

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

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

SEPTEMBER 30, 2014

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

**NASSAU COUNTY BOARD
OF COUNTY COMMISSIONERS
NASSAU COUNTY, FLORIDA
SEPTEMBER 30, 2014**

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INTRODUCTORY SECTION

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

LIST OF ELECTED AND APPOINTED OFFICIALS

Serving as of September 30, 2014

ELECTED OFFICIALS

| | |
|---|----------------------------|
| Commissioner – District 4, Chairman | Barry Holloway |
| Commissioner – District 3, Vice-Chairman | Pat Edwards |
| Commissioner – District 1 | Daniel B. Leeper |
| Commissioner – District 2 | Stephen W. Kelley |
| Commissioner – District 5 | Walter J. Boatright |
| Clerk of the Circuit Court | John A. Crawford |
| Tax Collector | John M. Drew |
| Sheriff | Bill Leeper |
| Property Appraiser | A. Michael Hickox |
| Supervisor of Elections | Vicki P. Cannon |

APPOINTED OFFICIALS

| | |
|------------------------|--------------------------|
| County Manager | Theodore J. Selby |
| County Attorney | David A. Hallman |

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

The Honorable Board of County Commissioners
Nassau County, Florida

We have audited the accompanying financial statements of each major fund and aggregate remaining fund information of the Nassau County Board of County Commissioners, Nassau County, Florida, (the Board) as of and for the year ended September 30, 2014, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Certified Public Accountants

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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

INDEPENDENT AUDITORS' REPORT
(Continued)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Board as of September 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the financial reporting provisions of the State of Florida Auditor General, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the state of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position, the changes in financial position, and budgetary comparisons of only that portion of the governmental activities, the business-type activities, 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, 2014, the changes in its financial position or budgetary comparisons, or, where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

The Honorable Board of County Commissioners
Nassau County, Florida

INDEPENDENT AUDITORS' REPORT
(Concluded)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2015, on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

Purvis, Gray and Company, LLP

March 4, 2015
Gainesville, Florida

FINANCIAL STATEMENTS

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014**

| | <u>General</u> | <u>County Transportation</u> | <u>Municipal Services</u> |
|--|----------------------|----------------------------------|-------------------------------|
| Assets | | | |
| Cash and Cash Equivalents | \$ 531,732 | \$ 10,996 | \$ 1,650 |
| Equity in Pooled Investments | 10,031,629 | 4,294,389 | 3,607,008 |
| Accounts Receivable, (Net of Allowance for Uncollectibles) | 818,364 | 24,862 | 1,770 |
| Loans Receivable, (Net of Allowance for Uncollectibles) | 0 | 0 | 0 |
| Due from Other Funds | 296,646 | 0 | 0 |
| Due from Constitutional Officers | 543,013 | 16,920 | 7,993 |
| Due from Other Governments | 653,665 | 515,853 | 124,266 |
| Inventories | 177,724 | 127,529 | 0 |
| Prepaid Expenditures | 1,088,625 | 18,436 | 2,296 |
| Deposits | 9,587 | 895 | 0 |
| Total Assets | <u>14,150,985</u> | <u>5,009,880</u> | <u>3,744,983</u> |
| Liabilities | | | |
| Accounts Payable | 808,720 | 1,007,815 | 115,675 |
| Accrued Liabilities | 494,158 | 0 | 0 |
| Retainage Payable | 0 | 44,423 | 0 |
| Due to Other Funds | 0 | 88,210 | 163,464 |
| Due to Constitutional Officers | 12,813 | 136 | 176 |
| Due to Other Governments | 258,839 | 560 | 4,694 |
| Unearned Revenues | 4,149 | 7,402 | 71,138 |
| Deposits | 3,105 | 10,440 | 0 |
| Total Liabilities | <u>1,581,784</u> | <u>1,158,986</u> | <u>355,147</u> |
| Deferred Inflows of Resources | <u>986,135</u> | <u>175,697</u> | <u>60,000</u> |
| Fund Balances | | | |
| Nonspendable | 1,268,349 | 145,965 | 2,296 |
| Restricted | 733,926 | 0 | 5,000 |
| Committed | 0 | 0 | 0 |
| Assigned | 1,425,841 | 3,529,232 | 3,322,540 |
| Unassigned | 8,154,950 | 0 | 0 |
| Total Fund Balances | <u>11,583,066</u> | <u>3,675,197</u> | <u>3,329,836</u> |
| Total Liabilities and Deferred Inflows of Resources and Fund Balances | <u>\$ 14,150,985</u> | <u>\$ 5,009,880</u> | <u>\$ 3,744,983</u> |

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

| One-Cent Small County Surtax Fund | Capital Projects - Impact Fee Ordinance Trust | Capital Projects - Transportation | Nonmajor Governmental Funds | Total Governmental Funds |
|--|--|--|--|---|
| \$ 10,429 | \$ 828,635 | \$ 2,011,477 | \$ 2,385,376 | \$ 5,780,295 |
| 10,993,625 | 3,928,285 | 5,347,925 | 15,754,542 | 53,957,403 |
| 0 | 0 | 0 | 0 | 844,996 |
| 0 | 0 | 0 | 48,000 | 48,000 |
| 0 | 0 | 0 | 0 | 296,646 |
| 0 | 0 | 0 | 89,633 | 657,559 |
| 1,126,495 | 0 | 741,284 | 413,767 | 3,575,330 |
| 0 | 0 | 0 | 0 | 305,253 |
| 0 | 0 | 0 | 330 | 1,109,687 |
| 0 | 0 | 0 | 0 | 10,482 |
| <u>12,130,549</u> | <u>4,756,920</u> | <u>8,100,686</u> | <u>18,691,648</u> | <u>66,585,651</u> |
| 450 | 352,417 | 2,361,246 | 565,023 | 5,211,346 |
| 0 | 0 | 0 | 0 | 494,158 |
| 0 | 128,185 | 162,218 | 10,040 | 344,866 |
| 0 | 0 | 0 | 23,129 | 274,803 |
| 0 | 19,469 | 0 | 6,713 | 39,307 |
| 0 | 328,437 | 0 | 13,774 | 606,304 |
| 0 | 0 | 0 | 15,739 | 98,428 |
| 0 | 0 | 0 | 77,145 | 90,690 |
| <u>450</u> | <u>828,508</u> | <u>2,523,464</u> | <u>711,563</u> | <u>7,159,902</u> |
| <u>575,000</u> | <u>0</u> | <u>562,602</u> | <u>389,432</u> | <u>2,748,866</u> |
| 0 | 0 | 0 | 330 | 1,416,940 |
| 0 | 3,928,412 | 0 | 13,963,640 | 18,630,978 |
| 0 | 0 | 0 | 3,006 | 3,006 |
| 11,555,099 | 0 | 5,014,620 | 3,651,327 | 28,498,659 |
| 0 | 0 | 0 | (27,650) | 8,127,300 |
| <u>11,555,099</u> | <u>3,928,412</u> | <u>5,014,620</u> | <u>17,590,653</u> | <u>56,676,883</u> |
| <u>\$ 12,130,549</u> | <u>\$ 4,756,920</u> | <u>\$ 8,100,686</u> | <u>\$ 18,691,648</u> | <u>\$ 66,585,651</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, 2014

| | <u>General</u> | <u>County Transportation</u> | <u>Municipal Services</u> |
|--|----------------------|----------------------------------|-------------------------------|
| Revenues | | | |
| Taxes | \$ 29,838,964 | \$ 4,586,657 | \$ 8,009,288 |
| Licenses and Permits | 16,426 | 39,594 | 45,001 |
| Intergovernmental Revenues | 5,667,512 | 1,248,332 | 691,928 |
| Charges for Services | 2,097,120 | 43,844 | 141,573 |
| Fines and Forfeitures | 51,005 | 262 | 12,489 |
| Investment Earnings | 82,144 | 15,471 | 8,190 |
| Miscellaneous | 323,468 | 89,424 | 27,235 |
| Total Revenues | <u>38,076,639</u> | <u>6,023,584</u> | <u>8,935,704</u> |
| Expenditures | | | |
| Current: | | | |
| General Government Services | 5,987,516 | 0 | 522,127 |
| Public Safety | 9,051,533 | 0 | 6,187,535 |
| Physical Environment | 350,163 | 0 | 0 |
| Transportation | 0 | 5,738,828 | 0 |
| Economic Environment | 154,948 | 0 | 0 |
| Human Services | 2,507,694 | 0 | 910,457 |
| Culture and Recreation | 1,946,187 | 0 | 0 |
| Court-related Expenditures | 841,000 | 0 | 0 |
| Capital Outlay | 1,019,825 | 1,087,377 | 197,354 |
| Debt Service: | | | |
| Principal Retirement | 0 | 0 | 0 |
| Interest and Fiscal Charges | 0 | 0 | 0 |
| (Total Expenditures) | <u>21,858,866</u> | <u>6,826,205</u> | <u>7,817,473</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>16,217,773</u> | <u>(802,621)</u> | <u>1,118,231</u> |
| Other Financing Sources (Uses) | | | |
| Transfers from Constitutional Officers | 438,543 | 2,826 | 7,993 |
| Transfers to Constitutional Officers | (20,258,831) | (69,884) | (2,944,497) |
| Transfers in | 2,325,221 | 1,840,898 | 2,007,663 |
| Transfers (out) | (2,562,707) | (1,565,327) | (85,470) |
| Total Other Financing Sources (Uses) | <u>(20,057,774)</u> | <u>208,513</u> | <u>(1,014,311)</u> |
| Net Change in Fund Balances | (3,840,001) | (594,108) | 103,920 |
| Fund Balances at Beginning of Year | <u>15,423,067</u> | <u>4,269,305</u> | <u>3,225,916</u> |
| Fund Balances at End of Year | <u>\$ 11,583,066</u> | <u>\$ 3,675,197</u> | <u>\$ 3,329,836</u> |

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

| One-Cent Small County Surtax Fund | Capital Projects - Impact Fee Ordinance Trust | Capital Projects - Transportation | Nonmajor Governmental Funds | Total Governmental Funds |
|--|--|--|--|---|
| \$ 7,945,680 | \$ 0 | \$ 0 | \$ 5,810,378 | \$ 56,190,967 |
| 0 | 529,072 | 0 | 1,497,744 | 2,127,837 |
| 0 | 0 | 178,682 | 1,234,682 | 9,021,136 |
| 0 | 0 | 0 | 905,190 | 3,187,727 |
| 0 | 0 | 0 | 151,609 | 215,365 |
| 52,189 | 27,517 | 41,313 | 74,005 | 300,829 |
| 0 | 0 | 0 | 104,913 | 545,040 |
| <u>7,997,869</u> | <u>556,589</u> | <u>219,995</u> | <u>9,778,521</u> | <u>71,588,901</u> |
| 0 | 4,824 | 0 | 645,449 | 7,159,916 |
| 0 | 21,111 | 0 | 571,203 | 15,831,382 |
| 0 | 0 | 0 | 386,101 | 736,264 |
| 0 | 0 | 1,997,441 | 0 | 7,736,269 |
| 0 | 0 | 0 | 3,367,648 | 3,522,596 |
| 0 | 0 | 0 | 118,836 | 3,536,987 |
| 0 | 4,824 | 0 | 1,075 | 1,952,086 |
| 0 | 0 | 0 | 253,146 | 1,094,146 |
| 70,388 | 2,053,391 | 3,441,031 | 1,610,013 | 9,479,379 |
| 0 | 0 | 0 | 2,532,874 | 2,532,874 |
| 0 | 0 | 0 | 1,904,528 | 1,904,528 |
| <u>70,388</u> | <u>2,084,150</u> | <u>5,438,472</u> | <u>11,390,873</u> | <u>55,486,427</u> |
| <u>7,927,481</u> | <u>(1,527,561)</u> | <u>(5,218,477)</u> | <u>(1,612,352)</u> | <u>16,102,474</u> |
| 0 | 0 | 0 | 80,659 | 530,021 |
| 0 | (25,872) | (21) | (506,477) | (23,805,582) |
| 335 | 0 | 1,908,500 | 6,986,516 | 15,069,133 |
| <u>(9,954,800)</u> | <u>(47,262)</u> | <u>0</u> | <u>(726,273)</u> | <u>(14,941,839)</u> |
| <u>(9,954,465)</u> | <u>(73,134)</u> | <u>1,908,479</u> | <u>5,834,425</u> | <u>(23,148,267)</u> |
| (2,026,984) | (1,600,695) | (3,309,998) | 4,222,073 | (7,045,793) |
| <u>13,582,083</u> | <u>5,529,107</u> | <u>8,324,618</u> | <u>13,368,580</u> | <u>63,722,676</u> |
| <u>\$ 11,555,099</u> | <u>\$ 3,928,412</u> | <u>\$ 5,014,620</u> | <u>\$ 17,590,653</u> | <u>\$ 56,676,883</u> |

