

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

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

SEPTEMBER 30, 2015

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

**NASSAU COUNTY BOARD
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NASSAU COUNTY, FLORIDA
SEPTEMBER 30, 2015**

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INTRODUCTORY SECTION

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

LIST OF ELECTED AND APPOINTED OFFICIALS

Serving as of September 30, 2015

ELECTED OFFICIALS

Commissioner – District 3, Chairman	Pat Edwards
Commissioner – District 5, Vice-Chairman	Walter J. Boatright
Commissioner – District 1	Daniel B. Leeper
Commissioner – District 2	Stephen W. Kelley
Commissioner – District 4	George V. Spicer
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	Michael Mullin

FINANCIAL STATEMENTS

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, 2015, 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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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, 2015, 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, 2015, 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 May 13, 2016, 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.

Durvis, Gray and Company, LLP

May 13, 2016
Gainesville, Florida

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015**

	<u>General</u>	<u>County Transportation</u>	<u>Municipal Services</u>
Assets			
Cash and Cash Equivalents	\$ 2,460,265	\$ 1,118,157	\$ 1,107,748
Equity in Pooled Investments	11,264,851	4,601,692	3,261,549
Accounts Receivable, (Net of Allowance for Uncollectibles)	823,945	11,065	0
Loans Receivable, (Net of Allowance for Uncollectibles)	0	0	0
Due from Other Funds	344,674	0	0
Due from Constitutional Officers	1,064,701	15,497	23,614
Due from Other Governments	793,444	452,173	127,134
Inventories	208,631	86,451	0
Prepaid Expenditures	35,688	350	426,289
Deposits	6,105	895	0
Total Assets	<u>17,002,304</u>	<u>6,286,280</u>	<u>4,946,334</u>
Liabilities			
Accounts Payable	1,311,394	1,013,993	35,450
Accrued Liabilities	590,430	0	0
Retainage Payable	0	14,675	0
Due to Other Funds	0	95,340	183,086
Due to Constitutional Officers	13,329	183	73
Due to Other Governments	23,695	382	370
Unearned Revenues	4,149	0	0
Deposits	3,427	10,440	0
Total Liabilities	<u>1,946,424</u>	<u>1,135,013</u>	<u>218,979</u>
Deferred Inflows of Resources	<u>956,862</u>	<u>175,999</u>	<u>61,750</u>
Fund Balances			
Nonspendable	360,027	87,696	426,289
Restricted	458,952	0	5,000
Committed	0	0	0
Assigned	3,056,408	4,887,572	4,234,316
Unassigned	10,223,631	0	0
Total Fund Balances	<u>14,099,018</u>	<u>4,975,268</u>	<u>4,665,605</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$ 17,002,304</u>	<u>\$ 6,286,280</u>	<u>\$ 4,946,334</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
\$ 660,790	\$ 860,016	\$ 304,789	\$ 2,910,062	\$ 9,421,827
5,104,390	4,612,639	2,852,970	19,135,081	50,833,172
0	0	0	0	835,010
0	0	0	48,000	48,000
0	0	0	0	344,674
0	0	0	121,489	1,225,301
1,230,876	0	457,428	398,482	3,459,537
0	0	0	0	295,082
0	0	0	540	462,867
0	0	0	0	7,000
<u>6,996,056</u>	<u>5,472,655</u>	<u>3,615,187</u>	<u>22,613,654</u>	<u>66,932,470</u>
65,125	100	120,106	963,723	3,509,891
0	0	0	0	590,430
16,699	0	24,799	309,745	365,918
0	0	0	39,773	318,199
0	1,129	0	6,717	21,431
0	639,082	0	14,675	678,204
0	0	0	12,724	16,873
0	0	0	54,063	67,930
<u>81,824</u>	<u>640,311</u>	<u>144,905</u>	<u>1,401,420</u>	<u>5,568,876</u>
<u>620,000</u>	<u>0</u>	<u>457,428</u>	<u>259,948</u>	<u>2,531,987</u>
0	0	0	540	874,552
0	4,832,344	0	14,572,945	19,869,241
0	0	0	3	3
6,294,232	0	3,012,854	6,378,798	27,864,180
0	0	0	0	10,223,631
<u>6,294,232</u>	<u>4,832,344</u>	<u>3,012,854</u>	<u>20,952,286</u>	<u>58,831,607</u>
<u>\$ 6,996,056</u>	<u>\$ 5,472,655</u>	<u>\$ 3,615,187</u>	<u>\$ 22,613,654</u>	<u>\$ 66,932,470</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, 2015

	<u>General</u>	<u>County Transportation</u>	<u>Municipal Services</u>
Revenues			
Taxes	\$ 37,434,365	\$ 4,825,543	\$ 8,343,023
Licenses and Permits	21,162	48,441	63,492
Intergovernmental Revenues	5,656,887	1,281,509	701,320
Charges for Services	2,358,394	44,669	192,894
Fines and Forfeitures	161,670	0	1,525
Investment Earnings	134,413	48,347	55,381
Miscellaneous	921,554	123,274	68,040
Total Revenues	<u>46,688,445</u>	<u>6,371,783</u>	<u>9,425,675</u>
Expenditures			
Current:			
General Government Services	6,235,437	0	616,113
Public Safety	9,638,402	0	6,650,410
Physical Environment	327,279	0	0
Transportation	0	5,531,330	0
Economic Environment	152,737	0	0
Human Services	2,629,109	0	805,250
Culture and Recreation	1,733,863	0	0
Court-related Expenditures	679,159	0	0
Capital Outlay	3,801,060	1,399,159	54,063
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
(Total Expenditures)	<u>25,197,046</u>	<u>6,930,489</u>	<u>8,125,836</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>21,491,399</u>	<u>(558,706)</u>	<u>1,299,839</u>
Other Financing Sources (Uses)			
Transfers from Constitutional Officers	988,518	8,349	23,614
Transfers to Constitutional Officers	(20,992,692)	(72,954)	(2,951,948)
Transfers in	992,034	1,948,056	3,047,084
Transfers (out)	(2,388,134)	(150,000)	(85,470)
Capital Lease	2,202,922	0	0
Sale of General Capital Assets	221,905	125,326	2,650
Total Other Financing Sources (Uses)	<u>(18,975,447)</u>	<u>1,858,777</u>	<u>35,930</u>
Net Change in Fund Balances	2,515,952	1,300,071	1,335,769
Fund Balances at Beginning of Year	<u>11,583,066</u>	<u>3,675,197</u>	<u>3,329,836</u>
Fund Balances at End of Year	<u>\$ 14,099,018</u>	<u>\$ 4,975,268</u>	<u>\$ 4,665,605</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
\$ 8,528,832	\$ 0	\$ 0	\$ 6,333,355	\$ 65,465,118
0	973,742	0	2,588,498	3,695,335
0	0	2,969,310	6,090,198	16,699,224
0	0	0	858,768	3,454,725
0	0	0	165,395	328,590
82,623	20,539	18,837	82,380	442,520
0	0	0	90,415	1,203,283
8,611,455	994,281	2,988,147	16,209,009	91,288,795
0	2,738	0	798,972	7,653,260
8,336	5,507	0	489,979	16,792,634
15,000	0	0	5,565,656	5,907,935
0	0	34,576	0	5,565,906
0	0	0	4,580,886	4,733,623
0	0	0	127,337	3,561,696
27,924	2,738	0	2,061	1,766,586
0	0	0	314,799	993,958
856,950	49,346	4,978,373	5,639,722	16,778,673
0	0	0	2,511,560	2,511,560
0	0	0	1,873,242	1,873,242
908,210	60,329	5,012,949	21,904,214	68,139,073
7,703,245	933,952	(2,024,802)	(5,695,205)	23,149,722
0	0	0	112,329	1,132,810
(100,011)	(7,946)	0	(681,926)	(24,807,477)
117,888	0	150,000	10,025,576	16,280,638
(12,981,989)	(22,074)	(126,964)	(399,141)	(16,153,772)
0	0	0	0	2,202,922
0	0	0	0	349,881
(12,964,112)	(30,020)	23,036	9,056,838	(20,994,998)
(5,260,867)	903,932	(2,001,766)	3,361,633	2,154,724
11,555,099	3,928,412	5,014,620	17,590,653	56,676,883
\$ 6,294,232	\$ 4,832,344	\$ 3,012,854	\$ 20,952,286	\$ 58,831,607

