0	6,394
0	1,270	277	4,817	1,639	1,855	0
0	0	0	0	0	2,391	0
0	151,667	277	96,598	36,227	4,246	6,394
0	0	0	0	0	0	0
0	35,020	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	6,700
0	0	0	23,326	18,782	23,642	0
0	154,010	0	0	0	9,611	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	189,030	0	23,326	18,782	33,253	6,700
0	(37,363)	277	73,272	17,445	(29,007)	(306)
0	0	0	0	0	0	0
(62,850)	0	0	0	0	0	0
62,850	0	0	0	0	100,889	0
0	0	0	0	0	0	0
0	0	0	0	0	100,889	0
0	(37,363)	277	73,272	17,445	71,882	(306)
0	80,081	34,706	530,395	183,446	184,928	514
\$ 0	\$ 42,718	\$ 34,983	\$ 603,667	\$ 200,891	\$ 256,810	\$ 208

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

*(Continued)*

	<b>Special Revenue Funds</b>			
	<b>Legal Aid Trust</b>	<b>Drivers Ed Safety Trust</b>	<b>911 Operations and Maintenance</b>	<b>EMS County Awards HRS</b>
<b>Revenues</b>				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Licenses and Permits	0	0	0	0
Intergovernmental Revenues	0	0	338,341	0
Charges for Services	34,588	0	394,662	0
Fines and Forfeitures	0	31,781	0	0
Investment Earnings (Loss)	49	154	471	0
Miscellaneous	0	0	0	0
<b>Total Revenues</b>	<u>34,637</u>	<u>31,935</u>	<u>733,474</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
General Government Services	0	0	0	0
Public Safety	0	0	450	0
Physical Environment	0	0	0	0
Economic Environment	0	0	0	0
Human Services	82,418	34,465	0	0
Court-related Expenditures	0	0	0	0
Capital Outlay	0	0	341,385	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<b>(Total Expenditures)</b>	<u>82,418</u>	<u>34,465</u>	<u>341,835</u>	<u>0</u>
<b>(Deficiency) Excess of Revenues (Under) Over Expenditures</b>	<u>(47,781)</u>	<u>(2,530)</u>	<u>391,639</u>	<u>0</u>
<b>Other Financing Sources (Uses)</b>				
Transfers from Constitutional Officers	0	0	52,660	0
Transfers to Constitutional Officers	0	0	(349,365)	0
Operating Transfers in	63,139	0	0	0
Operating Transfers (out)	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<u>63,139</u>	<u>0</u>	<u>(296,705)</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	15,358	(2,530)	94,934	0
<b>Fund Balances at Beginning of Year</b>	<u>(15,358)</u>	<u>34,465</u>	<u>180,482</u>	<u>10,446</u>
<b>Fund Balances at End of Year</b>	<u>\$ 0</u>	<u>\$ 31,935</u>	<u>\$ 275,416</u>	<u>\$ 10,446</u>

Special Revenue Funds						
DES Donations	Amelia Island Tourist Development	Local Affordable Housing Trust (SHIP)	South Amelia Island Shore Stabilization	Nassau County Economic Development	Building Department	Community Based Care Program
\$ 0	\$ 1,827,243	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	343,002	0	482,788	0
0	0	607,148	0	0	4,874	0
0	0	240	0	0	69,600	0
0	0	0	0	0	0	0
70	11,998	15,792	8,047	0	36,347	0
0	6,160	94,875	0	0	23,520	0
70	1,845,401	718,055	351,049	0	617,129	0
0	0	0	0	0	1,408,559	0
0	0	0	0	0	639,348	0
0	85,350	0	53,009	0	0	0
0	1,551,732	1,349,686	0	125,000	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	193,478	0	34,841	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	1,637,082	1,349,686	246,487	125,000	2,082,748	0
70	208,319	(631,631)	104,562	(125,000)	(1,465,619)	0
0	0	0	0	0	0	0
0	(57,170)	(1,270)	(11,655)	0	(32)	0
0	0	0	0	125,000	8,671	0
0	0	0	0	0	(151,603)	0
0	(57,170)	(1,270)	(11,655)	125,000	(142,964)	0
70	151,149	(632,901)	92,907	0	(1,608,583)	0
8,864	1,325,544	1,775,982	769,937	0	4,748,820	233
\$ 8,934	\$ 1,476,693	\$ 1,143,081	\$ 862,844	\$ 0	\$ 3,140,237	\$ 233