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

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
SEPTEMBER 30, 2014**

| | Business-Type Activities - Enterprise Funds | | |
|--|--|----------------------------|-----------------------|
| | Solid Waste Disposal | Water and Sewer | Totals |
| Assets | | | |
| Current Assets: | | | |
| Cash and Cash Equivalents | \$ 880 | \$ 5,450,810 | \$ 5,451,690 |
| Cash and Cash Equivalents - Restricted | 806,669 | 0 | 806,669 |
| Equity in Pooled Investments | 3,370,708 | 0 | 3,370,708 |
| Accounts Receivable, Net | 4,854 | 321,153 | 326,007 |
| Assessments Receivable, Net | 34,763 | 0 | 34,763 |
| Due from Other Governmental Units | 29,188 | 0 | 29,188 |
| Due from Constitutional Officers | 155 | 0 | 155 |
| Inventories - Materials and Supplies | 0 | 37,681 | 37,681 |
| Prepaid Expenses | 491 | 20,005 | 20,496 |
| Total Current Assets | 4,247,708 | 5,829,649 | 10,077,357 |
| Noncurrent Assets: | | | |
| Cash and Cash Equivalents - Restricted | 0 | 1,870,653 | 1,870,653 |
| Capital Assets (Net of Accumulated Depreciation Where Applicable) | 1,413,879 | 12,880,046 | 14,293,925 |
| Total Noncurrent Assets | 1,413,879 | 14,750,699 | 16,164,578 |
| Total Assets | 5,661,587 | 20,580,348 | 26,241,935 |
| Deferred Outflow of Resources | | | |
| Unamortized Refunding Loss | 0 | 628,453 | 628,453 |
| Total Assets and Deferred Outflows | 5,661,587 | 21,208,801 | 26,870,388 |
| Liabilities | | | |
| Current Liabilities: | | | |
| Accounts Payable | 117,085 | 72,428 | 189,513 |
| Due to Other Funds | 7,986 | 13,857 | 21,843 |
| Due to Other Governments | 142 | 0 | 142 |
| Due to Constitutional Officers | 0 | 9 | 9 |
| Unearned Revenues | 2,600 | 0 | 2,600 |
| Deposits | 0 | 106,591 | 106,591 |
| Bonds Payable | 0 | 895,000 | 895,000 |
| Landfill Postclosure Liability | 806,668 | 0 | 806,668 |
| Compensated Absences | 28,363 | 61,465 | 89,828 |
| Total Current Liabilities | 962,844 | 1,149,350 | 2,112,194 |
| Noncurrent Liabilities: | | | |
| Compensated Absences | 49,536 | 139,262 | 188,798 |
| Other Postemployment Benefits | 49,009 | 98,019 | 147,028 |
| Bonds Payable Long-term | 0 | 13,550,000 | 13,550,000 |
| Landfill Postclosure Liability | 15,044,312 | 0 | 15,044,312 |
| Total Noncurrent Liabilities | 15,142,857 | 13,787,281 | 28,930,138 |
| Total Liabilities | 16,105,701 | 14,936,631 | 31,042,332 |
| Net Position | | | |
| Net Investment in Capital Assets | 1,413,879 | (936,501) | 477,378 |
| Restricted | 0 | 1,764,062 | 1,764,062 |
| Unrestricted | (11,857,993) | 5,444,609 | (6,413,384) |
| Total Net Position | \$ (10,444,114) | \$ 6,272,170 | \$ (4,171,944) |

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

NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

| | Business-Type Activities - Enterprise Funds | | |
|--|--|----------------------------|-----------------------|
| | Solid Waste Disposal | Water and Sewer | Totals |
| Operating Revenues | | | |
| Charges for Services | \$ 3,538 | \$ 3,436,462 | \$ 3,440,000 |
| Connection and Impact Fees | 0 | 138,932 | 138,932 |
| Other Income | 36,522 | 141,148 | 177,670 |
| Total Operating Revenues | 40,060 | 3,716,542 | 3,756,602 |
| Operating Expenses | | | |
| Contractual Services | 34,669 | 1,521 | 36,190 |
| Professional Services | 5,000 | 34,962 | 39,962 |
| Landfill Postclosure | 361,883 | 0 | 361,883 |
| Salaries and Benefits | 260,451 | 685,038 | 945,489 |
| Rentals and Leases | 2,044 | 1,361 | 3,405 |
| Repairs and Maintenance | 24,000 | 119,179 | 143,179 |
| Gas and Oil | 6,000 | 16,904 | 22,904 |
| Materials | 4,459 | 1,777 | 6,236 |
| Depreciation | 124,359 | 685,513 | 809,872 |
| Other Expenses | 47,903 | 453,620 | 501,523 |
| (Total Operating Expenses) | 870,768 | 1,999,875 | 2,870,643 |
| Operating (Loss) Income | (830,708) | 1,716,667 | 885,959 |
| Nonoperating Revenues (Expenses) | | | |
| Interest Earnings | 22,711 | 1,750 | 24,461 |
| Grant Revenues | 90,909 | 0 | 90,909 |
| Interest and Other Debt Service Costs | 0 | (364,864) | (364,864) |
| Total Nonoperating Revenues (Expenses) | 113,620 | (363,114) | (249,494) |
| (Loss) Income Before Transfers | (717,088) | 1,353,553 | 636,465 |
| Transfers | | | |
| Transfers (out) | (74,331) | (52,963) | (127,294) |
| Transfer in from Constitutional Officer | 155 | 0 | 155 |
| Transfer (out) to Constitutional Officer | (147) | 0 | (147) |
| Total Transfers | (74,323) | (52,963) | (127,286) |
| Change in Net Position | (791,411) | 1,300,590 | 509,179 |
| Total Net Position, Beginning of Year (as Restated) | (9,652,703) | 4,971,580 | (4,681,123) |
| Total Net Position, End of Year | \$ (10,444,114) | \$ 6,272,170 | \$ (4,171,944) |

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, 2014**

| | Business-Type Activities - Enterprise Funds | | |
|--|--|----------------------------|---------------------|
| | Solid Waste Disposal | Water and Sewer | Total |
| Cash Flows from Operating Activities | | | |
| Cash Received from Customers | \$ 42,646 | \$ 3,808,598 | \$ 3,851,244 |
| Cash Payments to Vendors for Goods and Services | (911,918) | (815,496) | (1,727,414) |
| Cash Payments to Employees | (241,119) | (659,240) | (900,359) |
| Cash Received from Other Sources | 36,522 | 0 | 36,522 |
| Net Cash Provided by (Used in) Operating Activities | (1,073,869) | 2,333,862 | 1,259,993 |
| Noncapital Financing Activities | | | |
| Cash Received from Grant Revenues | 90,909 | 0 | 90,909 |
| Transfers from Constitutional Officers | 155 | 0 | 155 |
| Transfers to Constitutional Officers | (147) | 0 | (147) |
| Transfers to Other Funds | (74,331) | (52,963) | (127,294) |
| Net Cash Provided by (Used in) Noncapital Financing Activities | 16,586 | (52,963) | (36,377) |
| Capital and Related Financing Activities | | | |
| Acquisition of Property, Plant, and Equipment | (84,074) | (206,300) | (290,374) |
| Principal Payments on Bonds | 0 | (875,000) | (875,000) |
| Payment of Interest and Other Debt Costs | 0 | (338,610) | (338,610) |
| Net Cash Provided by (Used in) Capital and Related Financing Activities | (84,074) | (1,419,910) | (1,503,984) |
| Investing Activities | | | |
| Interest Received | 22,711 | 1,750 | 24,461 |
| Purchase of Investments | (232,237) | 0 | (232,237) |
| Net Cash Provided by (Used in) Investing Activities | (209,526) | 1,750 | (207,776) |
| Net Increase (Decrease) in Cash and Cash Equivalents | (1,350,883) | 862,739 | (488,144) |
| Cash and Cash Equivalents, Beginning of Year | 2,158,432 | 6,458,724 | 8,617,156 |
| Cash and Cash Equivalents, End of Year | \$ 807,549 | \$ 7,321,463 | \$ 8,129,012 |
| <u>Reported in Statement of Net Assets as</u> | | | |
| Cash and Cash Equivalents | \$ 880 | \$ 5,450,810 | \$ 5,451,690 |
| Current: Cash and Cash Equivalents - Restricted | 806,669 | 0 | 806,669 |
| Noncurrent: Cash and Cash Equivalents - Restricted | 0 | 1,870,653 | 1,870,653 |
| Total | \$ 807,549 | \$ 7,321,463 | \$ 8,129,012 |

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, 2014
(Concluded)

| | Business-Type Activities - Enterprise Funds | | |
|--|--|----------------------------|---------------------|
| | Solid Waste Disposal | Water and Sewer | Total |
| <u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u> | | | |
| Operating Income (Loss) | \$ (830,708) | \$ 1,716,667 | \$ 885,959 |
| Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by (Used in) Operating Activities: | | | |
| Depreciation and Amortization | 124,359 | 685,513 | 809,872 |
| Provision for Closure and Postclosure Costs | (438,739) | 0 | (438,739) |
| Changes in Assets - Decrease (Increase): | | | |
| Decrease (Increase) in Accounts Receivable | (1,780) | 76,099 | 74,319 |
| Decrease (Increase) in Assessments Receivable | 3,645 | 0 | 3,645 |
| Decrease (Increase) in Due from Constitutional Officers | 68 | 0 | 68 |
| Decrease (Increase) in Due from Other Governments | 33,491 | 0 | 33,491 |
| Decrease (Increase) in Inventory | 0 | 7,452 | 7,452 |
| Decrease (Increase) in Prepaid Expense | (281) | (20,005) | (20,286) |
| Changes in Liabilities - Increase (Decrease): | | | |
| Increase (Decrease) in Accounts Payable | 12,779 | (173,628) | (160,849) |
| Increase (Decrease) in Due to Other Funds | 2,090 | 2,371 | 4,461 |
| Increase (Decrease) in Due to Constitutional Officers | 0 | 9 | 9 |
| Increase (Decrease) in Due to Other Governments | (25) | 0 | (25) |
| Increase (Decrease) in Unearned Revenues | 1,900 | 0 | 1,900 |
| Increase (Decrease) in Deposits | 0 | 13,586 | 13,586 |
| Increase (Decrease) in Compensated Absences | 13,182 | 1,460 | 14,642 |
| Increase (Decrease) in Other Postemployment Benefits | 6,150 | 24,338 | 30,488 |
| Net Cash Provided by (Used in) Operating Activities | \$ (1,073,869) | \$ 2,333,862 | \$ 1,259,993 |

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

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
SEPTEMBER 30, 2014**

| | <u>SAISSA</u> |
|----------------------------------|----------------------------|
| Assets | |
| Cash and Cash Equivalents | \$ 1,563,124 |
| Due from Constitutional Officers | <u>1,493</u> |
| Total Assets | <u><u>1,564,617</u></u> |
| | |
| Liabilities | |
| Due to Bond Holders | <u>1,564,617</u> |
| Total Liabilities | <u><u>\$ 1,564,617</u></u> |

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

NOTES TO FINANCIAL STATEMENTS

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

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

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

The Nassau County Housing Finance Authority (NCHFA) is a dependent special district, which functions for the benefit of the citizens of the County and is considered a blended component unit of the County. The NCHFA had no revenues or expenditures during the fiscal year ended September 30, 2014. In addition, the NCHFA did not issue any bonds during the audit period, nor were there any bonds outstanding at year-end. Therefore, financial statements were not prepared for NCHFA and, accordingly, no financial data for NCHFA is presented in these financial statements.

The Recreation and Water Conservation and Control District No. 1 (RWCCD) is a dependent special district, which functions for the benefit of the citizens of the County and is considered a blended component unit of the County. The RWCCD had no revenues or expenditures during the fiscal year ended September 30, 2014. In addition, the RWCCD did not issue any bonds during the audit period, nor were there any bonds outstanding at year-end. Therefore, financial statements were not prepared for RWCCD and, accordingly, no financial data for RWCCD is presented in these financial statements.

Basis of Presentation

The accompanying financial statements include all the funds and accounts of the Board of County Commissioner's office, but are not a complete presentation of the County as a whole. Except for this matter, they are otherwise in conformity with accounting principles generally accepted in the United States of America (GAAP). The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557, *Rules of the Auditor General Local Governmental Entity Audits*.

Fund Accounting

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

■ **Governmental Funds**

● **Major Governmental Funds**

- ▶ The **General Fund**—is used to account for all revenues and expenditures applicable to the general operations of the Board, which are not properly accounted for in other funds.
- ▶ The **County Transportation Trust Fund**—is used to account for the operation of the Road and Bridge Department. Financing is provided principally by ad valorem taxes and the County’s share of State gasoline taxes.
- ▶ The **Municipal Services Fund**—is used to account for activities benefiting only the unincorporated areas of the County. Financing is provided principally by ad valorem taxes, the half-cent sales tax, and State Revenue Sharing.
- ▶ The **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 **Capital Projects - 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 **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.

NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
NOTES TO FINANCIAL STATEMENTS
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 the Board is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the Board has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The solid waste disposal fund provides a convenience recycling center for the collection and disposal of solid waste and recyclables for citizens of Nassau County. The fund also accounts for the postclosure requirement costs for all closed landfills. The water and sewer fund accounts for water and wastewater services provided to approximately 3,300 customers on 4,800 acres located entirely in the County, situated north of the Duval County line and south of the City of Fernandina Beach.

■ **Fiduciary Fund**

The Agency Fund-SAISS is used to account for assets held by the Board as agent for the South Amelia Island Shore Stabilization Association representing property owners within the geographical boundaries of the South Amelia Island Shore Stabilization Municipal Service Benefit Unit.

Measurement Focus

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Measurement Focus (Concluded)

- **Fiduciary Funds**—agency funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting.