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, 2015

	Business-Type Activities - Enterprise Funds		
	Solid Waste	Water and	Totals
	Disposal	Sewer	
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 2,289	\$ 6,247,865	\$ 6,250,154
Cash and Cash Equivalents - Restricted	809,895	0	809,895
Equity in Pooled Investments	2,305,379	0	2,305,379
Accounts Receivable, Net	3,314	331,559	334,873
Assessments Receivable, Net	31,973	0	31,973
Due from Other Governmental Units	0	446	446
Due from Constitutional Officers	358	0	358
Inventories - Materials and Supplies	0	55,723	55,723
Prepaid Expenses	921	20,004	20,925
Total Current Assets	3,154,129	6,655,597	9,809,726
Noncurrent Assets:			
Cash and Cash Equivalents - Restricted	0	1,956,956	1,956,956
Capital Assets (Net of Accumulated Depreciation Where Applicable)	1,378,264	12,499,878	13,878,142
Total Noncurrent Assets	1,378,264	14,456,834	15,835,098
Total Assets	4,532,393	21,112,431	25,644,824
Deferred Outflow of Resources			
Unamortized Refunding Loss	0	583,564	583,564
Pension Related	24,536	57,599	82,135
Total Deferred Outflow of Resources	24,536	641,163	665,699
Total Assets and Deferred Outflows	4,556,929	21,753,594	26,310,523
Liabilities			
Current Liabilities:			
Accounts Payable	97,931	91,373	189,304
Due to Other Funds	8,344	18,131	26,475
Due to Other Governments	2	0	2
Due to Constitutional Officers	0	8	8
Unearned Revenues	3,050	0	3,050
Deposits	0	120,887	120,887
Bonds Payable	0	915,000	915,000
Landfill Postclosure Liability	809,895	0	809,895
Compensated Absences	19,240	63,082	82,322
Total Current Liabilities	938,462	1,208,481	2,146,943
Noncurrent Liabilities:			
Compensated Absences	65,372	126,111	191,483
Other Postemployment Benefits	48,778	97,556	146,334
Bonds Payable Long-term	0	12,635,000	12,635,000
Landfill Postclosure Liability	14,378,146	0	14,378,146
Net Pension Liability	122,101	286,630	408,731
Total Noncurrent Liabilities	14,614,397	13,145,297	27,759,694
Total Liabilities	15,552,859	14,353,778	29,906,637
Deferred Inflow of Resources			
Pension Related	29,526	69,312	98,838
Total Deferred Inflow of Resources	29,526	69,312	98,838
Net Position			
Net Investment in Capital Assets	1,378,264	(1,050,122)	328,142
Restricted	0	1,843,697	1,843,697
Unrestricted	(12,403,720)	6,536,929	(5,866,791)
Total Net Position	\$ (11,025,456)	\$ 7,330,504	\$ (3,694,952)

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, 2015

	Business-Type Activities - Enterprise Funds		
	Solid Waste Disposal	Water and Sewer	Totals
Operating Revenues			
Charges for Services	\$ 4,880	\$ 3,558,130	\$ 3,563,010
Connection and Impact Fees	0	138,933	138,933
Other Income	49,353	85,914	135,267
Total Operating Revenues	<u>54,233</u>	<u>3,782,977</u>	<u>3,837,210</u>
Operating Expenses			
Contractual Services	29,602	1,449	31,051
Professional Services	6,580	29,413	35,993
Landfill Postclosure	41,670	0	41,670
Salaries and Benefits	250,744	673,545	924,289
Rentals and Leases	2,044	2,463	4,507
Repairs and Maintenance	22,300	127,643	149,943
Gas and Oil	10,620	14,259	24,879
Materials	3,669	1,294	4,963
Depreciation	119,695	700,678	820,373
Other Expenses	65,713	453,485	519,198
(Total Operating Expenses)	<u>552,637</u>	<u>2,004,229</u>	<u>2,556,866</u>
Operating (Loss) Income	<u>(498,404)</u>	<u>1,778,748</u>	<u>1,280,344</u>
Nonoperating Revenues (Expenses)			
Interest Earnings	34,914	1,291	36,205
Grant Revenues	90,909	0	90,909
Interest and Other Debt Service Costs	0	(345,836)	(345,836)
Total Nonoperating Revenues (Expenses)	<u>125,823</u>	<u>(344,545)</u>	<u>(218,722)</u>
(Loss) Income Before Transfers	<u>(372,581)</u>	<u>1,434,203</u>	<u>1,061,622</u>
Transfers			
Transfers (out)	(72,184)	(54,682)	(126,866)
Transfer in from Constitutional Officer	358	0	358
Transfer (out) to Constitutional Officer	(113)	0	(113)
Total Transfers	<u>(71,939)</u>	<u>(54,682)</u>	<u>(126,621)</u>
Change in Net Position	<u>(444,520)</u>	<u>1,379,521</u>	<u>935,001</u>
Total Net Position, Beginning of Year	<u>(10,444,114)</u>	<u>6,272,170</u>	<u>(4,171,944)</u>
Prior Period Adjustments	<u>(136,822)</u>	<u>(321,187)</u>	<u>(458,009)</u>
Net Position, Beginning of Year (as Restated)	<u>(10,580,936)</u>	<u>5,950,983</u>	<u>(4,629,953)</u>
Total Net Position, End of Year	<u>\$ (11,025,456)</u>	<u>\$ 7,330,504</u>	<u>\$ (3,694,952)</u>

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

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Business-Type Activities - Enterprise Funds		
	Solid Waste Disposal	Water and Sewer	Total
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 38,433	\$ 3,790,696	\$ 3,829,129
Cash Payments to Vendors for Goods and Services	(863,291)	(629,103)	(1,492,394)
Cash Payments to Employees	(253,993)	(708,386)	(962,379)
Cash Received from Other Sources	49,353	0	49,353
Net Cash Provided by (Used in) Operating Activities	<u>(1,029,498)</u>	<u>2,453,207</u>	<u>1,423,709</u>
Noncapital Financing Activities			
Cash Received from Grant Revenues	90,909	0	90,909
Transfers from Constitutional Officers	358	0	358
Transfers to Constitutional Officers	(113)	0	(113)
Transfers to Other Funds	(72,184)	(54,682)	(126,866)
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>18,970</u>	<u>(54,682)</u>	<u>(35,712)</u>
Capital and Related Financing Activities			
Acquisition of Property, Plant, and Equipment	(85,079)	(320,512)	(405,591)
Principal Payments on Bonds	0	(895,000)	(895,000)
Payment of Interest and Other Debt Costs	0	(300,946)	(300,946)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(85,079)</u>	<u>(1,516,458)</u>	<u>(1,601,537)</u>
Investing Activities			
Interest Received	34,914	1,291	36,205
Proceeds from the Sale of Investments	1,065,328	0	1,065,328
Net Cash Provided by (Used in) Investing Activities	<u>1,100,242</u>	<u>1,291</u>	<u>1,101,533</u>
Net Increase (Decrease) in Cash and Cash Equivalents	4,635	883,358	887,993
Cash and Cash Equivalents, Beginning of Year	<u>807,549</u>	<u>7,321,463</u>	<u>8,129,012</u>
Cash and Cash Equivalents, End of Year	<u>\$ 812,184</u>	<u>\$ 8,204,821</u>	<u>\$ 9,017,005</u>
<u>Reported in Statement of Net Assets as</u>			
Cash and Cash Equivalents	\$ 2,289	\$ 6,247,865	\$ 6,250,154
Current: Cash and Cash Equivalents - Restricted	809,895	0	809,895
Noncurrent: Cash and Cash Equivalents - Restricted	0	1,956,956	1,956,956
Total	<u>\$ 812,184</u>	<u>\$ 8,204,821</u>	<u>\$ 9,017,005</u>

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

NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015
(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)	\$ (498,404)	\$ 1,778,748	\$ 1,280,344
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Depreciation and Amortization	120,695	700,678	821,373
Provision for Closure and Postclosure Costs	(662,939)	0	(662,939)
Changes in Assets - Decrease (Increase):			
Decrease (Increase) in Accounts Receivable	1,540	(10,406)	(8,866)
Decrease (Increase) in Assessments Receivable	2,790	0	2,790
Decrease (Increase) in Due from Constitutional Officers	(203)	(1)	(204)
Decrease (Increase) in Due from Other Governments	29,188	(446)	28,742
Decrease (Increase) in Inventory	0	(18,042)	(18,042)
Decrease (Increase) in Prepaid Expense	(430)	1	(429)
Decrease (Increase) in Deferred Outflows	(12,240)	(28,734)	(40,974)
Changes in Liabilities - Increase (Decrease):			
Increase (Decrease) in Accounts Payable	(19,154)	18,946	(208)
Increase (Decrease) in Due to Other Funds	358	4,274	4,632
Increase (Decrease) in Due to Other Governments	(140)	0	(140)
Increase (Decrease) in Unearned Revenues	450	0	450
Increase (Decrease) in Deposits	0	14,296	14,296
Increase (Decrease) in OPEB Liability	(231)	(463)	(694)
Increase (Decrease) in Net Pension Liability	47,664	111,889	159,553
Increase (Decrease) in Deferred Inflows	(45,155)	(105,999)	(151,154)
Increase (Decrease) in Compensated Absences	6,713	(11,534)	(4,821)
Net Cash Provided by (Used in) Operating Activities	\$ (1,029,498)	\$ 2,453,207	\$ 1,423,709

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, 2015**

	<u>SAISSA</u>
Assets	
Equity in Pooled Investments	\$ 4,334,627
Due from Constitutional Officers	<u>4,119</u>
Total Assets	<u><u>4,338,746</u></u>
 Liabilities	
Due to Bond Holders	<u>4,338,746</u>
Total Liabilities	<u><u>\$ 4,338,746</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, 2015. 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, 2015. 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 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.
- **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.

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)

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

Restricted Assets

Certain resources in the 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.

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.

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)**

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:

Capital Asset Category	Capitalization Threshold
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

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.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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, 2015, 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.

Governmental Accounting Standards Board (GASB) Statement No. 68

The Board participates in the Florida Retirement System (FRS) defined benefit plan and Health Insurance Subsidy (HIS) defined benefit plan administered by the Florida Division of Retirement. As a participating employer, the Board implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which requires employers participating in cost-sharing multiple-employer defined benefit pension plans to report the employers' proportionate share of the net pension liabilities and related pension amounts of the defined benefit pension plans. These liabilities are only recorded in the government-wide full accrual financial statements, and in the Board's enterprise funds. The Board allocated \$408,731, \$82,135, and \$98,838 of the net pension liability, deferred outflow of resources, and deferred inflows of resources, respectively, to the Board's enterprise funds. The Board has also presented the applicable disclosures required by GASB 68.