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009  
(Continued)**

	<b>Special Revenue Funds</b>			<b>Total Special Revenue Funds</b>
	<b>Amelia Concourse MSBU</b>	<b>Firefighter Education Trust</b>	<b>F. S. Special Revenue Fund</b>	
<b>Revenues</b>				
Taxes	\$ 0	\$ 0	\$ 0	\$ 1,827,243
Licenses and Permits	144,901	0	0	970,691
Intergovernmental Revenues	0	0	37,195	1,123,785
Charges for Services	0	0	199,704	834,011
Fines and Forfeitures	0	0	40,750	219,209
Investment Earnings (Loss)	7,119	0	811	94,256
Miscellaneous	0	0	350	143,262
<b>Total Revenues</b>	<u>152,020</u>	<u>0</u>	<u>278,810</u>	<u>5,212,457</u>
<b>Expenditures</b>				
Current:				
General Government Services	0	0	0	1,408,559
Public Safety	0	0	31,460	844,568
Physical Environment	177,608	0	0	315,967
Economic Environment	0	0	0	3,026,418
Human Services	0	0	0	123,583
Court-related Expenditures	0	0	10,615	76,365
Capital Outlay	0	0	190,803	1,079,978
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<b>(Total Expenditures)</b>	<u>177,608</u>	<u>0</u>	<u>232,878</u>	<u>6,875,438</u>
<b>(Deficiency) Excess of Revenues (Under) Over Expenditures</b>	<u>(25,588)</u>	<u>0</u>	<u>45,932</u>	<u>(1,662,981)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers from Constitutional Officers	0	0	0	52,660
Transfers to Constitutional Officers	(3,631)	0	0	(505,973)
Operating Transfers in	0	0	1,116,694	1,477,243
Operating Transfers (out)	0	0	(100,889)	(260,413)
<b>Total Other Financing Sources (Uses)</b>	<u>(3,631)</u>	<u>0</u>	<u>1,015,805</u>	<u>763,517</u>
<b>Net Change in Fund Balances</b>	(29,219)	0	1,061,737	(899,464)
<b>Fund Balances at Beginning of Year</b>	<u>637,691</u>	<u>3</u>	<u>0</u>	<u>11,042,539</u>
<b>Fund Balances at End of Year</b>	<u>\$ 608,472</u>	<u>\$ 3</u>	<u>\$ 1,061,737</u>	<u>\$ 10,143,075</u>

Debt Service Funds

Optional Gas Tax 2000	Bond Refunding 2001	Amelia Concourse	County Complex	Special Assessment Series 2001A	Total Debt Service Funds
\$ 551,250	\$ 289,045	\$ 0	\$ 0	\$ 0	\$ 840,295
0	0	510,003	0	0	510,003
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
6,838	4,153	6,699	0	45	17,735
0	0	0	0	0	0
<u>558,088</u>	<u>293,198</u>	<u>516,702</u>	<u>0</u>	<u>45</u>	<u>1,368,033</u>
0	0	16,900	0	900	17,800
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	885,000	409,620	810,000	0	2,104,620
431	17,700	117,643	1,509,304	0	1,645,078
<u>431</u>	<u>902,700</u>	<u>544,163</u>	<u>2,319,304</u>	<u>900</u>	<u>3,767,498</u>
<u>557,657</u>	<u>(609,502)</u>	<u>(27,461)</u>	<u>(2,319,304)</u>	<u>(855)</u>	<u>(2,399,465)</u>
0	0	0	0	0	0
0	0	(8,957)	0	0	(8,957)
945,000	0	0	2,319,304	0	3,264,304
0	0	0	0	0	0
<u>945,000</u>	<u>0</u>	<u>(8,957)</u>	<u>2,319,304</u>	<u>0</u>	<u>3,255,347</u>
1,502,657	(609,502)	(36,418)	0	(855)	855,882
<u>431</u>	<u>609,502</u>	<u>867,832</u>	<u>0</u>	<u>11,728</u>	<u>1,489,493</u>
<u>\$ 1,503,088</u>	<u>\$ 0</u>	<u>\$ 831,414</u>	<u>\$ 0</u>	<u>\$ 10,873</u>	<u>\$ 2,345,375</u>