Basis of Accounting

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

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

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

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

Cash and Cash Equivalents

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

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

Deposits and Investments

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Deposits and Investments (Concluded)

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 position - proprietary funds. The allowances for uncollectible accounts receivables are based upon aging schedules and the related collection experiences of such receivables.

Interfund Balances

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds” in the fund financial statements.

Inventories and Prepaid Items

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

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

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

Unamortized Refunding Loss

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

Fund Balance

Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned:

- **Nonspendable**—This component of fund balance consists of amounts that cannot be spent because: (a) they are not expected to be converted to cash, or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Balance (Concluded)

- **Restricted**—This component of fund balance consists of amounts that are constrained either: (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments), or (b) by law through constitutional provisions or enabling legislation.
- **Committed**—This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., ordinance) of the organization’s governing authority (the Board). These committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (e.g., ordinance) employed to constrain those amounts.
- **Assigned**—This component of fund balance consists of amounts that are constrained by a less-than-formal action of the organization’s governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. In addition, residual balances in capital projects and debt service funds are considered assigned for the general purpose of the respective fund.
- **Unassigned**—This classification is used for: (a) negative unrestricted fund balances in any governmental fund, or (b) fund balances within the general fund that are not restricted, committed, or assigned.
- **Flow Assumption**
When both restricted and unrestricted resources are available for use, it is the Board’s policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use in any governmental fund, it is the Board’s policy to use committed resources first, then assigned, and then unassigned as needed.

Net Position

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

Restricted Assets

Certain resources in the solid waste disposal and water and sewer enterprise funds are set-aside for payment of the landfill 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 position - proprietary funds because their use is limited. All cash and investments classified as restricted are the result of various bond indenture or other legal requirements. When both restricted and unrestricted resources are available for use, the Board’s practice is to use the restricted resources first, then unrestricted resources as they are needed.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Capital Assets and Long-term Liabilities

■ **Governmental Funds**

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

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

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

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

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

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

| | |
|------------------------------|-------------|
| Buildings and Infrastructure | 15-40 Years |
| Machinery and Equipment | 5-20 Years |
| Computer Equipment | 2-5 Years |

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Capital Assets and Long-term Liabilities (Concluded)

■ **Governmental Funds (Concluded)**

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

Proprietary Enterprise Funds

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

| | |
|-----------|-------------|
| Buildings | 15-40 Years |
| Equipment | 3-20 Years |

Capitalization of Interest Costs

When applicable the Board capitalizes interest costs related to construction of capital assets. For fiscal year ended September 30, 2014, no interest was capitalized.

Deferred Inflows/Outflows of Resources

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

Compensated Absences

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

Other Postemployment Benefits (OPEB)

A liability has been recorded in the enterprise funds for postemployment benefits other than pensions.

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

Note 1 - Summary of Significant Accounting Policies (Concluded)

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, 2014, 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:

| | |
|--------------------|---|
| 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. |

Adoption of New Accounting Standards

For the year ended September 30, 2014, the Board adopted new accounting guidance as follows:

- Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

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

Note 2 - Cash and Investments

Deposits with Financial Institutions

At year-end, the carrying amount of the Board's deposits with financial institutions was \$15,472,431 and the bank balances were \$16,069,725. All of the Board's deposits are held in qualified public depositories pursuant to the provisions of Florida Statutes, Chapter 280, the *Florida Security for Public Deposits Act*. Qualified public depositories are required by this law to pledge collateral with a market value equal to a percentage of the average daily balance of all public deposits in excess of any federal deposit insurance. In event of default by a qualified public depository, all claims for public deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the public depository in default, and if necessary a pro rata assessment to the other qualified public depositories in the collateral pool. Therefore, all cash and time deposits held by banks are fully insured and collateralized.

Investments

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

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

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

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

Note 2 - Cash and Investments (Concluded)

Investments (Concluded)

In accordance with the provisions of Rule 62-701, 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, the Lofton Creek, and New West Nassau Landfills. The amounts in these escrow accounts are determined by engineering studies as required by the above rule, and are cash and cash equivalents - restricted.

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

| Description | Fair Value |
|-----------------------------------|-----------------------------|
| Cash and Cash Equivalents | \$ 15,472,431 |
| Certificates of Deposit | 24,437,585 |
| Money Market Accounts | <u>32,890,526</u> |
| Total Cash and Investments | <u>\$ 72,800,542</u> |

Reported in accompanying financial statements as follows:

| Account | Reported Amount |
|---|-----------------------------|
| Cash and Cash Equivalents - Governmental Funds | \$ 5,780,295 |
| Cash and Cash Equivalents - Business-type Activities | 5,451,690 |
| Cash and Cash Equivalents - Agency Fund Activities | 1,563,124 |
| Equity in Pooled Investments - Governmental Funds | 53,957,403 |
| Equity in Pooled Investments - Business-type Activities | 3,370,708 |
| Restricted Cash and Cash Equivalents - Business-type Activities | <u>2,677,322</u> |
| Total Cash and Investments | <u>\$ 72,800,542</u> |

Note 3 - Accounts Receivable

Accounts receivable (net of allowances for uncollectibles) at September 30, 2014, included the following:

| | Receivable | Allowance | Net |
|----------------------------------|----------------------------|------------------------------|--------------------------|
| Governmental Funds | | | |
| General Fund | \$ 3,323,346 | \$ (2,504,982) | \$ 818,364 |
| County Transportation | 24,862 | 0 | 24,862 |
| Municipal Services | <u>1,770</u> | <u>0</u> | <u>1,770</u> |
| Total Governmental Funds | <u>\$ 3,349,978</u> | <u>\$ (2,504,982)</u> | <u>\$ 844,996</u> |
| | | | |
| Business-type Funds | | | |
| Solid Waste Disposal | \$ 4,854 | \$ 0 | \$ 4,854 |
| Water and Sewer | <u>341,681</u> | <u>(20,528)</u> | <u>321,153</u> |
| Total Business-type Funds | <u>\$ 346,535</u> | <u>\$ (20,528)</u> | <u>\$ 326,007</u> |

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

Note 4 - Assessments Receivable

Assessments receivable (net of allowances for uncollectibles) at September 30, 2014, included the following:

| | <u>Receivable</u> | <u>Allowance</u> | <u>Net</u> |
|----------------------------------|-------------------|------------------|------------|
| Business-type Funds | | | |
| Solid Waste Disposal | \$ 813,637 | \$ (778,874) | \$ 34,763 |
| Total Business-type Funds | \$ 813,637 | \$ (778,874) | \$ 34,763 |

Note 5 - Restricted Assets

Restricted assets in the proprietary funds at September 30, 2014, 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, 2014, were restricted for the following purposes:

| | |
|---------------------------------------|---------------------|
| Customer Deposits | \$ 106,591 |
| Landfill Postclosure Costs | 806,669 |
| Renewal and Replacement (Water/Sewer) | 190,978 |
| Impact Fees | 1,125,584 |
| Debt Service | 447,500 |
| Total | \$ 2,677,322 |

Reported in accompanying financial statements as follows:

| <u>Account</u> | <u>Reported Amount</u> |
|---|----------------------------|
| Current: Restricted Cash and Cash Equivalents - Business-type Activities | \$ 806,669 |
| Noncurrent: Restricted Cash and Cash Equivalents - Business-type Activities | 1,870,653 |
| Total Restricted Assets | \$ 2,677,322 |

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 position.

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

Note 6 - Capital Assets (Concluded)

Capital asset activity for the year ended September 30, 2014, was as follows:

| | <u>Balance</u> <u>10/1/13</u> | <u>Increases</u> | <u>(Decreases)</u> | <u>Balance</u> <u>9/30/14</u> |
|---|----------------------------------|-----------------------|-----------------------|----------------------------------|
| Governmental Activities | | | | |
| Capital Assets Not Being Depreciated: | | | | |
| Land | \$ 75,699,427 | \$ 100,508 | \$ 0 | \$ 75,799,935 |
| Construction Work in Progress | <u>2,949,092</u> | <u>5,863,403</u> | <u>(3,947,921)</u> | <u>4,864,574</u> |
| Total Capital Assets Not Being Depreciated | <u>78,648,519</u> | <u>5,963,911</u> | <u>(3,947,921)</u> | <u>80,664,509</u> |
| Capital Assets Being Depreciated: | | | | |
| Building and Improvements | 57,966,220 | 187,586 | (34,273) | 58,119,533 |
| Machinery and Equipment | 25,261,825 | 879,115 | (1,866,265) | 24,274,675 |
| Leasehold Improvements | 1,151,985 | 0 | 0 | 1,151,985 |
| Infrastructure | <u>611,800,086</u> | <u>5,448,267</u> | <u>0</u> | <u>617,248,353</u> |
| Total Capital Assets Being Depreciated | <u>696,180,116</u> | <u>6,514,968</u> | <u>(1,900,538)</u> | <u>700,794,546</u> |
| Less Accumulated Depreciation: | | | | |
| Buildings and Improvements | (19,193,839) | (1,590,554) | 22,930 | (20,761,463) |
| Machinery and Equipment | (18,079,926) | (1,875,703) | 1,792,141 | (18,163,488) |
| Leasehold Improvements | (113,479) | (8,604) | 0 | (122,083) |
| Infrastructure | <u>(273,364,116)</u> | <u>(16,053,329)</u> | <u>0</u> | <u>(289,417,445)</u> |
| Total Accumulated Depreciation | <u>(310,751,360)</u> | <u>(19,528,190)</u> | <u>1,815,071</u> | <u>(328,464,479)</u> |
| Total Capital Assets Being Depreciated, Net | <u>385,428,756</u> | <u>(13,013,222)</u> | <u>(85,467)</u> | <u>372,330,067</u> |
| Total Governmental Activities Capital Assets, Net | <u>\$ 464,077,275</u> | <u>\$ (7,049,311)</u> | <u>\$ (4,033,388)</u> | <u>\$ 452,994,576</u> |
| Business-type Activities | | | | |
| Capital Assets, Not Being Depreciated: | | | | |
| Land | \$ 815,228 | \$ 0 | \$ 0 | \$ 815,228 |
| Total Capital Assets, Not Being Depreciated | <u>815,228</u> | <u>0</u> | <u>0</u> | <u>815,228</u> |
| Capital Assets, Being Depreciated: | | | | |
| Building and Improvements | 1,127,596 | 96,872 | (1,495) | 1,222,973 |
| Equipment | 20,346,547 | 200,102 | (47,581) | 20,499,068 |
| Landfill | <u>41,701,285</u> | <u>0</u> | <u>0</u> | <u>41,701,285</u> |
| Total Capital Assets, Being Depreciated | <u>63,175,428</u> | <u>296,974</u> | <u>(49,076)</u> | <u>63,423,326</u> |
| Less Accumulated Depreciation: | | | | |
| Building and Improvements | (217,527) | (20,305) | 1,495 | (236,337) |
| Equipment | (7,265,021) | (789,567) | 47,581 | (8,007,007) |
| Landfill | <u>(41,701,285)</u> | <u>0</u> | <u>0</u> | <u>(41,701,285)</u> |
| Total Accumulated Depreciation | <u>(49,183,833)</u> | <u>(809,872)</u> | <u>49,076</u> | <u>(49,944,629)</u> |
| Total Capital Assets, Being Depreciated, Net | <u>13,991,595</u> | <u>(512,898)</u> | <u>0</u> | <u>13,478,697</u> |
| Total Business-type Activities Capital Assets, Net | <u>\$ 14,806,823</u> | <u>\$ (512,898)</u> | <u>\$ 0</u> | <u>\$ 14,293,925</u> |

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

Note 7 - Interfund Activity

Interfund balances at September 30, 2014, consisted of the following:

Due to/from other funds:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Total</u> |
|------------------------|-----------------------|-------------------|
| General | County Transportation | \$ 88,210 |
| | Municipal Service | 163,464 |
| | Nonmajor | 23,129 |
| | Solid Waste Disposal | 7,986 |
| | Water and Sewer | 13,857 |
| Total | | <u>\$ 296,646</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 \$625,746 due from the Constitutional Officers, and \$38,696 due to the Constitutional Officers.

Interfund transfers:

| <u>Transfers Out</u> | <u>Transfers In</u> | | | | | | <u>Totals</u> |
|---------------------------|---------------------|--|-------------------------------|----------------------------|---|---------------------|----------------------|
| | <u>General</u> | <u>County Trans- portation</u> | <u>Municipal Services</u> | <u>One-Cent Surtax</u> | <u>Capital Project Transportation</u> | <u>Nonmajor</u> | |
| General | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 121,773 | \$ 2,440,934 | \$ 2,562,707 |
| County Transportation | 0 | 0 | 0 | 0 | 1,565,327 | 0 | 1,565,327 |
| Municipal Services | 85,470 | 0 | 0 | 0 | 0 | 0 | 85,470 |
| One-Cent County Surtax | 1,446,323 | 1,840,814 | 1,967,663 | 0 | 200,000 | 4,500,000 | 9,954,800 |
| Impact Fee Ordinance | 0 | 0 | 0 | 0 | 21,400 | 25,862 | 47,262 |
| Nonmajor | 666,134 | 84 | 40,000 | 335 | 0 | 19,720 | 726,273 |
| Solid Waste | 74,331 | 0 | 0 | 0 | 0 | 0 | 74,331 |
| Water and Sewer | 52,963 | 0 | 0 | 0 | 0 | 0 | 52,963 |
| Total | <u>\$ 2,325,221</u> | <u>\$ 1,840,898</u> | <u>\$ 2,007,663</u> | <u>\$ 335</u> | <u>\$ 1,908,500</u> | <u>\$ 6,986,516</u> | <u>\$ 15,069,133</u> |

In addition to the interfund transfers, there were transfers out to the Constitutional Officers of \$23,805,729 and transfers in from the Constitutional Officers of \$530,177.