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, 2015, the Board levied 6.5670 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.

Note 2 - Cash and Investments

Deposits with Financial Institutions

At year-end, the carrying amount of the Board's deposits with financial institutions was \$18,438,832 and the bank balances were \$19,826,925. All of the Board's deposits are held in qualified public depositories pursuant to the provisions of Florida Statutes, Chapter 280, the *Florida Security for Public Deposits Act*. Qualified public depositories are required by this law to pledge collateral with a market value equal to a percentage of the average daily balance of all public deposits in excess of any federal deposit insurance. In event of default by a qualified public depository, all claims for public deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the public depository in default, and if necessary a pro rata assessment to the other qualified public depositories in the collateral pool. Therefore, all cash and time deposits held by banks are fully insured and collateralized.

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

Note 2 - Cash and Investments *(Continued)*

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.

In accordance with the provisions of Rule 62-701, *Florida Administrative Code*, the Board has established escrow accounts to provide proof of financial responsibility for the 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.

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

Note 2 - Cash and Investments (Concluded)

Investments (Concluded)

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

Description	Fair Value
Cash and Cash Equivalents	\$ 18,438,832
Certificates of Deposit	20,556,253
Money Market Accounts	<u>36,916,925</u>
Total Cash and Investments	<u>\$ 75,912,010</u>

Reported in accompanying financial statements as follows:

Account	Reported Amount
Cash and Cash Equivalents - Governmental Funds	\$ 9,421,827
Cash and Cash Equivalents - Business-type Activities	6,250,154
Equity in Pooled Investments - Agency Fund Activities	4,334,627
Equity in Pooled Investments - Governmental Funds	50,833,172
Equity in Pooled Investments - Business-type Activities	2,305,379
Restricted Cash and Cash Equivalents - Business-type Activities	<u>2,766,851</u>
Total Cash and Investments	<u>\$ 75,912,010</u>

Note 3 - Accounts Receivable

Accounts receivable (net of allowances for uncollectibles) at September 30, 2015, included the following:

	Receivable	Allowance	Net
Governmental Funds			
General Fund	\$ 3,436,892	\$ (2,612,947)	\$ 823,945
County Transportation	<u>11,065</u>	<u>0</u>	<u>11,065</u>
Total Governmental Funds	<u>\$ 3,447,957</u>	<u>\$ (2,612,947)</u>	<u>\$ 835,010</u>
Business-type Funds			
Solid Waste Disposal	\$ 3,314	\$ 0	\$ 3,314
Water and Sewer	<u>351,213</u>	<u>(19,654)</u>	<u>331,559</u>
Total Business-type Funds	<u>\$ 354,527</u>	<u>\$ (19,654)</u>	<u>\$ 334,873</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, 2015, included the following:

	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>
Business-type Funds			
Solid Waste Disposal	\$ 810,847	\$ (778,874)	\$ 31,973
Total Business-type Funds	\$ 810,847	\$ (778,874)	\$ 31,973

Note 5 - Restricted Assets

Restricted assets in the proprietary funds at September 30, 2015, 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, 2015, were restricted for the following purposes:

Customer Deposits	\$ 113,259
Landfill Postclosure Costs	809,895
Renewal and Replacement (Water/Sewer)	178,913
Impact Fees	1,207,284
Debt Service	457,500
Total	\$ 2,766,851

Reported in accompanying financial statements as follows:

<u>Account</u>	<u>Reported Amount</u>
Current: Restricted Cash and Cash Equivalents - Business-type Activities	\$ 809,895
Noncurrent: Restricted Cash and Cash Equivalents - Business-type Activities	1,956,956
Total Restricted Assets	\$ 2,766,851

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, 2015, was as follows:

	<u>Balance</u> <u>10/1/14</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Balance</u> <u>9/30/15</u>
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 75,799,935	\$ 12,200	\$ (1,359)	\$ 75,810,776
Construction Work in Progress	<u>4,864,574</u>	<u>10,497,869</u>	<u>(6,827,682)</u>	<u>8,534,761</u>
Total Capital Assets Not Being Depreciated	<u>80,664,509</u>	<u>10,510,069</u>	<u>(6,829,041)</u>	<u>84,345,537</u>
Capital Assets Being Depreciated:				
Building and Improvements	58,119,533	503,163	(4,850)	58,617,846
Machinery and Equipment	24,274,675	3,424,234	(1,675,447)	26,023,462
Leasehold Improvements	1,151,985	0	0	1,151,985
Infrastructure	<u>617,248,353</u>	<u>8,823,938</u>	<u>0</u>	<u>626,072,291</u>
Total Capital Assets Being Depreciated	<u>700,794,546</u>	<u>12,751,335</u>	<u>(1,680,297)</u>	<u>711,865,584</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(20,761,463)	(1,500,499)	4,850	(22,257,112)
Machinery and Equipment	(18,163,488)	(1,881,674)	1,593,954	(18,451,208)
Leasehold Improvements	(122,083)	(30,845)	0	(152,928)
Infrastructure	<u>(289,417,445)</u>	<u>(16,021,233)</u>	<u>0</u>	<u>(305,438,678)</u>
Total Accumulated Depreciation	<u>(328,464,479)</u>	<u>(19,434,251)</u>	<u>1,598,804</u>	<u>(346,299,926)</u>
Total Capital Assets Being Depreciated, Net	<u>372,330,067</u>	<u>(6,682,916)</u>	<u>(81,493)</u>	<u>365,565,658</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 452,994,576</u>	<u>\$ 3,827,153</u>	<u>\$ (6,910,534)</u>	<u>\$ 449,911,195</u>
Business-type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 815,228	\$ 0	\$ 0	\$ 815,228
Construction Work in Progress	<u>0</u>	<u>34,311</u>	<u>0</u>	<u>34,311</u>
Total Capital Assets, Not Being Depreciated	<u>815,228</u>	<u>34,311</u>	<u>0</u>	<u>849,539</u>
Capital Assets, Being Depreciated:				
Building and Improvements	1,222,973	0	0	1,222,973
Equipment	20,499,068	379,775	(105,257)	20,773,586
Landfill	<u>41,701,285</u>	<u>0</u>	<u>0</u>	<u>41,701,285</u>
Total Capital Assets, Being Depreciated	<u>63,423,326</u>	<u>379,775</u>	<u>(105,257)</u>	<u>63,697,844</u>
Less Accumulated Depreciation:				
Building and Improvements	(236,337)	(23,410)	0	(259,747)
Equipment	(8,007,007)	(796,963)	95,761	(8,708,209)
Landfill	<u>(41,701,285)</u>	<u>0</u>	<u>0</u>	<u>(41,701,285)</u>
Total Accumulated Depreciation	<u>(49,944,629)</u>	<u>(820,373)</u>	<u>95,761</u>	<u>(50,669,241)</u>
Total Capital Assets, Being Depreciated, Net	<u>13,478,697</u>	<u>(440,598)</u>	<u>(9,496)</u>	<u>13,028,603</u>
Total Business-type Activities Capital Assets, Net	<u>\$ 14,293,925</u>	<u>\$ (406,287)</u>	<u>\$ (9,496)</u>	<u>\$ 13,878,142</u>

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

Note 7 - Interfund Activity

Interfund balances at September 30, 2015, consisted of the following:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Total</u>
General	County Transportation	\$ 95,340
	Municipal Service	183,086
	Nonmajor	39,773
	Solid Waste Disposal	8,344
	Water and Sewer	18,131
Total		<u>\$ 344,674</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 \$1,229,778 due from the Constitutional Officers, and \$21,439 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	\$ 0	\$ 2,388,134	\$ 2,388,134
County Transportation	0	0	0	0	150,000	0	150,000
Municipal Services	85,470	0	0	0	0	0	85,470
One-Cent County Surtax	593,538	1,844,286	3,044,165	0	0	7,500,000	12,981,989
Impact Fee Ordinance	1,769	0	1,011	0	0	19,294	22,074
Capital Project - Transportation	0	103,770	0	23,194	0	0	126,964
Nonmajor	184,391	0	1,908	94,694	0	118,148	399,141
Solid Waste	72,184	0	0	0	0	0	72,184
Water and Sewer	54,682	0	0	0	0	0	54,682
Total	<u>\$ 992,034</u>	<u>\$ 1,948,056</u>	<u>\$ 3,047,084</u>	<u>\$ 117,888</u>	<u>\$ 150,000</u>	<u>\$ 10,025,576</u>	<u>\$ 16,280,638</u>

In addition to the interfund transfers, there were transfers out to the Constitutional Officers of \$24,807,589 and transfers in from the Constitutional Officers of \$1,333,168.

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.

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

Note 8 - Leases

■ **Governmental Funds**

The Board is party to operating leases during the period ended September 30, 2015, as follows:

- *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, 2015, were \$28,105.
- *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, 2015, were \$51,051.
- *West Nassau Land Development*—the Board entered into a five-year lease with West Nassau Land Development, LLC, commencing July 1, 2015. Operating lease payments for the year ended September 30, 2015, were \$69,129.

Future minimum lease payments under these leases follow:

<u>Year Ending September 30</u>	<u>Tower Lease Sites</u>	<u>West Nassau Land Development</u>	<u>Total</u>
2016	\$ 45,149	\$ 69,619	\$ 114,768
2017	0	71,323	71,323
2018	0	75,443	75,443
2019	0	77,178	77,178
2020	0	60,891	60,891
Total	<u>\$ 45,149</u>	<u>\$ 354,454</u>	<u>\$ 399,603</u>

Capital Lease

The County entered into a lease agreement during the year for financing the acquisition of radios for the Sheriff and multiple County departments. The Sheriff has recorded their portion of the radios (\$2,129,251) into their fixed asset system. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date.