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009  
(Concluded)**

	<b>Capital Projects Funds</b>			
	<b>Grants</b>	<b>Road Projects</b>	<b>County Road 121</b>	<b>County Complex</b>
<b>Revenues</b>				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Licenses and Permits	0	0	0	0
Intergovernmental Revenues	0	466,513	0	603,161
Charges for Services	0	0	0	0
Fines and Forfeitures	0	0	0	0
Investment Earnings (Loss)	1,698	2,003	4,485	11,707
Miscellaneous	0	0	0	0
<b>Total Revenues</b>	<b>1,698</b>	<b>468,516</b>	<b>4,485</b>	<b>614,868</b>
<b>Expenditures</b>				
Current:				
General Government Services	0	0	0	0
Public Safety	0	0	0	38,587
Physical Environment	0	0	0	0
Economic Environment	0	0	0	0
Human Services	0	0	0	0
Court-related Expenditures	0	0	0	0
Capital Outlay	0	160,084	191,298	2,184,804
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<b>(Total Expenditures)</b>	<b>0</b>	<b>160,084</b>	<b>191,298</b>	<b>2,223,391</b>
<b>(Deficiency) Excess of Revenues (Under) Over Expenditures</b>	<b>1,698</b>	<b>308,432</b>	<b>(186,813)</b>	<b>(1,608,523)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers from Constitutional Officers	0	0	0	0
Transfers to Constitutional Officers	0	0	0	(40)
Operating Transfers in	0	0	0	585,375
Operating Transfers (out)	(220,504)	0	(260,219)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(220,504)</b>	<b>0</b>	<b>(260,219)</b>	<b>585,335</b>
<b>Net Change in Fund Balances</b>	<b>(218,806)</b>	<b>308,432</b>	<b>(447,032)</b>	<b>(1,023,188)</b>
<b>Fund Balances at Beginning of Year</b>	<b>236,667</b>	<b>(308,432)</b>	<b>447,032</b>	<b>1,313,550</b>
<b>Fund Balances at End of Year</b>	<b>\$ 17,861</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 290,362</b>

<b>Capital Projects Funds</b>				
<b>Amelia Concourse</b>	<b>Capital Projects</b>	<b>CDBG</b>	<b>Total Capital Project Funds</b>	<b>Total Nonmajor Governmental Funds</b>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,667,538
0	0	0	0	1,480,694
0	200,000	0	1,269,674	2,393,459
0	0	1,092	1,092	835,103
0	0	0	0	219,209
4,626	8,703	1,320	34,542	146,533
0	0	0	0	143,262
<u>4,626</u>	<u>208,703</u>	<u>2,412</u>	<u>1,305,308</u>	<u>7,885,798</u>
0	0	0	0	1,426,359
0	0	0	38,587	883,155
0	0	0	0	315,967
0	0	0	0	3,026,418
0	0	0	0	123,583
0	0	0	0	76,365
0	2,183,776	332,016	5,051,978	6,131,956
0	0	0	0	2,104,620
0	0	0	0	1,645,078
<u>0</u>	<u>2,183,776</u>	<u>332,016</u>	<u>5,090,565</u>	<u>15,733,501</u>
<u>4,626</u>	<u>(1,975,073)</u>	<u>(329,604)</u>	<u>(3,785,257)</u>	<u>(7,847,703)</u>
0	0	0	0	52,660
0	(180)	0	(220)	(515,150)
0	1,722,658	0	2,308,033	7,049,580
0	(82,660)	0	(563,383)	(823,796)
<u>0</u>	<u>1,639,818</u>	<u>0</u>	<u>1,744,430</u>	<u>5,763,294</u>
4,626	(335,255)	(329,604)	(2,040,827)	(2,084,409)
<u>93,527</u>	<u>2,028,402</u>	<u>969,857</u>	<u>4,780,603</u>	<u>17,312,635</u>
<u>\$ 98,153</u>	<u>\$ 1,693,147</u>	<u>\$ 640,253</u>	<u>\$ 2,739,776</u>	<u>\$ 15,228,226</u>

## **OTHER INFORMATION**

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

The Honorable Board of County Commissioners  
Nassau County, Florida

We have audited the special purpose financial statements of the Nassau County Board of County Commissioners, Nassau County, Florida (the Board), as of and for the year ended September 30, 2009, and have issued our report thereon dated March 22, 2010. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Board's special purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described below:

**Certified Public Accountants**

P.O. Box 23999 • 222 N.E. 1st Street • Gainesville, Florida 32602 • (352) 378-2461 • FAX (352) 378-2505  
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872 • FAX (352) 732-0542  
443 East College Avenue • Tallahassee, Florida 32301 • (850) 224-7144 • FAX (850) 224-1762  
2201 Cantu Court, Suite #100 • Sarasota, Florida 34232 • (941) 379-2800 • FAX (941) 379-2899

MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS  
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

The Honorable Board of County Commissioners  
Nassau County, Florida

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF SPECIAL PURPOSE FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS  
(Concluded)**

**Compliance and Other Matters (Concluded)**

■ **Bond Covenant Noncompliance**

*Condition*—The County’s Water and Sewer System Revenue Bonds, Series 2003 include a covenant which requires the Board to establish and collect fees from users of the water and sewer system (the System) and impact fees sufficient to pay the costs of operation and maintenance of the System plus 125% of the bond service requirements for that year. Due in large part to a decline in impact fee revenues, the Board did not meet this requirement and, therefore, is not in compliance with the rate covenant at year-end.