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 operating leases during the period ended September 30, 2014, as follows:

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

Note 8 - Operating Leases (Concluded)

■ **Governmental Funds (Concluded)**

- *Tower Site (14th Street)*—the Board entered into a five-year lease with Pinnacle Towers, LLC, commencing April 1, 2011. Operating lease payments for the year ended September 30, 2014, were \$27,023.
- *Two Tower Sites (Hilliard and Dahoma)*—the Board entered into two one-year leases (with renewal terms of one year each) with American Tower Asset Sub, LLC, commencing April 24, 2006. The Board exercised the renewal, which has an effective date of May 2012. Operating lease payments for the year ended September 30, 2014, were \$48,620.
- *West Nassau Land Development*—the Board entered into a five-year lease with West Nassau Land Development, LLC, commencing July 1, 2010. Operating lease payments for the year ended September 30, 2014, were \$63,735.

Future minimum lease payments under these leases follow:

| <u>Year Ending</u> <u>September 30</u> | <u>Tower</u> <u>Lease</u> <u>Sites</u> | <u>West Nassau</u> <u>Land</u> <u>Development</u> | <u>Total</u> |
|---|--|---|-------------------|
| 2015 | \$ 57,277 | \$ 55,052 | \$ 112,329 |
| 2016 | 14,518 | 0 | 14,518 |
| Total | <u>\$ 71,795</u> | <u>\$ 55,052</u> | <u>\$ 126,847</u> |

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, 2014:

| | <u>Balance</u> <u>10/1/13</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance</u> <u>9/30/14</u> | <u>Due Within</u> <u>One Year</u> |
|--|----------------------------------|---------------------|-----------------------|----------------------------------|--------------------------------------|
| Governmental Activities | | | | | |
| Bonds Payable | \$ 40,785,778 | \$ 0 | \$ (2,534,225) | \$ 38,251,553 | \$ 2,511,559 |
| Premium on Bonds Payable | <u>1,336,470</u> | <u>0</u> | <u>(74,248)</u> | <u>1,262,222</u> | <u>74,248</u> |
| Total Bonds and Notes Payable | 42,122,248 | 0 | (2,608,473) | 39,513,775 | 2,585,807 |
| Claims Payable | 329,041 | 0 | (95,891) | 233,150 | 77,716 |
| Compensated Absences | 5,848,569 | 2,456,803 | (2,217,412) | 6,087,960 | 2,131,837 |
| Other Postemployment Benefits | <u>3,257,327</u> | <u>467,384</u> | <u>0</u> | <u>3,724,711</u> | <u>0</u> |
| Total Governmental Activities Long-term Liabilities | <u>\$ 51,557,185</u> | <u>\$ 2,924,187</u> | <u>\$ (4,921,776)</u> | <u>\$ 49,559,596</u> | <u>\$ 4,795,360</u> |

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

Note 9 - Long-term Obligations (Continued)

| | <u>Balance</u> <u>10/1/13</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance</u> <u>9/30/14</u> | <u>Due Within</u> <u>One Year</u> |
|---|----------------------------------|-------------------|-----------------------|----------------------------------|--------------------------------------|
| Business-type Activities | | | | | |
| Bonds Payable | \$ 15,320,000 | \$ 0 | \$ (875,000) | \$ 14,445,000 | \$ 895,000 |
| Compensated Absences | 263,985 | 102,471 | (87,830) | 278,626 | 89,828 |
| Other Postemployment Benefits | 128,578 | 18,450 | 0 | 147,028 | 0 |
| Landfill Closure/ Postclosures | <u>16,289,719</u> | <u>0</u> | <u>(438,739)</u> | <u>15,850,980</u> | <u>806,668</u> |
| Total Business-type Activities Long-term Liabilities | <u>\$ 32,002,282</u> | <u>\$ 120,921</u> | <u>\$ (1,401,569)</u> | <u>\$ 30,721,634</u> | <u>\$ 1,791,496</u> |

Governmental Activities

A brief synopsis of long-term debt existing at September 30, 2014, follows:

2009-1 Gas Tax Revenue Bonds

In October 2012, the Board issued the Gas Tax Revenue Bonds, Series 2009-1, in the amount of \$6,213,421. The Series 2009-1 Bond was issued to provide funds sufficient, together with other available moneys of the issuer, to refund the outstanding Nassau County, Florida, Gas Tax Revenue Bond, Series 2009.

The 2009-1 Gas Tax Revenue Bonds 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 bond are expected to require approximately 53% of such tax revenue and are payable through 2018. Principal and interest payments for the current year totaled \$1,104,021 and gas tax revenues totaled \$2,090,276. At year-end, pledged future revenues totaled \$4,416,084, which was the amount of remaining principal and interest on the bond. 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. The bond bearing interest at a rate of 1.86% per annum, is dated October 1, 2012, and has a maturity date of October 1, 2018.

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> |
|---|---------------------|-------------------|---------------------|
| 2015 | \$ 1,025,564 | \$ 78,457 | \$ 1,104,021 |
| 2016 | 1,044,639 | 59,382 | 1,104,021 |
| 2017 | 1,064,069 | 39,952 | 1,104,021 |
| 2018 | <u>1,083,861</u> | <u>20,160</u> | <u>1,104,021</u> |
| Total | <u>\$ 4,218,133</u> | <u>\$ 197,951</u> | <u>\$ 4,416,084</u> |

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

Note 9 - Long-term Obligations (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, 2014, totaled \$4,233,318.

The Series 2000 Bonds are special limited obligations of the County payable solely from and secured by a prior lien upon and pledge of the proceeds of the six-cent local option gas tax and until expended, the monies on deposit in certain funds and accounts created by Resolution. Annual principal and interest on the bonds are expected to require approximately 48% of such tax revenue and are payable through 2025. Principal and interest payments for the current year totaled \$945,000 and gas tax revenues totaled \$1,988,302. At year-end, pledged future revenues totaled \$10,395,000, which was the amount of remaining principal and interest on the bonds. Other Board revenues are not available to finance this bond issue. In addition, the bondholders do not have any authority to compel the Board to increase ad valorem taxes for financing this bond issue. Such bonds, bearing interest at a rate between 5.0% 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. The bonds have a required reserve of \$945,000, which is on hand at year-end.

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

| <u>Year Ending</u> <u>September 30</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---|---------------------|---------------------|----------------------|
| 2015 | \$ 430,996 | \$ 514,004 | \$ 945,000 |
| 2016 | 405,178 | 539,822 | 945,000 |
| 2017 | 380,533 | 564,467 | 945,000 |
| 2018 | 357,030 | 587,970 | 945,000 |
| 2019 | 334,662 | 610,338 | 945,000 |
| 2020-2024 | 1,399,006 | 3,325,994 | 4,725,000 |
| 2025 | <u>232,697</u> | <u>712,303</u> | <u>945,000</u> |
| Total | <u>\$ 3,540,102</u> | <u>\$ 6,854,898</u> | <u>\$ 10,395,000</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.

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

Note 9 - Long-term Obligations (Continued)

Governmental Activities (Concluded)

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 revenues in accordance with the terms of the Resolution. Annual principal and interest on the bonds are expected to require approximately 37% of such non ad valorem tax revenue and are payable through 2031. Principal and interest payments for the current year totaled \$2,387,950 and non ad valorem tax revenues totaled \$6,375,600. At year-end, pledged future revenues totaled \$39,501,500, which was the amount of remaining principal and interest on the bonds. Other Board revenues are not available to finance this bond issue.

In addition, the bondholders do not have any authority to compel the Board to increase ad valorem taxes for financing this bond issue. Such bonds, bearing interest rates between 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> |
|-------------------------------------|----------------------|----------------------|----------------------|
| 2015 | \$ 1,055,000 | \$ 1,280,350 | \$ 2,335,350 |
| 2016 | 1,085,000 | 1,238,150 | 2,323,150 |
| 2017 | 1,125,000 | 1,194,750 | 2,319,750 |
| 2018 | 1,170,000 | 1,149,750 | 2,319,750 |
| 2019 | 1,230,000 | 1,091,250 | 2,321,250 |
| 2020-2024 | 7,155,000 | 4,468,250 | 11,623,250 |
| 2025-2029 | 9,120,000 | 2,492,250 | 11,612,250 |
| 2030-2031 | <u>4,320,000</u> | <u>326,750</u> | <u>4,646,750</u> |
| Total | <u>\$ 26,260,000</u> | <u>\$ 13,241,500</u> | <u>\$ 39,501,500</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, 2014:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>(Deletions)</u> | <u>Ending Balance</u> |
|--------------------|------------------------------|---------------------|-----------------------|---------------------------|
| Vacation Leave | \$ 2,457,310 | \$ 1,460,366 | \$ (1,422,942) | \$ 2,494,734 |
| Paid Time Off | 74,825 | 149,852 | (96,173) | 128,504 |
| Sick Leave | 3,285,527 | 778,849 | (630,141) | 3,434,235 |
| Bonus Leave | 27,263 | 51,315 | (53,992) | 24,586 |
| Compensatory Leave | <u>3,644</u> | <u>16,421</u> | <u>(14,164)</u> | <u>5,901</u> |
| Total | <u>\$ 5,848,569</u> | <u>\$ 2,456,803</u> | <u>\$ (2,217,412)</u> | <u>\$ 6,087,960</u> |

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

Note 9 - Long-term Obligations (Concluded)

Business-type Activities

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

The revenue bond is secured by a pledge of and is payable solely from pledged revenues, which primarily consist of net revenues and impact fees which derive from the System. Annual principal and interest on the bond is expected to require approximately 52% of such revenue and are payable through 2028. Principal and interest payments for the current year totaled \$1,194,974 and revenues totaled \$2,292,344. At year-end, pledged future revenues totaled \$16,726,742, which was the amount of remaining principal and interest on the bond. The Series 2013 Bond shall not be or constitute a general obligation or indebtedness of the County.

Rate Covenant

The Board has covenanted to establish and collect fees from users of the Water and Sewer System (gross revenues of the System, as defined in the bond ordinance) sufficient to pay the costs of operation and maintenance of the System (as defined in the bond ordinance) plus 120% of the bond service requirements for that year. 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 120% of the bond service requirements for that year. The Board met the 120% requirement and, therefore, is in compliance with the rate covenant at year-end.

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

| <u>Year Ending</u> <u>September 30</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---|----------------------|---------------------|----------------------|
| 2015 | \$ 895,000 | \$ 300,946 | \$ 1,195,946 |
| 2016 | 915,000 | 281,489 | 1,196,489 |
| 2017 | 930,000 | 261,655 | 1,191,655 |
| 2018 | 955,000 | 241,391 | 1,196,391 |
| 2019 | 975,000 | 220,644 | 1,195,644 |
| 2020-2024 | 5,200,000 | 776,258 | 5,976,258 |
| 2025-2028 | <u>4,575,000</u> | <u>199,359</u> | <u>4,774,359</u> |
| Total | <u>\$ 14,445,000</u> | <u>\$ 2,281,742</u> | <u>\$ 16,726,742</u> |

Compensated Absences—following is a summary of annual, sick, and bonus leave benefits liabilities at September 30, 2014, for the proprietary funds:

| | <u>Beginning</u> <u>Balance</u> | <u>Additions</u> | <u>(Deletions)</u> | <u>Ending</u> <u>Balance</u> |
|----------------|------------------------------------|-------------------|--------------------|---------------------------------|
| Vacation Leave | \$ 97,259 | \$ 62,316 | \$ (57,711) | \$ 101,864 |
| Sick Leave | 163,501 | 32,122 | (22,086) | 173,537 |
| Bonus Leave | 3,225 | 8,033 | (8,033) | 3,225 |
| Comp Time | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Total | <u>\$ 263,985</u> | <u>\$ 102,471</u> | <u>\$ (87,830)</u> | <u>\$ 278,626</u> |

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

Note 10 - No Commitment Special Assessment Debt

To finance the cost of certain capital improvements benefitting property within the South Amelia Island Shore Stabilization Municipal Services Benefit Unit, the County has issued the South Amelia Island Shore Stabilization Special Assessment Bonds, Series 2011. The bonds do not constitute a debt or pledge of the faith and credit of the County, and accordingly, has not been reported in the accompanying financial statements.

At September 30, 2014, the Special Assessment Bond outstanding totaled \$6,669,954.

Note 11 - Bond Arbitrage Rebate

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

- \$29,630,000 Nassau County, Florida, Public Improvement Revenue and Refunding, Series 2007.
- \$19,160,000 Nassau County, Florida, Water and Sewer System Revenue Bonds, Series 2013.
- \$6,213,421 Nassau County, Florida, Gas Tax Revenue Bond, Series 2009-1.
- \$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 12 - Landfill Postclosure Care Costs

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

For the closed landfills, actual postclosure care cost incurred for each year is reported as a reduction of the postclosure liability, along with the change in required escrow balance until the required twenty-or-thirty-year postclosure care period is satisfied. The Board has accrued a total of \$15,850,980 for postclosure care cost at September 30, 2014, for the four closed landfills. The liability is based on engineering estimates of annual postclosure care cost.