The asset acquired through capital leases (excluding sheriff's assets) are as follows:

Asset	
Radios	\$ 872,838
(Accumulated Depreciation)	<u>(124,790)</u>
Total	<u>\$ 748,048</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2015, were as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>
2016	\$ 550,731
2017	550,731
2018	550,731
2019	<u>550,731</u>
Total	<u>\$ 2,202,924</u>

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

Note 9 - Long-term Obligations

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

The following is a summary of changes in long-term obligations for the year ended September 30, 2015:

	<u>Balance</u> <u>10/1/14</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>9/30/15</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities					
Bonds Payable	\$ 38,251,553	\$ 0	\$ (2,608,467)	\$ 35,643,086	\$ 2,534,817
Premium on Bonds Payable	<u>1,262,222</u>	<u>0</u>	<u>(74,248)</u>	<u>1,187,974</u>	<u>74,248</u>
Total Bonds and Notes Payable	39,513,775	0	(2,682,715)	36,831,060	2,609,065
Capital Lease	0	2,202,924	0	2,202,924	550,731
Claims Payable	233,150	0	(77,716)	155,434	77,717
Compensated Absences	6,087,960	2,499,004	(2,615,625)	5,971,339	2,186,834
Other Postemployment Benefits	3,724,711	384,856	0	4,109,567	0
Net Pension Liability	<u>10,160,633</u>	<u>6,506,001</u>	<u>0</u>	<u>16,666,634</u>	<u>0</u>
Total Governmental Activities Long-term Liabilities	<u>\$ 59,720,229</u>	<u>\$ 11,592,785</u>	<u>\$ (5,376,056)</u>	<u>\$ 65,936,958</u>	<u>\$ 5,424,347</u>
Business-type Activities					
Bonds Payable	\$ 14,445,000	\$ 0	\$ (895,000)	\$ 13,550,000	\$ 915,000
Compensated Absences	278,626	104,783	(109,604)	273,805	82,322
Other Postemployment Benefits	147,028	0	(694)	146,334	0
Landfill Closure/Postclosures	15,850,980	0	(662,939)	15,188,041	809,895
Net Pension Liability	<u>249,179</u>	<u>159,552</u>	<u>0</u>	<u>408,731</u>	<u>0</u>
Total Business-type Activities Long-term Liabilities	<u>\$ 30,970,813</u>	<u>\$ 264,335</u>	<u>\$ (1,668,237)</u>	<u>\$ 29,566,911</u>	<u>\$ 1,807,217</u>

Governmental Activities

A brief synopsis of long-term debt existing at September 30, 2015, 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.

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

Note 9 - Long-term Obligations (Continued)

Governmental Activities (Continued)

2009-1 Gas Tax Revenue Bonds (Concluded)

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 51% 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 \$2,169,131. At year-end, pledged future revenues totaled \$3,312,063, 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>
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>\$ 3,192,569</u>	<u>\$ 119,494</u>	<u>\$ 3,312,063</u>

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, 2015, totaled \$4,136,408.

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 46% of such tax revenue and are payable through 2025. Principal and interest payments for the current year totaled \$945,000 and gas tax revenues totaled \$2,070,661. At year-end, pledged future revenues totaled \$9,450,000, which was the amount of remaining principal and interest on the bonds. Other Board revenues are not available to finance this bond issue. In addition, the bondholders do not have any authority to compel the Board to increase ad valorem taxes for financing this bond issue. Such bonds, bearing interest at a rate between 5.55% to 5.81% per annum, are dated August 30, 2000, and are in denominations of \$5,000 each. A portion of such bonds mature annually starting March 1, 2010, with final maturity being March 1, 2025. The bonds have a required reserve of \$945,000, which is on hand at year-end.

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

Note 9 - Long-term Obligations (Continued)

Governmental Activities (Continued)

2000 Optional Gas Tax Revenue Bonds (Concluded)

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>
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	315,176	629,824	945,000
2021-2025	<u>1,316,527</u>	<u>3,408,473</u>	<u>4,725,000</u>
Total	<u>\$ 3,109,106</u>	<u>\$ 6,340,894</u>	<u>\$ 9,450,000</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.

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 34% of such non ad valorem tax revenue and are payable through 2031. Principal and interest payments for the current year totaled \$2,335,350 and non ad valorem tax revenues totaled \$6,779,476. At year-end, pledged future revenues totaled \$37,166,150, which was the amount of remaining principal and interest on the bonds. Other Board revenues are not available to finance this bond issue.

In addition, the bondholders do not have any authority to compel the Board to increase ad valorem taxes for financing this bond issue. Such bonds, bearing interest rates between 4.0% and 5.0% per annum, are dated June 12, 2007, and are in denominations of \$5,000 each. A portion of such bonds mature annually beginning May 2008, with term maturities in May of 2023, 2025, 2027, and 2031.

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)

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>
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	1,295,000	1,029,750	2,324,750
2021-2025	7,510,000	4,110,500	11,620,500
2026-2030	9,575,000	2,036,250	11,611,250
2031-2032	<u>2,215,000</u>	<u>110,750</u>	<u>2,325,750</u>
Total	<u>\$ 25,205,000</u>	<u>\$ 11,961,150</u>	<u>\$ 37,166,150</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, 2015:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>(Deletions)</u>	<u>Ending Balance</u>
Vacation Leave	\$ 2,494,734	\$ 1,433,233	\$ (1,515,434)	\$ 2,412,533
Paid Time Off	128,504	215,471	(167,594)	176,381
Sick Leave	3,434,235	792,788	(867,494)	3,359,529
Bonus Leave	24,586	41,704	(48,238)	18,052
Compensatory Leave	<u>5,901</u>	<u>15,808</u>	<u>(16,865)</u>	<u>4,844</u>
Total	<u>\$ 6,087,960</u>	<u>\$ 2,499,004</u>	<u>\$ (2,615,625)</u>	<u>\$ 5,971,339</u>

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 51% of such revenue and are payable through 2028. Principal and interest payments for the current year totaled \$1,195,946 and revenues totaled \$2,348,380. At year-end, pledged future revenues totaled \$15,530,795, 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.

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

Note 9 - Long-term Obligations (Concluded)

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>
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	995,000	199,466	1,194,466
2021-2025	5,310,000	663,275	5,973,275
2026-2028	3,470,000	112,875	3,582,875
Total	<u>\$ 13,550,000</u>	<u>\$ 1,980,795</u>	<u>\$ 15,530,795</u>

Compensated Absences—following is a summary of annual, sick, and bonus leave benefits liabilities at September 30, 2015, for the proprietary funds:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>(Deletions)</u>	<u>Ending</u> <u>Balance</u>
Vacation Leave	\$ 101,864	\$ 64,367	\$ (66,096)	\$ 100,135
Sick Leave	173,537	32,597	(35,425)	170,709
Bonus Leave	3,225	7,819	(8,083)	2,961
Total	<u>\$ 278,626</u>	<u>\$ 104,783</u>	<u>\$ (109,604)</u>	<u>\$ 273,805</u>

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, 2015, the Special Assessment Bond outstanding totaled \$5,015,762.

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

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.
- \$11,169,000 Nassau County, Florida, SAISSA Renourishment Bond, Series 2011.

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

Note 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 \$15,188,041 for postclosure care cost at September 30, 2015, 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 2015 dollars. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The Board is required by state law to deposit into the escrow accounts, at the time of closing and each year thereafter, sufficient funds to cover the following year's long-term care costs. In addition, the Board must document specifically how it intends to finance the long-term care of the landfill as part of its closure plan. The Board is in compliance with these requirements with escrow balances that exceed the amounts required by state law (amounts required by state law are \$780,731 as of September 30, 2015). At September 30, 2015, the actual escrow balances are as follows:

Landfills	
Old West Nassau Postclosure	\$ 22,135
Bryceville Postclosure	107,040
Lofton Creek Postclosure	139,383
New West Nassau Postclosure	541,337
Total Escrow Balances	<u>\$ 809,895</u>

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

Note 13 - Retirement Plans

General Information about the Florida Retirement System (FRS)

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any state-administered retirement system in paying the costs of health insurance. Essentially all regular employees of the Board are eligible to enroll as members of the State-administered FRS. Provisions relating to FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112 Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer defined-benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' web site (www.dms.myflorida.com).