*Effect*—The Board is required to establish sufficient System user rates and impact fees to meet the covenant. Further, noncompliance with the covenant may have an adverse affect on the County’s bond ratings.

*Recommendation*—We recommend the Board consider increasing water and/or sewer user rates and/or reduce System operating costs sufficient to meet the covenant.

This report is intended solely for the information and use of the Board of County Commissioners, management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

*Purvis, Gray and Company, LLP*

March 22, 2010  
Gainesville, Florida

**MANAGEMENT LETTER**

The Honorable Board of County Commissioners  
Nassau County, Florida

We have audited the special purpose 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, 2009, and have issued our report thereon dated March 22, 2010.

We conducted our audit in accordance with auditing standards generally accepted 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. We have issued our report on internal control over financial reporting and on compliance and other matters. Disclosures in that report, which is dated March 22, 2010, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the State of Florida. This letter is required to include the following information, which is not included in the aforementioned auditors' reports or schedules:

- 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 significant findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report.
- Section 10.554(1)(i)2., *Rules of the Auditor General*, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the County complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3, *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we offer the following recommendations:

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**MANAGEMENT LETTER**  
*(Continued)*

● **Interest Paid on Customer Deposits**

*Condition*—the County currently pays interest on customer deposits with Nassau Amelia Utilities in accordance with Ordinance 2003-45 which specifies that the rate of interest earned on these deposits is 6% per annum on residential deposits and 7% per annum on deposits of qualifying nonresidential customers when the NAU elects not to refund such a deposit after 23 months.

*Effect*—The County is currently paying interest on customer deposits which significantly exceeds market rates and, as a result, is incurring a loss.

*Recommendation*—We recommend the County consider amending the rate interest paid on customer deposits to a lower fixed rate or a variable market index rate.

● **Funding of Rate Stabilization Fund**

*Condition*—The County's Water and Sewer Utility Revenue Bonds, Series 2003 provide for the creation and optional funding of a rate stabilization fund which can be used, if funded in advance, to meet certain debt service coverage covenants applicable to the Bonds if operating results alone were insufficient to meet the covenants.

*Effect*—A funded rate stabilization fund can potentially avoid a bond covenant default if there is a sudden change in the water and sewer system revenues or costs. During fiscal year 2009 the County did not meet one of the debt service coverage covenants.

*Recommendation*—We recommend the County consider funding a rate stabilization fund to assist in bond covenant compliance.

- Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that we address violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, that have an effect on the determination of financial statement amounts that is less than material but more than inconsequential. Our audit disclosed no matters required to be disclosed by Section 10.554(1)(i)4., *Rules of the Auditor General*, not already disclosed elsewhere.
- Section 10.554(1)(i)5., *Rules of the Auditor General* provides that the auditor may, based upon professional judgment, report the following matters that are inconsequential to the determination of financial statement amounts, considering both quantitative and qualitative factors: (1) violations of provisions of contraction or grant agreements, fraud, illegal acts, or abuse; and (2) control deficiencies that are not significant deficiencies. Our audit disclosed no matters required to be disclosed by the *Rules of the Auditor General* [Section 10.554(1)(i)5.] not already disclosed elsewhere.
- Section 10.554(1)(i)6., *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 special purpose financial statements. The Board was established by the Constitution of the State of Florida, Article VIII, Section 1(d). The Board includes the following component unit:
  - The Nassau County Housing Finance Authority, a dependant special district, was established pursuant to Part IV, Chapter 159, Florida Statutes, following the adoption of Ordinance 79-4 by the Board.

The Honorable Board of County Commissioners  
Nassau County, Florida

**MANAGEMENT LETTER**  
*(Concluded)*

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

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.

*Purvis, Gray and Company, LLP*

March 22, 2010  
Gainesville, Florida



**NASSAU COUNTY**  
**BOARD OF COUNTY COMMISSIONERS**  
96160 Nassau Place  
Yulee, Florida 32097

Daniel B. Leeper  
Michael H. Boyle  
Stacy T. Johnson  
Barry V. Holloway  
Walter J. Boatright

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

JOHN A. CRAWFORD  
Ex-Officio Clerk

DAVID A. HALLMAN  
County Attorney

EDWARD L. SEALOVER  
County Coordinator

March 22, 2010

Nassau County Board of County Commissioners  
96135 Nassau Place, Suite 1  
Yulee, Fl. 32097

Dear Commissioners:

The audit report of the Nassau County Board of County Commissioners along with the Combined Financial Report for the year ended September 30, 2009, was conducted 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.