These postclosure care costs are based on estimates of what it would cost to perform all postclosure care using 2014 dollars. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

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

Note 12 - Landfill Postclosure Care Costs (Concluded)

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 \$804,581 as of September 30, 2014). At September 30, 2014, the actual escrow balances are as follows:

| Landfills | |
|------------------------------|-------------------|
| Old West Nassau Postclosure | \$ 32,015 |
| Bryceville Postclosure | 93,391 |
| Lofton Creek Postclosure | 125,276 |
| New West Nassau Postclosure | <u>555,986</u> |
| Total Escrow Balances | <u>\$ 806,668</u> |

Note 13 - 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, and Chapter 22B, *Florida Administrative Code*, 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.

If employed prior to July 1, 2011, the System provides for vesting of benefits after six years of creditable service. The vesting requirement changes to eight years of creditable service for those employed on or after July 1, 2011. For those employed prior to July 1, 2011, normal retirement is after thirty years of service or age sixty-two except for the Special Risk service class. Those hired prior to July 1, 2011, who are assigned the Special Risk service class must have twenty-five years of service or must reach age fifty-five. If employed on or after July 1, 2011, normal retirement is after thirty-three years of service or age sixty-five except for the Special Risk service class. Those hired on or after July 1, 2011, who are assigned the Special Risk service class must have thirty years of service or must reach age sixty. Early retirement may be taken after meeting the appropriate vesting requirement with a 5% benefit reduction for each year prior to the normal retirement requirement. The System also offers eligible employees the ability to participate in an alternative defined contribution plan (the Investment Plan). Employees participating in the Investment Plan are vested after one year of service with no age requirement. 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. Prior to July 1, 2011, retirement coverage for an employee was noncontributory. Effective July 1, 2011, all the System members (except those in DROP) are required to contribute 3% of their gross compensation on a pretax basis.

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

Note 13 - Retirement Plans (Concluded)

The Deferred Retirement Option Program (DROP) is available under the System Pension Plan when the member first reaches eligibility for normal retirement. DROP allows a member to retire while continuing employment for up to sixty months. While in the DROP, the member's retirement benefits accumulate in the System trust fund (increased by a cost-of-living adjustment each July). DROP participants starting the program prior to July 1, 2011, earn monthly interest equivalent to an annual rate of 6.5%. Participants starting the program on or after July 1, 2011, earn an effective annual rate of 1.3%. When the DROP period ends, the DROP account is paid out as a lump-sum payment, a rollover, or a combination, and monthly benefits are subsequently paid to the member in the amount as calculated upon entry into DROP, plus cost-of-living adjustments for intervening years. In most cases, the DROP participant must cease employment when the DROP period ends.

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:

| | As of September 30, 2014 |
|------------------------------------|-------------------------------------|
| Deferred Retirement Option Program | 12.28% |
| Regular Employees | 7.37% |
| Senior Management Service | 21.14% |
| SUS Optional Program | 5.14% |
| Elected County Officials | 43.24% |
| Special Risk | 19.82% |

The Board's contributions to the System for the years ended September 30, 2014, 2013, and 2012, were \$2,222,809, \$1,712,871, and \$1,454,861, respectively, equal to the required contributions for each year.

Note 14 - Deferred Compensation Plan

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

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

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

Note 15 - Other Postemployment Benefits

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

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

Currently, there are 266 active employees and 45 retired employees participating in the plan. The Board's OPEB obligation totaled \$3,871,739, of which \$147,028 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 16 - Deficit Equity Balances

The Nassau County Anti-Drug Enforcement Trust Fund is partially funded by state and federal grants. However, a portion of grant revenues were not available as of September 30, 2014. As a result the Nassau County Anti-Drug Enforcement Trust fund has accumulated a deficit fund balance as of September 30, 2014, of \$27,650.

The Board has accrued the estimated postclosure monitoring liability for its closed landfills until the conclusion of the 20-or-30-year postclosure monitoring periods. 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 position at September 30, 2014, as follows:

| | |
|--|-------------------------------|
| Prior Year Total Net Position | \$ (9,652,703) |
| Change in Net Position for the Year Ended September 30, 2014 | <u>(791,411)</u> |
| Total Net Position for the Year Ended September 30, 2014 | (10,444,114) |
| Investment in Capital Assets | <u>(1,413,879)</u> |
| Total Unrestricted Net Position | <u>\$ (11,857,993)</u> |

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

Note 17 - Fund Balance Classification

The following is a summary of the Board's fund balance classifications and the purpose of each as of September 30, 2014, is as follows:

| | |
|--|----------------------|
| Nonspendable Fund Balance | |
| Prepaid Expenses | \$ 1,109,687 |
| Inventory | 305,253 |
| Deposits | <u>2,000</u> |
| Total Nonspendable Fund Balance | <u>1,416,940</u> |
| Restricted Fund Balance | |
| Crime Prevention | 215,751 |
| Other Human Services | 209,016 |
| Developer Agreements | 88,147 |
| Sheriff – Donations | 4,353 |
| Impact Fees | 3,928,412 |
| Library | 357,402 |
| Wireless Services | 111,349 |
| 911 Call Center | 400,000 |
| Other Physical Environment | 1,482,292 |
| State Housing Initiative Program | 855,592 |
| Court Facilities | 1,962,707 |
| Criminal Justice | 211,346 |
| Law Enforcement | 279,857 |
| Tourist Development | 3,935,745 |
| Building Department | 2,754,243 |
| Debt Services – Bonds | 1,588,710 |
| Capital Projects – Transportation | <u>246,056</u> |
| Total Restricted Fund Balance | <u>18,630,978</u> |
| Committed Fund Balance | |
| Fire/Rescue | 3 |
| Capital Projects | <u>3,003</u> |
| Total Committed Fund Balance | <u>3,006</u> |
| Assigned Fund Balance | |
| Other General Government | 6,988 |
| Economic Development | 13,627 |
| Human Services | 33,621 |
| Library | 84,821 |
| Sheriff Administration Building | 9,788,815 |
| Parks and Recreation | 89,434 |
| Public Safety | 641,170 |
| Supervisor of Elections | 10,764 |
| Transportation | 102,091 |
| Reserves – Capital | 3,656,569 |
| Reserves – Minimum Fund Balance | 2,440,613 |
| Reserves | 195,554 |
| Capital Projects Transportation | 8,119,196 |
| Capital Projects 911 Call Center | 3,106,381 |
| Capital Projects | <u>209,015</u> |
| Total Assigned Fund Balance | <u>28,498,659</u> |
| Unassigned Fund Balance | <u>8,127,300</u> |
| Total | <u>\$ 56,676,883</u> |

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

Note 18 - Risk Management

The Board is exposed to various risks of loss related to legal liability, theft of, damage to and destruction of assets; accidental death and dismemberment and on the job injury to employees. Many of these risks are transferred through the purchase of various insurance coverage. Settled claims from these risks have not exceeded insurance coverage for the past three years.

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

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

Note 19 - Commitments and Contingencies

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

The following is a summary of major commitments of the Board and contracts in progress as of September 30, 2014:

| <u>Project</u> | <u>Source of Payment</u> | <u>Paid to Date</u> | <u>Commitment Remaining</u> |
|--------------------------------------|-----------------------------|---------------------|-----------------------------|
| 911 Call Center | Current Available Resources | \$ 57,400 | \$ 1,888,305 |
| Commerce Blvd/A1A | Current Available Resources | 40,868 | 567,575 |
| E911 Solacom System | Current Available Resources | 109,058 | 254,468 |
| Jasmin Street Drainage & Resurfacing | Current Available Resources | 0 | 688,180 |
| Loop Road – Phase IV | Current Available Resources | 789,267 | 996,942 |
| CADD System | Current Available Resources | 855,668 | 221,157 |
| Roy Sikes Culvert Replacement | Current Available Resources | 66,079 | 151,292 |
| Sheriff's Administration Building | Current Available Resources | 203,500 | 7,325,769 |
| Crawford Road Widening & Resurfacing | Current Available Resources | 234,411 | 397,802 |
| Bay Road Phase II | Current Available Resources | 908,442 | 1,308,279 |
| Total | | <u>\$ 3,264,693</u> | <u>\$ 13,799,769</u> |

Note 20 - 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.

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

Note 20 - Conduit Debt Obligations (Concluded)

As of September 30, 2014, there was one series of such bonds outstanding with a principal amount payable of \$10,510,000. The issue amount and the September 30, 2014, outstanding balance is as follows:

| <u>Original Issuance</u> | <u>Year</u> | <u>9/30/14 Balance</u> | <u>Description</u> |
|------------------------------|-------------|----------------------------|---|
| \$ 11,150,000 | 2008 | \$ 10,510,000 | AICC, Inc. and Nassau Care Centers—70 Bed Care Intermediate Care and Day Program Service Facilities |

Note 21 - Other Disclosures

Prior Period Adjustment

The Board implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*: This statement provides more guidance for the items listed in GASB 63, and adds additional changes. It requires that statements avoid the use of the word “deferred” except as it relates to items that are deferred outflows or are deferred inflows. It addresses the calculation of a deferred outflow or inflow for the refunding of debt. For non-exchange transactions, like grants, amounts received before the time period of eligibility are treated as deferred inflows. This Statement also addresses taxes received prior to the period to which they relate. GASB 65 also requires debt issuance costs to be expensed in the period that the debt was issued. In the past, subsequent to the implementation of GASB 34, these costs were amortized over the life of the issue. The effects of this change are required to be disclosed on the statements in the period it is implemented. Losses on debt refundings are not expenses, but rather, treated as deferred outflows. For operating leases, any initial direct costs are recognized in the period incurred, instead of being amortized over the life of the lease. When an asset is recorded in governmental fund statements, but the revenue is not available until a future period, a deferred inflow is reported until the revenue becomes available.

The implementation of this statement resulted in the elimination of \$66,437 of unamortized bond issuance costs in the Water and Sewer Fund in the Business-type Activities.