FRS Pension Plan

Plan Description. The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with DROP for eligible employees. The general classes of membership applicable to the Board are as follows:

- *Regular Class*—Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officer Class*—Members who hold specified elective offices in local government.
- *Senior Management Service Class*—Members in senior management level positions.
- *Special Risk Class*—Members who are employed in special risk careers, such as law enforcement or fire rescue, and meet the criteria to qualify for this class.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Members of the Plan may include up to four years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however,

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

Note 13 - Retirement Plans (Continued)

FRS Pension Plan (Continued)

Plan Description. (Concluded)

there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants. DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. The following chart shows the percentage value for each year of service credit earned:

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>% Value</u>
<i>Regular Class Members Initially Enrolled Before July 1, 2011</i>	
Retirement up to Age 62 or up to 30 Years of Service	1.60
Retirement at Age 63 or with 31 Years of Service	1.63
Retirement at Age 64 or with 32 Years of Service	1.65
Retirement at Age 65 or with 33 or more Years of Service	1.68
<i>Regular Class Members Initially Enrolled on or After July 1, 2011</i>	
Retirement up to Age 65 or up to 33 Years of Service	1.60
Retirement at Age 66 or with 34 Years of Service	1.63
Retirement at Age 67 or with 35 Years of Service	1.65
Retirement at Age 68 or with 36 or more Years of Service	1.68
<i>Elected County Officers</i>	3.00
<i>Senior Management Service Class</i>	2.00

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

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

Note 13 - Retirement Plans (Continued)

FRS Pension Plan (Continued)

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2014-2015 fiscal year were as follows:

Class	Year Ended June 30, 2015		Year Ended June 30, 2016	
	Percent of Gross Salary		Percent of Gross Salary	
	Employee	Employer	Employee	Employer
FRS, Regular	3.00	6.07	3.00	5.56
FRS, Elected County Officers	3.00	41.94	3.00	40.57
FRS, Senior Management Service	3.00	19.84	3.00	19.73
DROP - Applicable to Members				
from All of the Above Classes	0.00	11.02	0.00	11.22
FRS, Reemployed Retiree	(1)	(1)	(1)	(1)

Notes: (1) Contribution rates are dependent upon retirement class in which reemployed.

The Board's contributions (employer), to the Plan totaled \$2,175,893 for the fiscal year ended September 30, 2015. This excludes the HIS defined benefit pension plan contributions.

Pension Liabilities and Pension Expense. At September 30, 2015, the Board's proportionate share of the FRS net pension liability was \$11,426,957. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The Board's proportionate share of the net pension liability was based on the Board's contributions during the FRS Pension Plan's fiscal year relative to the contributions of all participating members. At June 30, 2015, the Board's proportion was .088468995%, which was an increase of .002693971 from its proportion measured as of June 30, 2014.

For the year ended September 30, 2015, the Board recognized pension expense of \$636,567 related to the Plan. The Board allocated \$273,526, \$69,601, and \$97,235 of the FRS net pension liability, deferred outflows, and deferred inflows, respectively, to the proprietary funds which are presented in these financial statements. The entire amount of the Board's net pension liability, deferred outflows of resources and deferred inflows of resources are recognized at the County-wide level.

Actuarial Assumptions. The total pension liability in the July 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Note 13 - Retirement Plans (Continued)

FRS Pension Plan (Continued)

Actuarial Assumptions. (Concluded)

Inflation	2.60%
Salary Increases	3.25% Average, Including Inflation
Investment Rate of Return	7.65% Net of Pension Plan Investment Expense, Including Inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

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

Asset Class	Target Allocation (1)	Arithmetic Return	(Geometric) Return	Standard Deviation
Cash	1%	3.2%	3.1%	1.7%
Fixed Income	18%	4.8%	4.7%	4.7%
Global Equity	53%	8.5%	7.2%	17.7%
Real Estate (Property)	10%	6.8%	6.2%	12.0%
Private Equity	6%	11.9%	8.2%	30.0%
Strategic Investments	12%	6.7%	6.1%	11.4%
Assumed Inflation – Mean		2.60%		1.9%

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

Discount Rate. The discount rate used to measure the total pension liability was 7.65%. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Note 13 - Retirement Plans (Continued)

FRS Pension Plan (Concluded)

Sensitivity of the Board's Proportionate Share of the Net Position Liability to Changes in the Discount Rate. The following presents the Board's proportionate share of the net pension liability calculated using the discount rate of 7.65%, as well as what the Board's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.65%) or 1-percentage-point higher (8.65%) than the current rate:

	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)
Board's Proportionate Share of the Net Pension Liability	\$ 29,609,831	\$ 11,426,957	\$ (3,704,180)

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

HIS Pension Plan

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

Benefits Provided. For the fiscal year ended September 30, 2015, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. Contribution rates during the County's fiscal year were 1.26% from October 1, 2014 through June 30, 2015, and 1.66% from July 1, 2015 through September 30, 2015. The Board contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The Board's contributions to the HIS Plan totaled \$229,791 for the fiscal year ended September 30, 2015.

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

Note 13 - Retirement Plans (Continued)

HIS Pension Plan (Continued)

Pension Liabilities and Pension Expense. At September 30, 2015, the Board's proportionate share of the HIS net pension liability was \$5,648,408. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015. The Board's proportionate share of the net pension liability was based on the Board's contributions during the HIS Pension Plan's fiscal year relative to the contributions of all participating members. At June 30, 2015, the Board's proportion was .055385088%, which was an increase of .000025312 from its proportion measured as of June 30, 2014.

For the fiscal year ended September 30, 2015, the Board recognized pension expense of \$408,242 related to the HIS Plan (modified accrual basis). The Board allocated \$135,205, \$12,534, and \$1,603 of the HIS net pension liability, deferred outflows, and deferred inflows, respectively, to the proprietary funds which are presented in these financial statements. The entire amount of the Board's net pension liability, deferred outflows of resources and deferred inflows of resources are recognized at the County-wide level.

Actuarial Assumptions. The total pension liability in the July 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary Increases	3.25% Average, Including Inflation
Municipal Bond Rate	3.80% Net of Pension Plan Investment Expense, Including Inflation

Mortality rates were based on the Generational RP-2000 with Projected Scale BB.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

Discount Rate. The discount rate used to measure the total pension liability was 3.8%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

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

Note 13 - Retirement Plans (Continued)

HIS Pension Plan (Concluded)

Sensitivity of the Board's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the Board's proportionate share of the net pension liability calculated using the discount rate of 3.8%, as well as what the Board's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.8%) or 1-percentage-point higher (4.80%) than the current rate:

	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
Board's Proportionate Share of the Net Pension Liability	\$ 6,436,098	\$ 5,648,408	\$ 4,991,593

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

FRS – Defined Contribution Pension Plan

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Board employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Allocations to the investment members' accounts during the 2014-15 fiscal year were as follows:

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

Note 13 - Retirement Plans (Concluded)

FRS – Defined Contribution Pension Plan (Concluded)

<u>Class</u>	<u>Percent of Gross Compensation</u>
FRS, Regular	6.30
FRS, Elected County Officers	11.34
FRS, Senior Management Service	7.67
FRS, Special Risk Regular	14.00

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04% of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended September 30, 2015, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Board.

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

The Board’s Investment Plan pension expense totaled \$76,050 for the fiscal year ended September 30, 2015.

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.

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

Note 14 - Deferred Compensation Plan (Concluded)

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

Note 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 294 active employees and 55 retired employees participating in the plan. The Board's OPEB obligation totaled \$4,255,902, of which \$146,334 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 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, 2015, as follows:

Prior Year Total Net Position	\$ (10,444,114)
Change in Net Position for the Year Ended September 30, 2015	<u>(454,482)</u>
Total Net Position for the Year Ended September 30, 2015	(10,898,596)
Investment in Capital Assets	<u>(1,378,264)</u>
Total Unrestricted Net Position	\$ <u>(12,276,860)</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, 2015, is as follows:

Nonspendable Fund Balance	
Prepaid Expenses	\$ 462,866
Inventory	295,082
Deposits	7,000
Long-term Receivable	<u>109,603</u>
Total Nonspendable Fund Balance	<u>874,551</u>
Restricted Fund Balance	
Crime Prevention	161,782
Economic Development	87,901
Other Human Services	231,307
Developer Agreements	5,000
Physical Environment	369,478
Law Enforcement	209,959
Impact Fees	4,832,344
Law Library	152,080
Public Safety	296,028
Other Culture/Recreation	103,766
State Housing Initiative Program	401,081
Court Facilities	661,667
Criminal Justice	1,263,861
Tourist Development	4,612,095
Building Department	3,378,647
Debt Services – Bonds	1,588,252
Capital Projects – Transportation	<u>1,513,993</u>
Total Restricted Fund Balance	<u>19,869,241</u>
Committed Fund Balance	
Fire/Rescue	<u>3</u>
Total Committed Fund Balance	<u>3</u>
Assigned Fund Balance	
Reserves for Capital Plan	175,895
General Government	619,530
Supervisor of Elections	241,643
Public Safety	1,641,735
Sheriff Administration Building	1,816,674
Economic Development	6,314
Transportation	7,580,997
Human Services	54,085
Culture and Recreation	1,561,364
Court Related	19,440
Capital Projects – Public Safety	6,378,797
Capital Projects Transportation	3,012,854
Minimum Fund Balance	2,440,613
Next Year's Operations	<u>2,314,239</u>
Total Assigned Fund Balance	<u>27,864,180</u>
Unassigned Fund Balance	<u>10,223,631</u>
Total	<u>\$ 58,831,606</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, 2015:

<u>Project</u>	<u>Source of Payment</u>	<u>Paid to Date</u>	<u>Commitment Remaining</u>
911 Call Center	Current Available Resources	\$ 1,834,391	\$ 3,645
E911 Solacom System	Current Available Resources	0	0
Jasmin Street Drainage and Resurfacing	Current Available Resources	747,442	56,150
Loop Road – Phase IV	Current Available Resources	0	0
CADD System	Current Available Resources	1,043,421	33,404
Rehabilitation Projects	Current Available Resources	100,148	115,260
Sheriff's Administration Building	Current Available Resources	2,324,461	4,652,980
Gasoline Dispensing Station – Sheriff's Office	Current Available Resources	0	279,000
Crawford Road Widening and Resurfacing	Current Available Resources	464,103	304,544
Construction Management/Inspection	Current Available Resources	56,696	61,671
Total		<u>\$ 6,570,662</u>	<u>\$ 5,506,654</u>

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

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.