The audit report presents fairly, in all material respects, the financial position of each major fund and the aggregate remaining fund information of the Board of County Commissioners at September 30, 2009, and the respective changes in financial position, where appropriate, thereof and the respective budgetary comparison for each major fund for the year then ended in conformity with accounting principles generally accepted in the United States of America based on the Independent Auditors' Report.

The independent auditors identified two recommendations to improve financial management. The responses to the recommendations are provided below.

- 1.) Condition - Interest Paid on Customer Deposits – the County currently pays interest on customer deposits with Nassau Amelia Utilities in accordance with Ordinance 2003-45 which specifies that the rate of interest earned on these deposits is 6% per annum on residential deposits and 7% per annum on deposits of qualifying customers when the NAU elects no to refund such a deposit after 23 months.

Response – On March 8, 2010, the Board adopted Ordinance 2010-03 eliminating the payment of interest on deposits effective April 1, 2010.

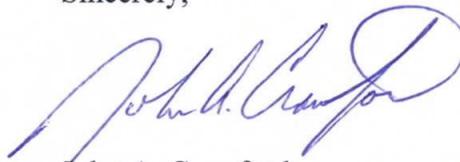
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- 2.) Condition – Funding of Rate Stabilization Fund – the County’s Water and Sewer Utility Revenue Bonds, Series 2003 provide for the creation and optional funding of a rate stabilization fund which can be used, if funded in advance, to meet certain debt service coverage covenants applicable to the Bonds if operating results alone were insufficient to meet the covenants.

Response – On March 8, 2010, the Board adopted Ordinance 2010-03 adjusting water and sewer rates effective April 1, 2010. Based upon the forecast of net revenues utilizing the adjusted rates, both debt service coverage ratios are projected to exceed the required rates by greater than 10%. The County will continue to monitor the financial condition of Nassau Amelia Utilities making adjustments to operating processes and costs as needed to insure sustainability of the system and bond covenant compliance.

Sincerely,



John A. Crawford  
Ex-Officio Clerk



**NASSAU COUNTY**  
**BOARD OF COUNTY COMMISSIONERS**  
96160 Nassau Place  
Yulee, Florida 32097

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March 22, 2010

Nassau County Board of County Commissioners  
96135 Nassau Place, Suite 1  
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Dear Commissioners:

The audit report of the Nassau County Board of County Commissioners along with the Combined Financial Report for the year ended September 30, 2009, was conducted 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.

The audit report presents fairly, in all material respects, the financial position of each major fund and the aggregate remaining fund information of the Board of County Commissioners at September 30, 2009, and the respective changes in financial position, where appropriate, thereof and the respective budgetary comparison for each major fund for the year then ended in conformity with accounting principles generally accepted in the United States of America based on the Independent Auditors' Report.

The independent auditors disclosed no findings for the major federal awards programs or state financial assistance projects to be reported under OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*.

The independent auditors identified one Non-Compliance issue related to a Bond Covenant. This noncompliance is required to be reported under the *Government Auditing Standards* which is described below:

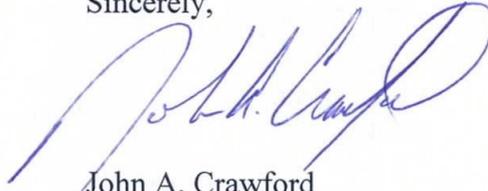
- 1) Condition – the County's Water and Sewer System Revenue Bonds, Series 2003 include a covenant which requires the Board to establish and collect fees from users of the water and sewer system (the System) and impact fees sufficient to pay the cost of operation and maintenance of the System plus 125% of the bond service requirements for the year. Due in large part to a decline in impact fee revenues, the Board did not meet this requirement and is therefore not in compliance with the rate covenant at year-end.

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Response – on March 8, 2010 the Board adopted Ordinance 2010-03 adjusting water and sewer user rates effective April 1, 2010. Based upon the forecast of net revenues utilizing the adjusted rates, both debt service coverage ratios are projected to be met. The County will continue to monitor the financial condition of Nassau Amelia Utilities making adjustments to operating processes and costs as needed to insure sustainability of the system and bond covenant compliance.

Sincerely,



John A. Crawford  
Ex-Officio Clerk