Water and Sewer Fund

| | |
|--|---------------------|
| Net Position as of September 30, 2013 | \$ 5,038,017 |
| Prior Period Adjustment | <u>(66,437)</u> |
| Net Position as of September 30, 2013, as Restated | <u>\$ 4,971,580</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, 2014**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance With Final Budget Positive (Negative)</u> |
|---|-------------------------|---------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Taxes | \$ 29,510,804 | \$ 29,510,804 | \$ 29,838,964 | \$ 328,160 |
| Licenses and Permits | 12,000 | 12,000 | 16,426 | 4,426 |
| Intergovernmental Revenues | 5,075,744 | 5,097,747 | 5,667,512 | 569,765 |
| Charges for Services | 2,236,905 | 2,240,148 | 2,097,120 | (143,028) |
| Fines and Forfeitures | 56,000 | 56,000 | 51,005 | (4,995) |
| Interest Earnings | 178,000 | 178,000 | 82,144 | (95,856) |
| Miscellaneous | 124,029 | 154,741 | 323,468 | 168,727 |
| Total Revenues | <u>37,193,482</u> | <u>37,249,440</u> | <u>38,076,639</u> | <u>827,199</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government Services | 6,186,772 | 6,360,309 | 5,987,516 | 372,793 |
| Public Safety | 9,489,246 | 9,576,999 | 9,051,533 | 525,466 |
| Physical Environment | 338,412 | 351,209 | 350,163 | 1,046 |
| Economic Environment | 218,202 | 239,602 | 154,948 | 84,654 |
| Human Services | 2,694,709 | 2,682,141 | 2,507,694 | 174,447 |
| Culture and Recreation | 1,651,892 | 2,253,638 | 1,946,187 | 307,451 |
| Court-related Expenditures | 902,634 | 866,067 | 841,000 | 25,067 |
| Capital Outlay | 1,097,118 | 1,600,661 | 1,019,825 | 580,836 |
| (Total Expenditures) | <u>22,578,985</u> | <u>23,930,626</u> | <u>21,858,866</u> | <u>2,071,760</u> |
| Excess of Revenues Over Expenditures | <u>14,614,497</u> | <u>13,318,814</u> | <u>16,217,773</u> | <u>2,898,959</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers from Constitutional Officers | 414,900 | 414,900 | 438,543 | 23,643 |
| Transfers to Constitutional Officers | (20,251,692) | (20,358,702) | (20,258,831) | 99,871 |
| Transfers in | 1,839,524 | 2,326,411 | 2,325,221 | (1,190) |
| Transfers (out) | (2,440,605) | (2,562,928) | (2,562,707) | 221 |
| Total Other Financing Sources (Uses) | <u>(20,437,873)</u> | <u>(20,180,319)</u> | <u>(20,057,774)</u> | <u>122,545</u> |
| Net Change in Fund Balances | (5,823,376) | (6,861,505) | (3,840,001) | 3,021,504 |
| Fund Balances at Beginning of Year | <u>14,392,420</u> | <u>15,188,463</u> | <u>15,423,067</u> | <u>234,604</u> |
| Fund Balances at End of Year | <u>\$ 8,569,044</u> | <u>\$ 8,326,958</u> | <u>\$ 11,583,066</u> | <u>\$ 3,256,108</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, 2014**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance With Final Budget Positive (Negative)</u> |
|--|-------------------------|---------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Taxes | \$ 4,343,217 | \$ 4,343,217 | \$ 4,586,657 | \$ 243,440 |
| Licenses and Permits | 14,645 | 14,645 | 39,594 | 24,949 |
| Intergovernmental Revenues | 1,018,236 | 1,018,236 | 1,248,332 | 230,096 |
| Charges for Services | 5,620 | 4,773 | 43,844 | 39,071 |
| Fines and Forfeitures | 0 | 0 | 262 | 262 |
| Interest Earnings | 55,000 | 55,000 | 15,471 | (39,529) |
| Miscellaneous | 40,820 | 45,495 | 89,424 | 43,929 |
| Total Revenues | <u>5,477,538</u> | <u>5,481,366</u> | <u>6,023,584</u> | <u>542,218</u> |
| Expenditures | | | | |
| Current: | | | | |
| Transportation | 6,314,919 | 6,070,357 | 5,738,828 | 331,529 |
| Capital Outlay | 1,151,417 | 1,579,320 | 1,087,377 | 491,943 |
| (Total Expenditures) | <u>7,466,336</u> | <u>7,649,677</u> | <u>6,826,205</u> | <u>823,472</u> |
| (Deficiency) of Revenues (Under) Expenditures | <u>(1,988,798)</u> | <u>(2,168,311)</u> | <u>(802,621)</u> | <u>1,365,690</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers from Constitutional Officers | 5,620 | 5,620 | 2,826 | (2,794) |
| Transfers to Constitutional Officers | (79,176) | (79,413) | (69,884) | 9,529 |
| Transfers in | 1,841,130 | 1,841,977 | 1,840,898 | (1,079) |
| Transfers (out) | (2,400,000) | (1,565,327) | (1,565,327) | 0 |
| Total Other Financing Sources (Uses) | <u>(632,426)</u> | <u>202,857</u> | <u>208,513</u> | <u>5,656</u> |
| Net Change in Fund Balances | (2,621,224) | (1,965,454) | (594,108) | 1,371,346 |
| Fund Balances at Beginning of Year | <u>3,474,997</u> | <u>4,081,996</u> | <u>4,269,305</u> | <u>187,309</u> |
| Fund Balances at End of Year | <u>\$ 853,773</u> | <u>\$ 2,116,542</u> | <u>\$ 3,675,197</u> | <u>\$ 1,558,655</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, 2014**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance With Final Budget Positive (Negative)</u> |
|---|-------------------------|---------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Taxes | \$ 7,927,853 | \$ 7,927,853 | \$ 8,009,288 | \$ 81,435 |
| Licenses and Permits | 37,000 | 37,000 | 45,001 | 8,001 |
| Intergovernmental Revenues | 524,783 | 724,783 | 691,928 | (32,855) |
| Charges for Services | 121,400 | 121,400 | 141,573 | 20,173 |
| Fines and Forfeitures | 2,600 | 2,600 | 12,489 | 9,889 |
| Interest Earnings | 55,000 | 55,000 | 8,190 | (46,810) |
| Miscellaneous | 550 | 6,050 | 27,235 | 21,185 |
| Total Revenues | <u>8,669,186</u> | <u>8,874,686</u> | <u>8,935,704</u> | <u>61,018</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government Services | 590,551 | 607,832 | 522,127 | 85,705 |
| Public Safety | 6,235,213 | 6,493,469 | 6,187,535 | 305,934 |
| Human Services | 839,895 | 1,037,055 | 910,457 | 126,598 |
| Capital Outlay | 206,310 | 241,293 | 197,354 | 43,939 |
| (Total Expenditures) | <u>7,871,969</u> | <u>8,379,649</u> | <u>7,817,473</u> | <u>562,176</u> |
| Excess of Revenues Over Expenditures | <u>797,217</u> | <u>495,037</u> | <u>1,118,231</u> | <u>623,194</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers from Constitutional Officers | 14,100 | 14,100 | 7,993 | (6,107) |
| Transfers to Constitutional Officers | (2,946,252) | (2,946,252) | (2,944,497) | 1,755 |
| Transfers in | 1,967,663 | 2,007,663 | 2,007,663 | 0 |
| Transfers (out) | (85,470) | (85,470) | (85,470) | 0 |
| Total Other Financing Sources (Uses) | <u>(1,049,959)</u> | <u>(1,009,959)</u> | <u>(1,014,311)</u> | <u>(4,352)</u> |
| Net Change in Fund Balances | (252,742) | (514,922) | 103,920 | 618,842 |
| Fund Balances at Beginning of Year | <u>2,990,456</u> | <u>3,225,639</u> | <u>3,225,916</u> | <u>277</u> |
| Fund Balances at End of Year | <u>\$ 2,737,714</u> | <u>\$ 2,710,717</u> | <u>\$ 3,329,836</u> | <u>\$ 619,119</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, 2014**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance With Final Budget Positive (Negative)</u> |
|---|-------------------------|---------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Taxes | \$ 7,006,336 | \$ 7,006,336 | \$ 7,945,680 | \$ 939,344 |
| Interest Earnings | 25,000 | 25,000 | 52,189 | 27,189 |
| Total Revenues | <u>7,031,336</u> | <u>7,031,336</u> | <u>7,997,869</u> | <u>966,533</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public Safety | 0 | 94,888 | 0 | 94,888 |
| Transportation | 12,273 | 12,273 | 0 | 12,273 |
| Capital Outlay | 1,389,923 | 805,731 | 70,388 | 735,343 |
| (Total Expenditures) | <u>1,402,196</u> | <u>912,892</u> | <u>70,388</u> | <u>842,504</u> |
| Excess of Revenues Over Expenditures | <u>5,629,140</u> | <u>6,118,444</u> | <u>7,927,481</u> | <u>1,809,037</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 45,856 | 335 | 335 | 0 |
| Transfers (out) | (9,954,800) | (9,954,800) | (9,954,800) | 0 |
| Total Other Financing Sources (Uses) | <u>(9,908,944)</u> | <u>(9,954,465)</u> | <u>(9,954,465)</u> | <u>0</u> |
| Net Change in Fund Balances | (4,279,804) | (3,836,021) | (2,026,984) | 1,809,037 |
| Fund Balances at Beginning of Year | <u>11,941,356</u> | <u>13,582,082</u> | <u>13,582,083</u> | <u>1</u> |
| Fund Balances at End of Year | <u>\$ 7,661,552</u> | <u>\$ 9,746,061</u> | <u>\$ 11,555,099</u> | <u>\$ 1,809,038</u> |

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
NOTE TO SCHEDULES OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

Budgets and Budgetary Accounting

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

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

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

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

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

If during the fiscal year, additional revenues become available for appropriations in excess of those estimated in the budget, the Board, by resolution, may make supplemental appropriations for the year up to the amount of such excess. During the fiscal year ended September 30, 2014, 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, 2014:

| | |
|---------------------------|---------------------|
| Governmental Funds | |
| General Fund | \$ 1,338,888 |
| Special Revenue Funds | 5,375,096 |
| Debt Service Funds | 0 |
| Capital Projects Funds | <u>3,036,723</u> |
| Total | <u>\$ 9,750,707</u> |

**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.
- **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/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.
- **EMS County Awards HRS**—to account for expenditures associated with EMS prehospital care. Funding is provided by Florida State grants.
- **Grants**—to account for expenditures financed primarily by federal and/or state grants.
- **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.

NONMAJOR GOVERNMENTAL FUNDS

(Concluded)

Special Revenue Funds

(Concluded)

- **South Amelia Island Shore Stabilization MSBU**—is used to account for revenues and expenditures relating to the Amelia Island Beach Restoration, local improvement, and maintenance cost.
- **Building Department**—to account for funds received for various fees charged to be used to fund the building, zoning, and planning department.
- **Amelia Concourse MSBU**—to account for funds received from the Amelia Concourse assessment allocated to the administrative charges associated with the levy of the special assessments.
- **Firefighter Education Trust**—to account for surcharges on civil penalties for 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.
- **1998/2009 Gas Tax Bonds**—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.
- **County Complex**—to account for debt service requirements to retire the public improvement revenue bonds, Series 2001, of Nassau County, Florida, dated May 1, 2001 and Series 2007, of Nassau County, Florida, dated June 1, 2007. The bonds are payable solely from non-ad valorem budgeted revenues. The bonds mature on May 2031.

Capital Projects Funds

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

- **Grants**—to account for capital expenditures financed primarily by federal and/or state grants.
- **County Complex**—to account for the development of County building projects at the County Complex. Financing for the completed Courthouse Annex and Detention Center was primarily provided by the 2001 Public Improvement Revenue Bonds.
- **Capital Projects - South Amelia Island Shore Stabilization**—is used to account for revenues and expenditures relating to the beach restoration capital projects within the geographical boundaries of the South Amelia Island Shore Stabilization MSBU.
- **Capital Projects**—to account for various capital projects. Some projects may have their own fund.

**NASSAU COUNTY BOARD OF COUNTY COMMISISONERS
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014**

| | Special Revenue Funds | | |
|--|---|--|------------------------------|
| | Law Enforcement Training | Special Law Enforcement | Sheriff Donations |
| Assets | | | |
| Cash and Cash Equivalents | \$ 111,799 | \$ 3,490 | \$ 4,353 |
| Equity in Pooled Investments | 0 | 115,697 | 0 |
| Loans Receivable (Net of Allowance for Uncollectibles) | 0 | 0 | 0 |
| Due from Constitutional Officers | 0 | 0 | 0 |
| Due from Other Governments | 0 | 0 | 0 |
| Prepaid Expenditures | 0 | 0 | 0 |
| Total Assets | 111,799 | 119,187 | 4,353 |
| Liabilities and Deferred Inflows of Resources and Fund Balance | | | |
| Liabilities | | | |
| Accounts Payable | 0 | 0 | 0 |
| Retainage Payable | 0 | 0 | 0 |
| Due to Other Funds | 0 | 0 | 0 |
| Due to Constitutional Officers | 0 | 0 | 0 |
| Due to Other Governments | 0 | 0 | 0 |
| Unearned Revenues | 0 | 0 | 0 |
| Deposits | 0 | 0 | 0 |
| Total Liabilities | 0 | 0 | 0 |
| Deferred Inflows of Resources | 0 | 0 | 0 |
| Fund Balances | | | |
| Nonspendable | 0 | 0 | 0 |
| Restricted | 111,799 | 119,187 | 4,353 |
| Committed | 0 | 0 | 0 |
| Assigned | 0 | 0 | 0 |
| Unassigned | 0 | 0 | 0 |
| Total Fund Balances | 111,799 | 119,187 | 4,353 |
| Total Liabilities and Deferred Inflows of Resources and Fund Balances | \$ 111,799 | \$ 119,187 | \$ 4,353 |

Special Revenue Funds

| Law Enforcement Trust | Nassau County Anti-Drug Enforcement | Court Improvement | Court Facility Fees | Law Library Trust | Criminal Justice Trust | Special Drug/Alcohol Rehabilitation |
|-----------------------|-------------------------------------|-------------------|---------------------|-------------------|------------------------|-------------------------------------|
| \$ 22,146 | \$ 21,936 | \$ 0 | \$ 916 | \$ 0 | \$ 771 | \$ 0 |
| 26,726 | 0 | 0 | 869,846 | 151,787 | 211,501 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 1,000 | 0 | 0 | 0 | 0 | 0 |
| 0 | 44,457 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>48,872</u> | <u>67,393</u> | <u>0</u> | <u>870,762</u> | <u>151,787</u> | <u>212,272</u> | <u>0</u> |
| 0 | 35,145 | 0 | 44,304 | 917 | 926 | 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 | 15,441 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>0</u> | <u>50,586</u> | <u>0</u> | <u>44,304</u> | <u>917</u> | <u>926</u> | <u>0</u> |
| <u>0</u> | <u>44,457</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 48,872 | 0 | 0 | 826,458 | 150,870 | 211,346 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | (27,650) | 0 | 0 | 0 | 0 | 0 |
| <u>48,872</u> | <u>(27,650)</u> | <u>0</u> | <u>826,458</u> | <u>150,870</u> | <u>211,346</u> | <u>0</u> |
| <u>\$ 48,872</u> | <u>\$ 67,393</u> | <u>\$ 0</u> | <u>\$ 870,762</u> | <u>\$ 151,787</u> | <u>\$ 212,272</u> | <u>\$ 0</u> |