As of September 30, 2015, there was one series of such bonds outstanding with a principal amount payable of \$10,340,000. The issue amount and the September 30, 2015, outstanding balance is as follows:

<u>Original Issuance</u>	<u>Year</u>	<u>9/30/15 Balance</u>	<u>Description</u>
\$ 11,150,000	2008	\$ 10,340,000	AICC, Inc. and Nassau Care Centers—70 Bed Care Intermediate Care and Day Program Service Facilities

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, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 36,914,275	\$ 36,914,275	\$ 37,434,365	\$ 520,090
Licenses and Permits	12,000	12,000	21,162	9,162
Intergovernmental Revenues	5,102,015	5,178,526	5,656,887	478,361
Charges for Services	1,980,992	1,980,992	2,358,394	377,402
Fines and Forfeitures	55,700	55,872	161,670	105,798
Interest Earnings	133,715	133,715	134,413	698
Miscellaneous	91,993	463,049	921,554	458,505
Total Revenues	<u>44,290,690</u>	<u>44,738,429</u>	<u>46,688,445</u>	<u>1,950,016</u>
Expenditures				
Current:				
General Government Services	6,341,765	6,522,150	6,235,437	286,713
Public Safety	9,797,203	9,976,679	9,638,402	338,277
Physical Environment	344,528	340,013	327,279	12,734
Economic Environment	234,342	233,882	152,737	81,145
Human Services	2,724,473	2,724,207	2,629,109	95,098
Culture and Recreation	1,869,927	1,803,053	1,733,863	69,190
Court-related Expenditures	721,545	698,243	679,159	19,084
Capital Outlay	712,078	4,377,393	3,801,060	576,333
(Total Expenditures)	<u>22,745,861</u>	<u>26,675,620</u>	<u>25,197,046</u>	<u>1,478,574</u>
Excess of Revenues Over Expenditures	<u>21,544,829</u>	<u>18,062,809</u>	<u>21,491,399</u>	<u>3,428,590</u>
Other Financing Sources (Uses)				
Transfers from Constitutional Officers	260,000	260,000	988,518	728,518
Transfers to Constitutional Officers	(21,070,983)	(21,229,155)	(20,992,692)	236,463
Transfers in	996,671	998,440	992,034	(6,406)
Transfers (out)	(2,387,005)	(2,388,134)	(2,388,134)	0
Capital Lease	0	2,202,922	2,202,922	0
Sale of General Capital Assets	0	0	221,905	221,905
Total Other Financing Sources (Uses)	<u>(22,201,317)</u>	<u>(20,155,927)</u>	<u>(18,975,447)</u>	<u>1,180,480</u>
Net Change in Fund Balances	(656,488)	(2,093,118)	2,515,952	4,609,070
Fund Balances at Beginning of Year	<u>10,576,237</u>	<u>10,302,853</u>	<u>11,583,066</u>	<u>1,280,213</u>
Fund Balances at End of Year	<u>\$ 9,919,749</u>	<u>\$ 8,209,735</u>	<u>\$ 14,099,018</u>	<u>\$ 5,889,283</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, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 4,623,094	\$ 4,623,094	\$ 4,825,543	\$ 202,449
Licenses and Permits	26,285	26,285	48,441	22,156
Intergovernmental Revenues	1,132,613	1,105,135	1,281,509	176,374
Charges for Services	30,373	30,373	44,669	14,296
Interest Earnings	40,000	40,000	48,347	8,347
Miscellaneous	45,200	45,200	123,274	78,074
Total Revenues	<u>5,897,565</u>	<u>5,870,087</u>	<u>6,371,783</u>	<u>501,696</u>
Expenditures				
Current:				
Transportation	6,394,317	6,427,607	5,531,330	896,277
Capital Outlay	1,547,771	1,669,979	1,399,159	270,820
(Total Expenditures)	<u>7,942,088</u>	<u>8,097,586</u>	<u>6,930,489</u>	<u>1,167,097</u>
(Deficiency) of Revenues (Under)				
Expenditures	<u>(2,044,523)</u>	<u>(2,227,499)</u>	<u>(558,706)</u>	<u>1,668,793</u>
Other Financing Sources (Uses)				
Transfers from Constitutional Officers	5,620	5,620	8,349	2,729
Transfers to Constitutional Officers	(73,057)	(73,068)	(72,954)	114
Transfers in	1,944,286	1,948,056	1,948,056	0
Transfers (out)	(150,000)	(150,000)	(150,000)	0
Sale of General Capital Assets	6,250	101,750	125,326	23,576
Total Other Financing Sources (Uses)	<u>1,733,099</u>	<u>1,832,358</u>	<u>1,858,777</u>	<u>26,419</u>
Net Change in Fund Balances	(311,424)	(395,141)	1,300,071	1,695,212
Fund Balances at Beginning of Year	<u>2,694,398</u>	<u>3,529,132</u>	<u>3,675,197</u>	<u>146,065</u>
Fund Balances at End of Year	<u>\$ 2,382,974</u>	<u>\$ 3,133,991</u>	<u>\$ 4,975,268</u>	<u>\$ 1,841,277</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, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 8,220,817	\$ 8,220,817	\$ 8,343,023	\$ 122,206
Licenses and Permits	39,500	39,500	63,492	23,992
Intergovernmental Revenues	631,026	627,164	701,320	74,156
Charges for Services	123,200	121,787	192,894	71,107
Fines and Forfeitures	3,700	3,700	1,525	(2,175)
Interest Earnings	36,000	36,000	55,381	19,381
Miscellaneous	700	3,720	68,040	64,320
Total Revenues	<u>9,054,943</u>	<u>9,052,688</u>	<u>9,425,675</u>	<u>372,987</u>
Expenditures				
Current:				
General Government Services	640,709	645,065	616,113	28,952
Public Safety	6,500,399	6,905,892	6,650,410	255,482
Human Services	924,954	916,159	805,250	110,909
Capital Outlay	442,126	489,137	54,063	435,074
(Total Expenditures)	<u>8,508,188</u>	<u>8,956,253</u>	<u>8,125,836</u>	<u>830,417</u>
Excess of Revenues Over Expenditures	<u>546,755</u>	<u>96,435</u>	<u>1,299,839</u>	<u>1,203,404</u>
Other Financing Sources (Uses)				
Transfers from Constitutional Officers	14,100	14,100	23,614	9,514
Transfers to Constitutional Officers	(2,951,628)	(2,952,529)	(2,951,948)	581
Transfers in	3,044,165	3,047,084	3,047,084	0
Transfers (out)	(85,470)	(85,470)	(85,470)	0
Sale of General Capital Assets	0	0	2,650	2,650
Total Other Financing Sources (Uses)	<u>21,167</u>	<u>23,185</u>	<u>35,930</u>	<u>12,745</u>
Net Change in Fund Balances	567,922	119,620	1,335,769	1,216,149
Fund Balances at Beginning of Year	<u>3,113,517</u>	<u>3,327,191</u>	<u>3,329,836</u>	<u>2,645</u>
Fund Balances at End of Year	<u>\$ 3,681,439</u>	<u>\$ 3,446,811</u>	<u>\$ 4,665,605</u>	<u>\$ 1,218,794</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, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 7,602,560	\$ 7,602,560	\$ 8,528,832	\$ 926,272
Interest Earnings	54,000	54,000	82,623	28,623
Total Revenues	<u>7,656,560</u>	<u>7,656,560</u>	<u>8,611,455</u>	<u>954,895</u>
Expenditures				
Current:				
Public Safety	94,888	103,224	8,336	94,888
Physical Environment	0	20,000	15,000	5,000
Transportation	12,273	12,273	0	12,273
Culture and Recreation	0	27,958	27,924	34
Capital Outlay	2,205,214	1,508,415	856,950	651,465
(Total Expenditures)	<u>2,312,375</u>	<u>1,671,870</u>	<u>908,210</u>	<u>763,660</u>
Excess of Revenues Over Expenditures	<u>5,344,185</u>	<u>5,984,690</u>	<u>7,703,245</u>	<u>1,718,555</u>
Other Financing Sources (Uses)				
Transfers to Constitutional Officers	(290,000)	(290,011)	(100,011)	190,000
Transfers in	23,194	117,889	117,888	(1)
Transfers (out)	(12,981,989)	(12,981,989)	(12,981,989)	0
Total Other Financing Sources (Uses)	<u>(13,248,795)</u>	<u>(13,154,111)</u>	<u>(12,964,112)</u>	<u>189,999</u>
Net Change in Fund Balances	(7,904,610)	(7,169,421)	(5,260,867)	1,908,554
Fund Balances at Beginning of Year	<u>11,209,302</u>	<u>11,555,098</u>	<u>11,555,099</u>	<u>1</u>
Fund Balances at End of Year	<u>\$ 3,304,692</u>	<u>\$ 4,385,677</u>	<u>\$ 6,294,232</u>	<u>\$ 1,908,555</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, 2015**

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, 2015, 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, 2015:

Governmental Funds	
General Fund	\$ 2,379,047
Special Revenue Funds	2,834,284
Debt Service Funds	(240,100)
Capital Projects Funds	<u>5,124,372</u>
Total	<u>\$ 10,097,603</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 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.
- **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.