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014
(Continued)**

| | <u>Special Revenue Funds</u> | | |
|--|------------------------------|------------------------------------|---|
| | <u>Legal Aid Trust</u> | <u>Drivers Ed Safety Trust</u> | <u>911 Operations and Maintenance</u> |
| Assets | | | |
| Cash and Cash Equivalents | \$ 0 | \$ 318 | \$ 712 |
| Equity in Pooled Investments | 20,914 | 39,009 | 508,351 |
| Loans Receivable (Net of Allowance for Uncollectibles) | 0 | 0 | 0 |
| Due from Constitutional Officers | 0 | 0 | 80,826 |
| Due from Other Governments | 0 | 0 | 139,576 |
| Prepaid Expenditures | 0 | 0 | 0 |
| Total Assets | <u>20,914</u> | <u>39,327</u> | <u>729,465</u> |
| Liabilities and Deferred Inflows of Resources and Fund Balance | | | |
| Liabilities | | | |
| Accounts Payable | 20,914 | 0 | 109,058 |
| Retainage Payable | 0 | 0 | 0 |
| Due to Other Funds | 0 | 0 | 0 |
| Due to Constitutional Officers | 0 | 0 | 0 |
| Due to Other Governments | 0 | 0 | 0 |
| Unearned Revenues | 0 | 0 | 0 |
| Deposits | 0 | 0 | 0 |
| Total Liabilities | <u>20,914</u> | <u>0</u> | <u>109,058</u> |
| Deferred Inflows of Resources | <u>0</u> | <u>0</u> | <u>109,058</u> |
| Fund Balances | | | |
| Nonspendable | 0 | 0 | 0 |
| Restricted | 0 | 39,327 | 511,349 |
| Committed | 0 | 0 | 0 |
| Assigned | 0 | 0 | 0 |
| Unassigned | 0 | 0 | 0 |
| Total Fund Balances | <u>0</u> | <u>39,327</u> | <u>511,349</u> |
| Total Liabilities and Deferred Inflows of Resources and Fund Balances | <u>\$ 20,914</u> | <u>\$ 39,327</u> | <u>\$ 729,465</u> |

Special Revenue Funds

| EMS County Awards HRS | Grants | Amelia Island Tourist Development | Local Affordable Housing Trust (SHIP) | South Amelia Island Shore Stabilization MSBU | Building Department | Amelia Concourse MSBU |
|-----------------------|-------------|-----------------------------------|---------------------------------------|--|---------------------|-----------------------|
| \$ 298 | \$ 0 | \$ 412 | \$ 855,592 | \$ 0 | \$ 399 | \$ 0 |
| 0 | 0 | 4,155,548 | 0 | 585,146 | 2,870,194 | 914,068 |
| 0 | 0 | 0 | 48,000 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 141 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 330 | 0 |
| <u>298</u> | <u>0</u> | <u>4,155,960</u> | <u>903,592</u> | <u>585,146</u> | <u>2,870,923</u> | <u>914,209</u> |
| 0 | 0 | 214,327 | 0 | 30,450 | 5,112 | 6,094 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 23,129 | 0 |
| 0 | 0 | 5,888 | 0 | 0 | 825 | 0 |
| 0 | 0 | 0 | 0 | 0 | 10,139 | 0 |
| 298 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 77,145 | 0 |
| <u>298</u> | <u>0</u> | <u>220,215</u> | <u>0</u> | <u>30,450</u> | <u>116,350</u> | <u>6,094</u> |
| 0 | 0 | 0 | 48,000 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 330 | 0 |
| 0 | 0 | 3,935,745 | 855,592 | 554,696 | 2,754,243 | 908,115 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>0</u> | <u>0</u> | <u>3,935,745</u> | <u>855,592</u> | <u>554,696</u> | <u>2,754,573</u> | <u>908,115</u> |
| <u>\$ 298</u> | <u>\$ 0</u> | <u>\$ 4,155,960</u> | <u>\$ 903,592</u> | <u>\$ 585,146</u> | <u>\$ 2,870,923</u> | <u>\$ 914,209</u> |

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014
(Continued)**

| | <u>Special Revenue Funds</u> | | |
|--|--|---|--|
| | <u>Firefighter Education Trust</u> | <u>F.S. Special Revenues Fund</u> | <u>Total Special Revenue Funds</u> |
| Assets | | | |
| Cash and Cash Equivalents | \$ 3 | \$ 1,093,944 | \$ 2,117,089 |
| Equity in Pooled Investments | 0 | 0 | 10,468,787 |
| Loans Receivable (Net of Allowance for Uncollectibles) | 0 | 0 | 48,000 |
| Due from Constitutional Officers | 0 | 7,666 | 89,633 |
| Due from Other Governments | 0 | 40 | 184,073 |
| Prepaid Expenditures | 0 | 0 | 330 |
| Total Assets | <u>3</u> | <u>1,101,650</u> | <u>12,907,912</u> |
| Liabilities and Deferred Inflows of Resources and Fund Balance | | | |
| Liabilities | | | |
| Accounts Payable | 0 | 1,093 | 468,340 |
| Retainage Payable | 0 | 0 | 0 |
| Due to Other Funds | 0 | 0 | 23,129 |
| Due to Constitutional Officers | 0 | 0 | 6,713 |
| Due to Other Governments | 0 | 3,635 | 13,774 |
| Unearned Revenues | 0 | 0 | 15,739 |
| Deposits | 0 | 0 | 77,145 |
| Total Liabilities | <u>0</u> | <u>4,728</u> | <u>604,840</u> |
| Deferred Inflows of Resources | <u>0</u> | <u>0</u> | <u>201,515</u> |
| Fund Balances | | | |
| Nonspendable | 0 | 0 | 330 |
| Restricted | 0 | 1,096,922 | 12,128,874 |
| Committed | 3 | 0 | 3 |
| Assigned | 0 | 0 | 0 |
| Unassigned | 0 | 0 | (27,650) |
| Total Fund Balances | <u>3</u> | <u>1,096,922</u> | <u>12,101,557</u> |
| Total Liabilities and Deferred Inflows of Resources and Fund Balances | <u>\$ 3</u> | <u>\$ 1,101,650</u> | <u>\$ 12,907,912</u> |

| Debt Service Funds | | | | Capital Projects Funds | | |
|-----------------------|-------------------------|----------------|--------------------------|------------------------|---------------------|--|
| Optional Gas Tax 2000 | 1998/2009 Gas Tax Bonds | County Complex | Total Debt Service Funds | Grants | County Complex | Capital Projects - South Amelia Island Shore Stabilization |
| \$ 812 | \$ 0 | \$ 0 | \$ 812 | \$ 3,102 | \$ 0 | \$ 264,373 |
| 1,495,896 | 50,225 | 0 | 1,546,121 | 0 | 3,736,631 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 77,917 | 151,777 | 0 | 229,694 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>1,574,625</u> | <u>202,002</u> | <u>0</u> | <u>1,776,627</u> | <u>3,102</u> | <u>3,736,631</u> | <u>264,373</u> |
| 0 | 0 | 0 | 0 | 0 | 75,264 | 21,419 |
| 0 | 0 | 0 | 0 | 0 | 10,040 | 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 |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>85,304</u> | <u>21,419</u> |
| <u>77,917</u> | <u>110,000</u> | <u>0</u> | <u>187,917</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1,496,708 | 92,002 | 0 | 1,588,710 | 3,102 | 0 | 242,954 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 3,651,327 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>1,496,708</u> | <u>92,002</u> | <u>0</u> | <u>1,588,710</u> | <u>3,102</u> | <u>3,651,327</u> | <u>242,954</u> |
| <u>\$ 1,574,625</u> | <u>\$ 202,002</u> | <u>\$ 0</u> | <u>\$ 1,776,627</u> | <u>\$ 3,102</u> | <u>\$ 3,736,631</u> | <u>\$ 264,373</u> |

NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014
(Concluded)

| | <u>Capital Projects Funds</u> | | |
|--|-------------------------------|--|--|
| | <u>Capital Projects</u> | <u>Total Capital Project Funds</u> | <u>Total Nonmajor Governmental Funds</u> |
| Assets | | | |
| Cash and Cash Equivalents | \$ 0 | \$ 267,475 | \$ 2,385,376 |
| Equity in Pooled Investments | 3,003 | 3,739,634 | 15,754,542 |
| Loans Receivable (Net of Allowance for Uncollectibles) | 0 | 0 | 48,000 |
| Due from Constitutional Officers | 0 | 0 | 89,633 |
| Due from Other Governments | 0 | 0 | 413,767 |
| Prepaid Expenditures | 0 | 0 | 330 |
| Total Assets | <u>3,003</u> | <u>4,007,109</u> | <u>18,691,648</u> |
| Liabilities and Deferred Inflows of Resources and Fund Balance | | | |
| Liabilities | | | |
| Accounts Payable | 0 | 96,683 | 565,023 |
| Retainage Payable | 0 | 10,040 | 10,040 |
| Due to Other Funds | 0 | 0 | 23,129 |
| Due to Constitutional Officers | 0 | 0 | 6,713 |
| Due to Other Governments | 0 | 0 | 13,774 |
| Unearned Revenues | 0 | 0 | 15,739 |
| Deposits | 0 | 0 | 77,145 |
| Total Liabilities | <u>0</u> | <u>106,723</u> | <u>711,563</u> |
| Deferred Inflows of Resources | <u>0</u> | <u>0</u> | <u>389,432</u> |
| Fund Balances | | | |
| Nonspendable | 0 | 0 | 330 |
| Restricted | 0 | 246,056 | 13,963,640 |
| Committed | 3,003 | 3,003 | 3,006 |
| Assigned | 0 | 3,651,327 | 3,651,327 |
| Unassigned | 0 | 0 | (27,650) |
| Total Fund Balances | <u>3,003</u> | <u>3,900,386</u> | <u>17,590,653</u> |
| Total Liabilities and Deferred Inflows of Resources and Fund Balances | <u>\$ 3,003</u> | <u>\$ 4,007,109</u> | <u>\$ 18,691,648</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, 2014**

| | <u>Special Revenue Funds</u> | | |
|--|---|--|------------------------------|
| | <u>Law Enforcement Training</u> | <u>Special Law Enforcement</u> | <u>Sheriff Donations</u> |
| Revenues | | | |
| Taxes | \$ 0 | \$ 0 | \$ 0 |
| Licenses and Permits | 0 | 0 | 0 |
| Intergovernmental Revenues | 0 | 0 | 0 |
| Charges for Services | 9,457 | 0 | 0 |
| Fines and Forfeitures | 16,039 | 4,632 | 0 |
| Investment Earnings (Loss) | 387 | 486 | 13 |
| Miscellaneous | 0 | 0 | 8,213 |
| Total Revenues | <u>25,883</u> | <u>5,118</u> | <u>8,226</u> |
| Expenditures | | | |
| Current: | | | |
| General Government Services | 0 | 0 | 0 |
| Public Safety | 4,973 | 0 | 6,033 |
| Physical Environment | 0 | 0 | 0 |
| Economic Environment | 0 | 0 | 0 |
| Human Services | 0 | 0 | 0 |
| Culture and Recreation | 0 | 0 | 0 |
| Court-related Expenditures | 0 | 0 | 0 |
| Capital Outlay | 0 | 0 | 0 |
| Debt Service: | | | |
| Principal Retirement | 0 | 0 | 0 |
| Interest and Fiscal Charges | 0 | 0 | 0 |
| (Total Expenditures) | <u>4,973</u> | <u>0</u> | <u>6,033</u> |
| (Deficiency) Excess of Revenues (Under) Over Expenditures | <u>20,910</u> | <u>5,118</u> | <u>2,193</u> |
| Other Financing Sources (Uses) | | | |
| Transfers from Constitutional Officers | 0 | 0 | 0 |
| Transfers to Constitutional Officers | 0 | (21,150) | 0 |
| Transfers in | 0 | 0 | 0 |
| Transfers (out) | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | <u>0</u> | <u>(21,150)</u> | <u>0</u> |
| Net Change in Fund Balances | 20,910 | (16,032) | 2,193 |
| Fund Balances at Beginning of Year | <u>90,889</u> | <u>135,219</u> | <u>2,160</u> |
| Fund Balances at End of Year | <u>\$ 111,799</u> | <u>\$ 119,187</u> | <u>\$ 4,353</u> |

Special Revenue Funds

| Law Enforcement Trust | 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 | 51,738 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 120,021 | 31,216 | 62,432 | 6,456 |
| 33,634 | 850 | 0 | 0 | 0 | 0 | 0 |
| 90 | 157 | 107 | 4,241 | 760 | 689 | 3 |
| 883 | 0 | 0 | 46 | 0 | 0 | 0 |
| <u>34,607</u> | <u>52,745</u> | <u>107</u> | <u>124,308</u> | <u>31,976</u> | <u>63,121</u> | <u>6,459</u> |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 50,446 | 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 | 6,459 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 32,697 | 109,686 | 30,823 | 28,703 | 0 |
| 0 | 82,255 | 0 | 10,575 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>0</u> | <u>132,701</u> | <u>32,697</u> | <u>120,261</u> | <u>30,823</u> | <u>28,703</u> | <u>6,459</u> |
| <u>34,607</u> | <u>(79,956)</u> | <u>(32,590)</u> | <u>4,047</u> | <u>1,153</u> | <u>34,418</u> | <u>0</u> |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (9,540) | 0 | 0 | 0 | 0 | 0 | 0 |
| 550 | 0 | 0 | 0 | 0 | 1,310 | 0 |
| (9,913) | 0 | 0 | 0 | (1,310) | 0 | 0 |
| <u>(18,903)</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>(1,310)</u> | <u>1,310</u> | <u>0</u> |
| 15,704 | (79,956) | (32,590) | 4,047 | (157) | 35,728 | 0 |
| <u>33,168</u> | <u>52,306</u> | <u>32,590</u> | <u>822,411</u> | <u>151,027</u> | <u>175,618</u> | <u>0</u> |
| <u>\$ 48,872</u> | <u>\$ (27,650)</u> | <u>\$ 0</u> | <u>\$ 826,458</u> | <u>\$ 150,870</u> | <u>\$ 211,346</u> | <u>\$ 0</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, 2014**