NONMAJOR GOVERNMENTAL FUNDS

(Concluded)

Special Revenue Funds

(Concluded)

- **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.
- **NC Mobility Fee**—is used to account for the construction or improving of the County Transportation System. Funding is provided from fees on new construction within specific mobility zones.
- **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, 2015**

	<u>Special Revenue Funds</u>		
	<u>Law Enforcement Training</u>	<u>Special Law Enforcement</u>	<u>Sheriff Donations</u>
Assets			
Cash and Cash Equivalents	\$ 132,071	\$ 0	\$ 2,620
Equity in Pooled Investments	0	0	330
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	<u>132,071</u>	<u>0</u>	<u>2,950</u>
Liabilities and Deferred Inflows of Resources and Fund Balance			
Liabilities			
Accounts Payable	1,157	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	<u>1,157</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances			
Nonspendable	0	0	0
Restricted	130,914	0	2,950
Committed	0	0	0
Assigned	0	0	0
Unassigned	0	0	0
Total Fund Balances	<u>130,914</u>	<u>0</u>	<u>2,950</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$ 132,071</u>	<u>\$ 0</u>	<u>\$ 2,950</u>

Special Revenue Funds

Nassau County Anti-Drug Enforcement	Court Facility Fees	Law Library Trust	Criminal Justice Trust	Special Drug/Alcohol Rehabilitation
\$ 31,887	\$ 40,076	\$ 4,526	\$ 19,370	\$ 0
0	622,368	148,517	198,542	0
0	0	0	0	0
0	0	0	0	0
13,198	0	0	0	0
0	0	40	59	0
<u>45,085</u>	<u>662,444</u>	<u>153,083</u>	<u>217,971</u>	<u>0</u>
1,392	777	963	525	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
12,607	0	0	0	0
0	0	0	0	0
<u>13,999</u>	<u>777</u>	<u>963</u>	<u>525</u>	<u>0</u>
<u>13,198</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	40	59	0
17,888	661,667	152,080	217,387	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>17,888</u>	<u>661,667</u>	<u>152,120</u>	<u>217,446</u>	<u>0</u>
<u>\$ 45,085</u>	<u>\$ 662,444</u>	<u>\$ 153,083</u>	<u>\$ 217,971</u>	<u>\$ 0</u>

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015
(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	\$ 7,535	\$ 41,519	\$ 5,179
Equity in Pooled Investments	13,379	0	140,137
Loans Receivable (Net of Allowance for Uncollectibles)	0	0	0
Due from Constitutional Officers	0	0	112,329
Due from Other Governments	0	0	64,855
Prepaid Expenditures	0	0	0
Total Assets	<u>20,914</u>	<u>41,519</u>	<u>322,500</u>
Liabilities and Deferred Inflows of Resources and Fund Balance			
Liabilities			
Accounts Payable	20,914	0	42,118
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>42,118</u>
Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances			
Nonspendable	0	0	0
Restricted	0	41,519	280,382
Committed	0	0	0
Assigned	0	0	0
Unassigned	0	0	0
Total Fund Balances	<u>0</u>	<u>41,519</u>	<u>280,382</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$ 20,914</u>	<u>\$ 41,519</u>	<u>\$ 322,500</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
\$ 117	\$ 0	\$ 2,353	\$ 401,081	\$ 1,952	\$ 58,555	\$ 31,930
0	0	4,793,957	0	361,217	3,438,266	901,908
0	0	0	48,000	0	0	0
0	0	0	0	0	0	449
0	0	0	0	0	0	0
0	0	0	0	0	10	0
<u>117</u>	<u>0</u>	<u>4,796,310</u>	<u>449,081</u>	<u>363,169</u>	<u>3,496,831</u>	<u>934,287</u>
0	0	177,648	0	13,173	9,911	40,354
0	0	0	0	0	0	0
0	0	0	0	0	39,773	0
0	0	6,566	0	0	0	0
0	0	0	0	0	14,427	0
117	0	0	0	0	0	0
0	0	0	0	0	54,063	0
<u>117</u>	<u>0</u>	<u>184,214</u>	<u>0</u>	<u>13,173</u>	<u>118,174</u>	<u>40,354</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>48,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	10	0
0	0	4,612,096	401,081	349,996	3,378,647	893,933
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>4,612,096</u>	<u>401,081</u>	<u>349,996</u>	<u>3,378,657</u>	<u>893,933</u>
<u>\$ 117</u>	<u>\$ 0</u>	<u>\$ 4,796,310</u>	<u>\$ 449,081</u>	<u>\$ 363,169</u>	<u>\$ 3,496,831</u>	<u>\$ 934,287</u>

NASSAU COUNTY BOARD OF COUNTY COMMISIONERS
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015
(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	\$ 1,159,793	\$ 1,987,846
Equity in Pooled Investments	0	0	10,629,549
Loans Receivable (Net of Allowance for Uncollectibles)	0	0	48,000
Due from Constitutional Officers	0	8,711	121,489
Due from Other Governments	0	20	78,073
Prepaid Expenditures	0	0	109
Total Assets	<u>3</u>	<u>1,168,524</u>	<u>12,865,066</u>
Liabilities and Deferred Inflows of Resources and Fund Balance			
Liabilities			
Accounts Payable	0	2,390	311,322
Retainage Payable	0	0	0
Due to Other Funds	0	0	39,773
Due to Constitutional Officers	0	0	6,566
Due to Other Governments	0	248	14,675
Unearned Revenues	0	0	12,724
Deposits	0	0	54,063
Total Liabilities	<u>0</u>	<u>2,638</u>	<u>439,123</u>
Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>61,198</u>
Fund Balances			
Nonspendable	0	0	109
Restricted	0	1,165,886	12,364,633
Committed	3	0	3
Assigned	0	0	0
Unassigned	0	0	0
Total Fund Balances	<u>3</u>	<u>1,165,886</u>	<u>12,364,745</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$ 3</u>	<u>\$ 1,168,524</u>	<u>\$ 12,865,066</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	NC Mobility Fee Fund	Capital Projects - South Amelia Island Shore Stabilization
\$ 77,894	\$ 8,869	\$ 0	\$ 86,763	\$ 3,112	\$ 215,242	\$ 617,099	\$ 0
1,339,182	40,648	0	1,379,830	0	7,125,702	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
157,924	162,485	0	320,409	0	0	0	0
431	0	0	431	0	0	0	0
<u>1,575,431</u>	<u>212,002</u>	<u>0</u>	<u>1,787,433</u>	<u>3,112</u>	<u>7,340,944</u>	<u>617,099</u>	<u>0</u>
0	0	0	0	0	652,401	0	0
0	0	0	0	0	309,745	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	151	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>962,146</u>	<u>151</u>	<u>0</u>
<u>78,750</u>	<u>120,000</u>	<u>0</u>	<u>198,750</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
431	0	0	431	0	0	0	0
1,496,250	92,002	0	1,588,252	3,112	0	616,948	0
0	0	0	0	0	0	0	0
0	0	0	0	0	6,378,798	0	0
0	0	0	0	0	0	0	0
<u>1,496,681</u>	<u>92,002</u>	<u>0</u>	<u>1,588,683</u>	<u>3,112</u>	<u>6,378,798</u>	<u>616,948</u>	<u>0</u>
<u>\$ 1,575,431</u>	<u>\$ 212,002</u>	<u>\$ 0</u>	<u>\$ 1,787,433</u>	<u>\$ 3,112</u>	<u>\$ 7,340,944</u>	<u>\$ 617,099</u>	<u>\$ 0</u>

NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015
(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	\$ 835,453	\$ 2,910,062
Equity in Pooled Investments	0	7,125,702	19,135,081
Loans Receivable (Net of Allowance for Uncollectibles)	0	0	48,000
Due from Constitutional Officers	0	0	121,489
Due from Other Governments	0	0	398,482
Prepaid Expenditures	0	0	540
Total Assets	<u>0</u>	<u>7,961,155</u>	<u>22,613,654</u>
Liabilities and Deferred Inflows of Resources and Fund Balance			
Liabilities			
Accounts Payable	0	652,401	963,723
Retainage Payable	0	309,745	309,745
Due to Other Funds	0	0	39,773
Due to Constitutional Officers	0	151	6,717
Due to Other Governments	0	0	14,675
Unearned Revenues	0	0	12,724
Deposits	0	0	54,063
Total Liabilities	<u>0</u>	<u>962,297</u>	<u>1,401,420</u>
Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>259,948</u>
Fund Balances			
Nonspendable	0	0	540
Restricted	0	620,060	14,572,945
Committed	0	0	3
Assigned	0	6,378,798	6,378,798
Unassigned	0	0	0
Total Fund Balances	<u>0</u>	<u>6,998,858</u>	<u>20,952,286</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$ 0</u>	<u>\$ 7,961,155</u>	<u>\$ 22,613,654</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, 2015**

	<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	9,947	0	0
Fines and Forfeitures	16,682	1,954	0
Investment Earnings (Loss)	396	381	19
Miscellaneous	0	0	3,069
Total Revenues	<u>27,025</u>	<u>2,335</u>	<u>3,088</u>
Expenditures			
Current:			
General Government Services	0	0	0
Public Safety	7,910	0	2,491
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>7,910</u>	<u>0</u>	<u>2,491</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>19,115</u>	<u>2,335</u>	<u>597</u>
Other Financing Sources (Uses)			
Transfers from Constitutional Officers	0	0	0
Transfers to Constitutional Officers	0	(121,522)	(2,000)
Transfers in	0	0	0
Transfers (out)	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>(121,522)</u>	<u>(2,000)</u>
Net Change in Fund Balances	19,115	(119,187)	(1,403)
Fund Balances at Beginning of Year	<u>111,799</u>	<u>119,187</u>	<u>4,353</u>
Fund Balances at End of Year	<u>\$ 130,914</u>	<u>\$ 0</u>	<u>\$ 2,950</u>

Special Revenue Funds

Law Enforcement Trust	Nassau County Anti-Drug Enforcement	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	93,296	0	0	0	0
0	0	127,539	29,632	62,752	5,355
33,626	9,388	0	0	0	0
82	77	3,594	781	1,071	0
566	8,819	333	469	0	0
34,274	111,580	131,466	30,882	63,823	5,355
0	0	0	0	0	0
14,707	45,187	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	5,355
0	0	0	0	0	0
0	0	179,706	29,632	57,723	0
0	20,855	116,551	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
14,707	66,042	296,257	29,632	57,723	5,355
19,567	45,538	(164,791)	1,250	6,100	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
(10,232)	0	0	0	0	0
(10,232)	0	0	0	0	0
9,335	45,538	(164,791)	1,250	6,100	0
48,872	(27,650)	826,458	150,870	211,346	0
\$ 58,207	\$ 17,888	\$ 661,667	\$ 152,120	\$ 217,446	\$ 0

**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, 2015
(Continued)**

	Special Revenue Funds		
	Legal Aid Trust	Drivers Ed Safety Trust	911 Operations and Maintenance
Revenues			
Taxes	\$ 0	\$ 0	\$ 0
Licenses and Permits	0	0	0
Intergovernmental Revenues	0	0	438,539
Charges for Services	30,795	0	364,131
Fines and Forfeitures	0	40,432	0
Investment Earnings (Loss)	76	87	2,327
Miscellaneous	0	0	0
Total Revenues	30,871	40,519	804,997
Expenditures			
Current:			
General Government Services	0	0	0
Public Safety	0	0	41,514
Physical Environment	0	0	0
Economic Environment	0	0	0
Human Services	83,655	38,327	0
Culture and Recreation	0	0	0
Court-related Expenditures	0	0	0
Capital Outlay	0	0	592,121
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
(Total Expenditures)	83,655	38,327	633,635
Excess (Deficiency) of Revenues Over (Under) Expenditures	(52,784)	2,192	171,362
Other Financing Sources (Uses)			
Transfers from Constitutional Officers	0	0	112,329
Transfers to Constitutional Officers	0	0	(399,587)
Transfers in	52,784	0	0
Transfers (out)	0	0	(115,071)
Total Other Financing Sources (Uses)	52,784	0	(402,329)
Net Change in Fund Balances	0	2,192	(230,967)
Fund Balances at Beginning of Year	0	39,327	511,349
Fund Balances at End of Year	\$ 0	\$ 41,519	\$ 280,382

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	\$ 4,953,679	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	1,782,331	185,407
9,550	567,000	0	16,145	0	0	0
0	0	0	0	0	64,124	0
0	0	0	0	0	0	0
0	0	21,861	2,503	2,526	15,886	4,783
0	0	0	50,239	0	26,795	0
9,550	567,000	4,975,540	68,887	2,526	1,889,136	190,190
0	0	0	0	0	798,972	0
0	0	0	0	0	314,287	0
0	567,000	92,058	0	206,801	0	192,910
0	0	4,057,646	523,240	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
9,550	0	0	0	0	3,651	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
9,550	567,000	4,149,704	523,240	206,801	1,116,910	192,910
0	0	825,836	(454,353)	(204,275)	772,226	(2,720)
0	0	0	0	0	0	0
0	0	(148,610)	(158)	(425)	0	(8,796)
0	0	0	0	0	22,371	0
0	0	(875)	0	0	(170,513)	(2,666)
0	0	(149,485)	(158)	(425)	(148,142)	(11,462)
0	0	676,351	(454,511)	(204,700)	624,084	(14,182)
0	0	3,935,745	855,592	554,696	2,754,573	908,115
\$ 0	\$ 0	\$ 4,612,096	\$ 401,081	\$ 349,996	\$ 3,378,657	\$ 893,933

**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, 2015
(Continued)**

	Special Revenue Funds		
	Firefighter Education Trust	F. S. Special Revenue Fund	Total Special Revenue Funds
Revenues			
Taxes	\$ 0	\$ 0	\$ 4,953,679
Licenses and Permits	0	0	1,967,738
Intergovernmental Revenues	0	35,194	1,159,724
Charges for Services	0	164,493	858,768
Fines and Forfeitures	0	63,313	165,395
Investment Earnings (Loss)	0	3,709	60,159
Miscellaneous	0	125	90,415
Total Revenues	0	266,834	9,255,878
Expenditures			
Current:			
General Government Services	0	0	798,972
Public Safety	0	63,883	489,979
Physical Environment	0	0	1,058,769
Economic Environment	0	0	4,580,886
Human Services	0	0	127,337
Culture and Recreation	0	2,061	2,061
Court-related Expenditures	0	47,738	314,799
Capital Outlay	0	84,188	826,916
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
(Total Expenditures)	0	197,870	8,199,719
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	68,964	1,056,159
Other Financing Sources (Uses)			
Transfers from Constitutional Officers	0	0	112,329
Transfers to Constitutional Officers	0	0	(681,098)
Transfers in	0	0	75,155
Transfers (out)	0	0	(299,357)
Total Other Financing Sources (Uses)	0	0	(792,971)
Net Change in Fund Balances	0	68,964	263,188
Fund Balances at Beginning of Year	3	1,096,922	12,101,557
Fund Balances at End of Year	\$ 3	\$ 1,165,886	\$ 12,364,745

Debt Service Funds				Capital Projects Funds			
Optional Gas Tax 2000	1998/2009 Gas Tax Bonds	County Complex	Total Debt Service Funds	Grants	County Complex	NC Mobility Fee Fund	Capital Projects - South Amelia Island Shore Stabilization
\$ 943,933	\$ 435,743	\$ 0	\$ 1,379,676	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	620,760	0
0	666,541	0	666,541	0	0	0	4,263,933
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
1,471	1,737	0	3,208	10	18,394	599	0
0	0	0	0	0	0	0	0
945,404	1,104,021	0	2,049,425	10	18,394	621,359	4,263,933
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	4,506,887
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	4,812,806	0	0
430,996	1,025,564	1,055,000	2,511,560	0	0	0	0
514,435	78,457	1,280,350	1,873,242	0	0	0	0
945,431	1,104,021	2,335,350	4,384,802	0	4,812,806	0	4,506,887
(27)	0	(2,335,350)	(2,335,377)	10	(4,794,412)	621,359	(242,954)
0	0	0	0	0	0	0	0
0	0	0	0	0	0	(828)	0
0	0	2,335,350	2,335,350	0	7,615,071	0	0
0	0	0	0	0	(93,188)	(3,583)	0
0	0	2,335,350	2,335,350	0	7,521,883	(4,411)	0
(27)	0	0	(27)	10	2,727,471	616,948	(242,954)
1,496,708	92,002	0	1,588,710	3,102	3,651,327	0	242,954
\$ 1,496,681	\$ 92,002	\$ 0	\$ 1,588,683	\$ 3,112	\$ 6,378,798	\$ 616,948	\$ 0

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, 2015
(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	\$ 6,333,355
Licenses and Permits	0	620,760	2,588,498
Intergovernmental Revenues	0	4,263,933	6,090,198
Charges for Services	0	0	858,768
Fines and Forfeitures	0	0	165,395
Investment Earnings (Loss)	10	19,013	82,380
Miscellaneous	0	0	90,415
Total Revenues	<u>10</u>	<u>4,903,706</u>	<u>16,209,009</u>
Expenditures			
Current:			
General Government Services	0	0	798,972
Public Safety	0	0	489,979
Physical Environment	0	4,506,887	5,565,656
Economic Environment	0	0	4,580,886
Human Services	0	0	127,337
Culture and Recreation	0	0	2,061
Court-related Expenditures	0	0	314,799
Capital Outlay	0	4,812,806	5,639,722
Debt Service:			
Principal Retirement	0	0	2,511,560
Interest and Fiscal Charges	0	0	1,873,242
(Total Expenditures)	<u>0</u>	<u>9,319,693</u>	<u>21,904,214</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>10</u>	<u>(4,415,987)</u>	<u>(5,695,205)</u>
Other Financing Sources (Uses)			
Transfers from Constitutional Officers	0	0	112,329
Transfers to Constitutional Officers	0	(828)	(681,926)
Transfers in	0	7,615,071	10,025,576
Transfers (out)	(3,013)	(99,784)	(399,141)
Total Other Financing Sources (Uses)	<u>(3,013)</u>	<u>7,514,459</u>	<u>9,056,838</u>
Net Change in Fund Balances	(3,003)	3,098,472	3,361,633
Fund Balances at Beginning of Year	<u>3,003</u>	<u>3,900,386</u>	<u>17,590,653</u>
Fund Balances at End of Year	<u>\$ 0</u>	<u>\$ 6,998,858</u>	<u>\$ 20,952,286</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, 2015, and the related notes to the financial statements, and have issued our report thereon dated May 13, 2016.

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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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*.

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

May 13, 2016
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, 2015, 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, 2015.

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

May 13, 2016
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, 2015, and have issued our report thereon dated May 13, 2016.

Auditors' Responsibility

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

Other 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*; and Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes. Disclosures in these reports, which are dated May 13, 2016, 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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MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

The Honorable Board of County Commissioners
Nassau County, Florida

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 management, and is not intended to be and should not be used by anyone other than these specified parties.

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

Purvis, Gray and Company, LLP

May 13, 2016
Gainesville, Florida