(Continued)

| | <u>Special Revenue Funds</u> | | |
|--|------------------------------|------------------------------------|---|
| | <u>Legal Aid Trust</u> | <u>Drivers Ed Safety Trust</u> | <u>911 Operations and Maintenance</u> |
| Revenues | | | |
| Taxes | \$ 0 | \$ 0 | \$ 0 |
| Licenses and Permits | 0 | 0 | 0 |
| Intergovernmental Revenues | 0 | 0 | 46,237 |
| Charges for Services | 31,216 | 0 | 366,008 |
| Fines and Forfeitures | 0 | 39,242 | 0 |
| Investment Earnings (Loss) | 5 | 85 | 2,515 |
| Miscellaneous | 0 | 0 | 12 |
| Total Revenues | <u>31,221</u> | <u>39,327</u> | <u>414,772</u> |
| Expenditures | | | |
| Current: | | | |
| General Government Services | 0 | 0 | 0 |
| Public Safety | 0 | 0 | 46,567 |
| Physical Environment | 0 | 0 | 0 |
| Economic Environment | 0 | 0 | 0 |
| Human Services | 83,655 | 28,722 | 0 |
| Culture and Recreation | 0 | 0 | 0 |
| Court-related Expenditures | 0 | 0 | 0 |
| Capital Outlay | 0 | 0 | 109,058 |
| Debt Service: | | | |
| Principal Retirement | 0 | 0 | 0 |
| Interest and Fiscal Charges | 0 | 0 | 0 |
| (Total Expenditures) | <u>83,655</u> | <u>28,722</u> | <u>155,625</u> |
| (Deficiency) Excess of Revenues (Under) Over Expenditures | <u>(52,434)</u> | <u>10,605</u> | <u>259,147</u> |
| Other Financing Sources (Uses) | | | |
| Transfers from Constitutional Officers | 0 | 0 | 80,659 |
| Transfers to Constitutional Officers | 0 | 0 | (335,828) |
| Transfers in | 52,434 | 0 | 0 |
| Transfers (out) | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | <u>52,434</u> | <u>0</u> | <u>(255,169)</u> |
| Net Change in Fund Balances | 0 | 10,605 | 3,978 |
| Fund Balances at Beginning of Year | <u>0</u> | <u>28,722</u> | <u>507,371</u> |
| Fund Balances at End of Year | <u>\$ 0</u> | <u>\$ 39,327</u> | <u>\$ 511,349</u> |

Special Revenue Funds

| EMS County Awards HRS | Grants | Amelia Island Tourist Development | Local Affordable Housing Trust (SHIP) | South Amelia Island Shore Stabilization MSBU | Building Department | Amelia Concourse MSBU |
|-----------------------|--------|-----------------------------------|---------------------------------------|--|---------------------|-----------------------|
| \$ 0 | \$ 0 | \$ 4,449,449 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| 0 | 0 | 0 | 0 | 0 | 1,312,604 | 185,140 |
| 7,324 | 45,126 | 0 | 372,459 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 140,608 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 16,221 | 2,348 | 3,184 | 13,658 | 4,149 |
| 0 | 0 | 0 | 75,453 | 0 | 20,281 | 0 |
| 7,324 | 45,126 | 4,465,670 | 450,260 | 3,184 | 1,487,151 | 189,289 |
| 0 | 0 | 0 | 0 | 0 | 645,449 | 0 |
| 7,324 | 0 | 0 | 0 | 0 | 408,725 | 0 |
| 0 | 44,708 | 86,350 | 0 | 116,576 | 0 | 138,467 |
| 0 | 0 | 3,170,273 | 197,375 | 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 | 6,427 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7,324 | 44,708 | 3,256,623 | 197,375 | 116,576 | 1,060,601 | 138,467 |
| 0 | 418 | 1,209,047 | 252,885 | (113,392) | 426,550 | 50,822 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | (133,483) | (63) | 0 | (34) | (6,379) |
| 0 | 0 | 0 | 0 | 0 | 25,861 | 0 |
| 0 | (418) | (2,122) | 0 | 0 | (163,776) | (4,385) |
| 0 | (418) | (135,605) | (63) | 0 | (137,949) | (10,764) |
| 0 | 0 | 1,073,442 | 252,822 | (113,392) | 288,601 | 40,058 |
| 0 | 0 | 2,862,303 | 602,770 | 668,088 | 2,465,972 | 868,057 |
| \$ 0 | \$ 0 | \$ 3,935,745 | \$ 855,592 | \$ 554,696 | \$ 2,754,573 | \$ 908,115 |

**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, 2014
(Continued)**

| | Special Revenue Funds | | |
|--|--|---|--|
| | Firefighter Education Trust | F. S. Special Revenue Fund | Total Special Revenue Funds |
| Revenues | | | |
| Taxes | \$ 0 | \$ 0 | \$ 4,449,449 |
| Licenses and Permits | 0 | 0 | 1,497,744 |
| Intergovernmental Revenues | 0 | 30,028 | 552,912 |
| Charges for Services | 0 | 137,776 | 905,190 |
| Fines and Forfeitures | 0 | 57,212 | 151,609 |
| Investment Earnings (Loss) | 0 | 3,945 | 53,043 |
| Miscellaneous | 0 | 25 | 104,913 |
| Total Revenues | 0 | 228,986 | 7,714,860 |
| Expenditures | | | |
| Current: | | | |
| General Government Services | 0 | 0 | 645,449 |
| Public Safety | 0 | 47,135 | 571,203 |
| Physical Environment | 0 | 0 | 386,101 |
| Economic Environment | 0 | 0 | 3,367,648 |
| Human Services | 0 | 0 | 118,836 |
| Culture and Recreation | 0 | 1,075 | 1,075 |
| Court-related Expenditures | 0 | 51,237 | 253,146 |
| Capital Outlay | 0 | 34,540 | 242,855 |
| Debt Service: | | | |
| Principal Retirement | 0 | 0 | 0 |
| Interest and Fiscal Charges | 0 | 0 | 0 |
| (Total Expenditures) | 0 | 133,987 | 5,586,313 |
| (Deficiency) Excess of Revenues (Under) Over Expenditures | 0 | 94,999 | 2,128,547 |
| Other Financing Sources (Uses) | | | |
| Transfers from Constitutional Officers | 0 | 0 | 80,659 |
| Transfers to Constitutional Officers | 0 | 0 | (506,477) |
| Transfers in | 0 | 0 | 80,155 |
| Transfers (out) | 0 | 0 | (181,924) |
| Total Other Financing Sources (Uses) | 0 | 0 | (527,587) |
| Net Change in Fund Balances | 0 | 94,999 | 1,600,960 |
| Fund Balances at Beginning of Year | 3 | 1,001,923 | 10,500,597 |
| Fund Balances at End of Year | \$ 3 | \$ 1,096,922 | \$ 12,101,557 |

| Debt Service Funds | | | | Capital Projects Funds | | |
|-----------------------|-------------------------|------------------|--------------------------|------------------------|---------------------|--|
| Optional Gas Tax 2000 | 1998/2009 Gas Tax Bonds | County Complex | Total Debt Service Funds | Grants | County Complex | Capital Projects - South Amelia Island Shore Stabilization |
| \$ 941,609 | \$ 419,320 | \$ 0 | \$ 1,360,929 | \$ 0 | \$ 0 | \$ 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 681,770 | 0 | 681,770 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4,029 | 2,931 | 0 | 6,960 | 52 | 10,863 | 1,482 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>945,638</u> | <u>1,104,021</u> | <u>0</u> | <u>2,049,659</u> | <u>52</u> | <u>10,863</u> | <u>1,482</u> |
| 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 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 1,135,903 | 231,255 |
| 461,037 | 1,006,837 | 1,065,000 | 2,532,874 | 0 | 0 | 0 |
| 484,394 | 97,184 | 1,322,950 | 1,904,528 | 0 | 0 | 0 |
| <u>945,431</u> | <u>1,104,021</u> | <u>2,387,950</u> | <u>4,437,402</u> | <u>0</u> | <u>1,135,903</u> | <u>231,255</u> |
| 207 | 0 | (2,387,950) | (2,387,743) | 52 | (1,125,040) | (229,773) |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 2,387,950 | 2,387,950 | 0 | 4,518,411 | 0 |
| 0 | 0 | 0 | 0 | (18,411) | 0 | 0 |
| 0 | 0 | 2,387,950 | 2,387,950 | (18,411) | 4,518,411 | 0 |
| 207 | 0 | 0 | 207 | (18,359) | 3,393,371 | (229,773) |
| 1,496,501 | 92,002 | 0 | 1,588,503 | 21,461 | 257,956 | 472,727 |
| <u>\$ 1,496,708</u> | <u>\$ 92,002</u> | <u>\$ 0</u> | <u>\$ 1,588,710</u> | <u>\$ 3,102</u> | <u>\$ 3,651,327</u> | <u>\$ 242,954</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, 2014
(Concluded)

| | <u>Capital Projects Funds</u> | | |
|--|-------------------------------|--|--|
| | <u>Capital Projects</u> | <u>Total Capital Project Funds</u> | <u>Total Nonmajor Governmental Funds</u> |
| Revenues | | | |
| Taxes | \$ 0 | \$ 0 | \$ 5,810,378 |
| Licenses and Permits | 0 | 0 | 1,497,744 |
| Intergovernmental Revenues | 0 | 0 | 1,234,682 |
| Charges for Services | 0 | 0 | 905,190 |
| Fines and Forfeitures | 0 | 0 | 151,609 |
| Investment Earnings (Loss) | 1,605 | 14,002 | 74,005 |
| Miscellaneous | 0 | 0 | 104,913 |
| Total Revenues | <u>1,605</u> | <u>14,002</u> | <u>9,778,521</u> |
| Expenditures | | | |
| Current: | | | |
| General Government Services | 0 | 0 | 645,449 |
| Public Safety | 0 | 0 | 571,203 |
| Physical Environment | 0 | 0 | 386,101 |
| Economic Environment | 0 | 0 | 3,367,648 |
| Human Services | 0 | 0 | 118,836 |
| Culture and Recreation | 0 | 0 | 1,075 |
| Court-related Expenditures | 0 | 0 | 253,146 |
| Capital Outlay | 0 | 1,367,158 | 1,610,013 |
| Debt Service: | | | |
| Principal Retirement | 0 | 0 | 2,532,874 |
| Interest and Fiscal Charges | 0 | 0 | 1,904,528 |
| (Total Expenditures) | <u>0</u> | <u>1,367,158</u> | <u>11,390,873</u> |
| (Deficiency) Excess of Revenues (Under) Over Expenditures | <u>1,605</u> | <u>(1,353,156)</u> | <u>(1,612,352)</u> |
| Other Financing Sources (Uses) | | | |
| Transfers from Constitutional Officers | 0 | 0 | 80,659 |
| Transfers to Constitutional Officers | 0 | 0 | (506,477) |
| Transfers in | 0 | 4,518,411 | 6,986,516 |
| Transfers (out) | (525,938) | (544,349) | (726,273) |
| Total Other Financing Sources (Uses) | <u>(525,938)</u> | <u>3,974,062</u> | <u>5,834,425</u> |
| Net Change in Fund Balances | (524,333) | 2,620,906 | 4,222,073 |
| Fund Balances at Beginning of Year | <u>527,336</u> | <u>1,279,480</u> | <u>13,368,580</u> |
| Fund Balances at End of Year | <u>\$ 3,003</u> | <u>\$ 3,900,386</u> | <u>\$ 17,590,653</u> |

OTHER INFORMATION

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

The Honorable Board of County Commissioners
Nassau County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Nassau County Board of County Commissioners, Nassau County, Florida, (the Board) as of and for the year ended September 30, 2014, and the related notes to the financial statements, and have issued our report thereon dated March 4, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Board's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the 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.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

Certified Public Accountants

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management in a separate management letter dated March 4, 2015.

Purpose of this Report

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

Purvis, Gray and Company, LLP

March 4, 2015
Gainesville, Florida

**INDEPENDENT ACCOUNTANTS' REPORT ON
COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES**

The Honorable Board of County Commissioners
Nassau County, Florida

We have examined the Nassau County Board of County Commissioners' Nassau County, Florida, (the Board) compliance with Section 218.415, Florida Statutes, as of and for the year ended September 30, 2014, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Board's compliance with those requirements. Our responsibility is to express an opinion on the Board's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide legal determination of the Board's compliance with specified requirements.

In our opinion, the Board complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

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

Purvis, Gray and Company, LLP

March 4, 2015
Gainesville, Florida

Certified Public Accountants

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MANAGEMENT LETTER

The Honorable Board of County Commissioners
Nassau County, Florida

Report on the Financial Statements

We have audited the financial statements of the Nassau County Board of County Commissioners, Nassau County, Florida, (the Board) as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated March 4, 2015.

Auditors' Responsibility

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; and Chapter 10.550, *Rules of the Auditor General*.

Other Reports

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in this report, which is dated March 4, 2015, 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 includes the following information, which is not included in the aforementioned auditors' reports or schedules:

Prior Audit Findings

- Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations in the preceding annual financial report.

Official Title and Legal Authority

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

Certified Public Accountants

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The Honorable Board of County Commissioners
Nassau County, Florida

MANAGEMENT LETTER
(Concluded)

Other Matters

- Section 10.554(1)(i)2., *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 did not have any such recommendations.

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal, State or other granting agencies, the Board of County Commissioners and managements, 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 4, 2015
Gainesville, Florida